

Finance, Admin & Funding Committee Meeting
November 15, 2023, 4:00 pm
512 Ellis Street, San Francisco, CA and Virtue
Meeting Minutes
DRAFT*

*Minutes subject to change, and not official until approved by the Board/Committee

Present:

Board Members

Billal Mahmood, Resident

Jeff Pace, Property Owner Seat, St. Anthony's Foundation

Crosby & Kaneda

August Zajonc, partner

Sonia Pena, director

METIS

Kimberly Kelly, founder/partner

Robyn Catelani, Manager

Staff

Kate Robinson, TLCBD Staff

Siggy Bang, TLCBD Staff

Abby Wongwanich, TLCBD staff

Enrique Ovando, TLCBD Staff

Alicia Seleska, TLCBD Staff

1. Welcome and Call to Order

B. Mahmood called the meeting to order at 4:05 pm.

2. Presenting : FY23 Audit result

Pena S. opened the meeting by addressing her responsibility for the financial statement. She mentioned that Pena S. and her audit team are responsible for checking if the financial statement aligns with the accounting standard GAAP. Pena S. assured that the financial statement represents accurate information by sampling transactions to verify accuracy and correctness, while the accounting team is responsible for preparing the financial statement.

Pena S. expressed that TLCBD had a significant improvement in financial operations and extended gratitude to Catelani.R for preparing reconciliations for important accounts.

Pena S. also explained the meaning of adjustment items. Adjustment items are incorrect transactions that affect net income, and TLCBD needs to reflect those adjustments in the financial statement, while reclassification items are not related to net income, mostly for reclassifying transactions to the proper account.

Pena S. asked Kelly K. if TLCBD adjusted reclassification items in the accounting books. Kelly K. answered that TLCBD did not adjust reclassifications in their accounting books for the benefit of internal comparison and analysis. Pena S. also mentioned that all adjustments and reclassifications are mostly small items, such as accrual retirement benefits, updated security deposits, and accrued vacation.

Pena S. summarized that in FY2023, TLCBD had a good year with a smooth revenue flow but still had a small deficit from operations.

Zajonc.A mentioned that TLCBD had a significant improvement in cash collection. Accounts receivable had a significant drop from 1.1M in 2022 to 500K in FY23, which benefits the company's liquidity and overall cash flow.

Bang.S added that all invoices have a 1-2 month lead time between billing and collection.

Pena S. moved forward to the management report, noting that there is no disagreement and no material weaknesses, unlike last year when TLCBD had many material weaknesses. The only significant finding in FY23 was the lack of a physical cutoff procedure, which caused some errors in revenue recognition.

Kelly K. explained that TLCBD is shifting from manual invoices to Bill.com, believing that revenue recognition will have fewer errors or miss categorizations.

Pena S. also reminded everyone that despite the improvements in FY23, other issues need consideration, such as revenue and expense allocation by function and program, accrued vacation that TLCBD should periodically record throughout the year.

Moore.G answered that the new HR and time sheet system "Paycore" would allow TLCBD to keep track and record PTO on a quarterly basis.

Zajonc.A highlighted that TLCBD should be proactive on the HR side, including time sheet rounding, accuracy of PTO and any deductions, and minimum wages since employment laws change rapidly every year. He also mentioned that the employee handbook needs to be updated, and all employees need to sign and acknowledge all company policies.

Moore.G answered that the People and Culture team have already worked on the employee handbooks, and at least half of the company has already signed them

Zajonc.A emphasized that one of the important issues is the accuracy of payroll tax, 401K contributions, and employee benefits.

Moore.G acknowledged the error of integration between Paycore and ADP on 401K, stating that TLCBD is working on the integration and considering other providers to solve errors and integration issues.

Robinson.K expressed gratitude for the finance and accounting team's hard work in the financial statement and smooth audit process.

3. Discussion : TLCBD Board to discuss financial information

Bang.S presented future resolutions for finance, mentioning that TLCBD will reactivate a second bank account. According to their current provider, Bank of San Francisco did not provide competitive rates and other banking services compared to others.

Pace.J agreed with Bang.S that TLCBD should consider a money market and high-yield savings account for a capital campaign. Interest income will allow TLCBD to have additional cash inflow, but the finance team needs to proceed carefully.

4. Action: Approve Minutes on November,15

5. Motion: Approve Minutes on November,15

Moved by : J. Pace

Seconded by: B. Mahmood

Abstained: None

Passed: Yes

The meeting was adjourned at 4.50 pm.

Next Board of Directors Meeting