



## Regular Meeting of the Finance & Audit Advisory Committees

9:00am Thursday, September 18, 2025  
291 Geary Street, Suite 200, San Francisco, CA 94102 or Via Zoom

### Minutes

#### In Attendance

**Committee Members:** James Sangiacomo (Trinity Properties), Julie Taylor (Colliers International), Russell D. Keil, Jr. (The Keil Companies), Wes Tyler (Chancellor Hotel), Bryant Dawson (Wells Fargo), and Nina Lang (City National Bank).

**Staff:** Marisa Rodriguez (CEO), Benjamin Horne (CFO), Daniela Vasile (COO), Zarrina Yousufzai (Finance & HR Associate), and E. Ryan Santamaria (Intern)

**Guest:** Kathryn Harris (Perotti & Carrade) and Tammy Brock (Property Owner)

#### 1. Call to order and roll call

Ben called the meeting to order at 9:03 a.m.

#### 2. Public comment

Ben called for public comment. Hearing none, he moved on to the next agenda item.

#### 3. Action to approve the July 17, 2025, meeting minutes of the Committees.

Ben directed the committee to review meeting minutes from the July 17, 2025, committee meeting.

**Action:** The Committee unanimously approved the July 17, 2025, meeting minutes, as motioned by Russell D. Keil, Jr., and seconded by Julie Taylor.

#### 4. Since We Last Met & Updates

##### • Staff and hiring updates

Daniela shared that the Services Manager position is in its final stages of interviews with qualified candidates. Ben added that interviews are still in progress for Block by Block's Operations Manager open position.

##### • Grants and Fundraising Updates (Foundation)

###### a. RFP226

Ben stated that RFP 226 is the public space activation grant that the city amended and granted \$375K for the upcoming holiday season and 2026 Tulip Day, as well as extending the dates for Maiden Lane and Cable Car Turnaround Arts installations.



b. RFP230 and additional.

Ben noted that the city allocated an additional 50K to the HEART Safety grant for Welcome Ambassadors program and that the RFP was submitted yesterday. The Alliance aims to create a proactive, welcoming environment for visitors and is currently finalizing details with Block by Block.

c. Powell

Ben reminded the committee that Field Operations is the subcontractor for the Powell Street Improvement Project from a Public Works contractor, and The Alliance is a subcontractor to Field Operations. The Alliance contract is still in progress with Field Operations but it will for \$150K over six months, \$25k a month starting August 1<sup>st</sup> through January 31<sup>st</sup>.

d. SFLive

Ben shared that the city is extending the contract into 2026 due to inability to source materials in time to do a fall of 2025 installation. The new schedule is projected to be completed in the early months of the new year (2026), as the final agreements are being made with the contractors and the city (permit).

e. Larsen

Marisa announced that Chris Larsen will be funding the Macy's Great Tree and has made a donation to the Foundation for this purpose. The details are still in progress, but Chris Larsen's company, Ripple, will have its name as the sponsor for the tree. Marisa expressed her deepest appreciation for Chris Larsen and his love for Union Square and overall, the city of San Francisco. Discussion took place regarding the approach to funding a Christmas tree in the years to come. Julie Taylor made a point about conducting outreach to big corporations such as Louis Vuitton, about the possibility of decorating their buildings for the holidays to enhance the ambience, similar to their locations in Paris and London.

f. DDC

Ben explained that the Alliance is processing the \$100K grant from DDC, negotiating the agreement from their fiscal sponsor (Capital for Good).

- Strategic Planning and Renewal

Ben shared that the C-suite team met last week to review the RFP and discuss possible revisions. A final document will be ready for the Board of Directors to review and approve by October 1<sup>st</sup>. The process of choosing a firm would be to receive an initial summary proposal, followed by a complete proposal from the finalists (3-4) due in mid December. Afterwards, the team will evaluate for the next months and make



a recommendation to the Board of Directors by January 2026 for review and approval.

- Assessment payment August 2025 - \$4K

Ben stated that the Alliance received an approximate \$4K in delinquent payments in August. There were no notable updates to the receivables list. The next assessment payment will be in December 2025.

- Service provider audit updates and status

Ben shared that based on the documents Block by Block provided, there were about 3,000 more hours billed than their payroll records reflect. He gave Block by Block until Friday to respond to it as their audit and accounting teams internally work on it. Discussion took place regarding possible reasons for the inaccurate hours.

Additionally, Legion was unable to produce a payroll register that reconciled with their invoicing and will be asked to start submitting payroll registers with their future invoices and reconciling them to the invoices.

- Holiday Fundraiser, December 4 (Thursday) at 6pm, location TBD

Ben reminded the committee that the Holiday Fundraiser is approaching on Thursday, December 4 at 6pm and asked all to save the date. The location will be decided between two venues, and the event will be casino themed. The Alliance will be reaching out to community members for potential sponsors soon.

## 5. Audit Review – Led by Kat Harris, Perotti & Carrade

- a. Audit Report

Kat Harris reported that there are no major changes in accounting standards for The Alliance as well as in auditing standards for Perotti & Carrade when performing the audit this year. She explained that last year's financial statements are very similar to this year's, including language, wording, and disclosures.

