



UNION SQUARE  
BUSINESS IMPROVEMENT  
DISTRICT

Finance & Audit Advisory Committee

September 17, 2020 – 9:00 -10:30 am  
Virtual Communication System Zoom

## MINUTES

### In attendance

Committee Members: James Sangiacomo, Wes Tyler, Jeff Evans, J. Timothy Falvey, Russell D. Keil Jr., Mark Purdy, and Julie Taylor

Staff and contract service providers: Karin Flood (Executive Director), Ben Horne (Deputy Director), Zarrina Yousufzai (Administrative Coordinator), Eva Schouten (Intern), Shane Mowery (Marcum) and Kimberly D. Robertson (Marcum)

### 1. Call to Order and Introductions

Observing a quorum present, Karin Flood called the meeting to order at 9:03am. Introductions were made.

### 2. Public Comment

Karin called for public comment. Seeing none, she moved to the next agenda item.

### 3. Action to approve the July 23, 2020 minutes.

Ben summarized the action items taken during last meeting.

The committee unanimously approved the July 23, 2020 minutes as motioned by Russell D. Keil Jr. and seconded by J. Timothy Falvey. No public comment received prior to action.

### 4. Since we last met & updates

#### - Personal changes

Karin informed the committee that Robert Silver; the Director of Marketing has decided to take on a different job. To support the marketing and PR of the USBID until a new director has been hired, the USBID contracted with David Perry. He is the founder of David Perry and Associates and well connected in San Francisco. We have shared the job description online and have received responses and applications. We hope to have hire a new Director of Marketing by the end of the year.

- Union Square Park services agreement  
Karin informed the board that the contract with the park has been signed. The services have started Tuesday, September 15. We are negotiating ways to activate the park and the agreement with the garage. A discussion took place about the agreement took place.
- Legal Updates  
Ben updated the committee that not much progress has been made. Documents were requested and provided. A list of settlement options has also been sent out regarding the noise complaint.
- Admin Office search update  
Ben summarized the current situation of the admin office. He has received several quotes for office spaces around Union Square park and a quote from the Flood Building. The offers are competitive, and negotiations are taking place.

**5. Audit Review and presentations – Led by Marcum**

- **Audit Report**
- **Audit committee update**

Kimberly B. Robertson (a partner from Marcum) was introduced and directed the committee to her presentation. The engagement objectives were summarized as well as procedures that the firm undertaken during the audit. They include independent audit of financial statements, independent feedback through a management letter, matters required to be communicated and advice on tax returns. Due to the pandemic the audit was 100% virtual. Marcum issued an unmodified (“clean”) opinion on the financial statements. Once the report is approved by the Board, they will move forward with the procedures to close out the audit and issue the reports in final format. She summarized the sources of revenue of this year and showed a year-over-year comparison of results. As well as over the last 3 years. She also summarized the expenses and our expense trends over the past 3 years. A discussion took place about the expenses to the services. Shane (Audit Manager) summarized the management letters and FASB updates. Further discussion took place.

**Action:** The committee unanimously approved to recommend the 19-20 audit report to the Board of Directors as motioned by J. Timothy Falvey and seconded by Jim Sangiacomo. No public comment was received prior to action.

**6. Action: to accept the unaudited financial reports of August 31, 2020 for recommendation to the Board of Directors.**

Ben directed the committee to the August 31, 2020 and summarized it. The assessment/core operations have a \$908,000 deficit through June. The assessment operations had a large positive spending variance (\$141K) due to clean and safe expenses being less than budgeted (buildup of banked hours and schedule change of the rebranding). The \$40K Campton grant was written off causing a negative revenue of \$48K. Net assets (reserves) are at \$1.3mil at the end of August, including \$1.23mil of reserves for assessment/core operations. Cash balance was \$1.32mil at 08/31/20. The USBID will likely use the line of credit in November 2020 to fund operations until the first assessment payment is received in late December.

**Action:** The committee unanimously approved to accept the unaudited financial reports of August 31, 3030 for recommendation to the Board of Directors as motioned by Mark Purdy and seconded by Julie Taylor. No public comment was received prior to action.

**7. Next Meeting & Events**

- Board Meeting (Annual Meeting) - September 24, 2020 at 9:00am via Zoom.
- Executive Committee meeting - October 22, 2020 location TBC
- Finance & Audit Committee Meeting - November 12, 2020 at 9:00am.

**8. Adjournment**

Karin adjourned the meeting at 10:33am.