Kat stated that The Alliance is doing quite well considering it is a nonprofit organization that is recovering from the pandemic years. She verified that it is a clean report, with financial statements being presented as materially accurate. The Alliance has over \$3 million in cash and investments, \$6.3 million in total assets, and about \$3.8 million in current payables and liabilities.

Kat noted that revenue has increased substantially, from \$9.7 million to \$11.5 million. Moreover, expenses increased as well. A big reason for these upticks is due to The Foundation which has benefited from City funding. Overall, The Alliance is generating a surplus of nearly \$200K, bringing its net assets (reserves) to \$2.5mil.

- b. Adjusting entries



Ben shared that there were three adjusting entries. The first adjustment was for the Powell Street Project and how last-minute contractual changes ended up having some expenses not covered under a grant, however this exposure was reduced from initial estimates due to Field Operations being able to invoice June to Public Works. The second adjustment was the results of the Block-by-Block audit which  $\frac{1}{2}$  of the number of unaccounted for hours was added back to prepaids which reduced the contracted expense. The last adjustment was when the Flood building lease was terminated, The Alliance did not write off the portion of the applicable portions of the ROU and lease liability once the lease ended (June 2025).

c. Letter on Internal Controls

Kat stated that her team did not have any observations or recommendations with regard to internal controls. She emphasized that the world is constantly evolving, especially in technology and AI, where the potential for manipulation and fraud is increasing. Therefore, Kat urged The Alliance to prioritize and strengthen their cybersecurity going forward. Ben noted that the organization did have a cyber security insurance policy and that staff are trained regularly on cyber security risks.

d. Letter to Board of Directors

Kat expressed that the Letter to Board of Directors highlights if there were any major changes in accounting systems/policies, sensitive disclosures, or any disagreements with management. The biggest estimate the organization has is around allowance for doubtful accounts. Kat concluded that there were no major changes.

Action to make Recommendation to the Board of Directors to Approve 24-25FY Audit Report

Action: The committee unanimously approved to make Recommendation to the Board of Directors to approve 24-25FY Audit Report, as motioned by Julie Taylor and seconded by James Sangiacomo.

**6. Line of credit update and discussion**

Ben noted that in late August, The Alliance had just received a draft of the line of credit (after starting the renewal process in late May). He thanked Nina Lang for her support but also voiced that it has been challenging with City National Bank when it comes to response time and getting the line renewed. Nina understood his concerns and expressed that she would engage in conversation with the team. She also brought up the option of moving the relationship to a different relationship manager, to which Ben was open to.

**7. Insurance Broker RFP process, review and action to make recommendation to approve insurance broker selection.**



Zarrina shared that The Alliance drafted an RFP and submitted it in mid-August. The Alliance reached out to three firms; however, one dropped out. Ben and Zarrina are still in the process of review and are waiting until they have met with the firms before giving a recommendation to the Board. One firm is The Alliance's current broker, BPIA, a small local business with a solid portfolio of nonprofit clients. Besides the challenging state of the insurance industry and property insurance, Ben is pleased with their work and service. However, communication has also become a concern. On the other hand, the other firm, Gallagher, is a multinational, publicly traded company, who put forward a more favorable proposal. The firm currently works with Union Square Alliance's neighboring CBDs such as Yerba Buena Partnership and Downtown SF. Moreover, Gallagher expressed that they would donate to the Union Square Foundation.

Action: No action was taken.

**8. Action to accept the Unaudited Financial Reports of August 2025, for recommendation to the Board of Directors**

Ben reported that as of August, The Alliance has an operating deficit for the fiscal year of \$1.2M as the organization spends down the reserves from the prior and waits for the first assessment for 25-26FY (Dec). The organization is performing near budget with a slight overall negative variance (\$88K). The assessments/core operations had a positive budget variance of \$324 due to additional revenue generation of almost \$10K and spending less on marketing and related activities (\$13K). Admin and Clean and Safe expenses were slightly over budget (\$17K and \$6K respectively). There is an Other Revenues negative variance of \$84K due primarily to delays with public realm projects. The Union Square Park Improvement Project (SF Live) was delayed until early 2026 and the Powell Project funding while reestablished for the Alliance staff (\$150K) did not include the City grant that was cancelled. The Alliance spent less on Other Funds (\$83K), resulting in a small negative variance of \$412. The USBID assessment operation expenses were near management plan levels with 74% on Clean & Safe (including security cameras), 14% on marketing and 12% on admin. Net assets (reserves) are \$1.4M and cash balance was \$1.6M on 8/31/25. Receivables are high (\$1.65M) due to funds owed from March-August from USF which will be forthcoming as USF has received most of the grant payments invoiced.

Ben concluded by praising Zarrina for managing majority of the accounting close and taking on more responsibilities for the overall books.

Action: The committee unanimously approved to accept the Unaudited Financial Reports of August 2025, for recommendation to the Board of Directors, as motioned by Julie Taylor and seconded by Russell D. Keil, Jr.

**9. Next meetings & events**

- Board Meeting - October 1, 2025 (Wednesday), at 9:00am at Hotel Nikko
- Executive Committee Meeting – October 23, 2025, at 9:00am
- Next Finance & Audit Committee Meeting – November 13, 2025, at 9:00am



- Holiday Fundraiser – Save the Date! – December 4 at 6pm

**10. Adjourned:** 9:54 a.m.