

Minutes

MCCVB Finance Committee

Friday October 22, 2021 | 9:30AM – 10:30AM

Zoom Meeting: 844 5815 7371 Password: 209512 Conference Call Dial In: 669-900-9128

MEMBERS PRESENT

Stefan Lorch

Carol Chorbajian

GUESTS PRESENT

Jarrold Penner BKP

STAFF PRESENT

Rob O’Keefe

Paul Martin

Edward Isabella

CALL TO ORDER called the meeting to order at 9:31AM.

PUBLIC COMMENT: None

ANNOUNCEMENTS:

CONSENT AGENDA

There was a motion to approve the Minutes of the April 23, 2021 Finance Committee Meeting. M/S/ Chorbajian/Lorch. The motion passed unanimously.

REGULAR AGENDA

New Business

A. 2020-21 Audited Financial Statements Review

Paul introduced the audit by presenting at a high level the changes from the results as they were originally published to the final audited results. Jarrod Penner then described the salient points of the audit and the process. Jarrod indicated it was good to work with Paul and Edward and that BKP would provide a clean unmodified opinion. Jarrod reminded the committee that BKP was retained to perform the next two years’ audits. Jarrod discussed that there were estimates for depreciation and the allocation of expenses by headcount. He said there were no disagreements with management. Jarrod explained there was new accounting around revenue recognition and contracts but that this would not impact accounting except for required disclosures. Regarding loans Jarrod pointed out these were new to the balance sheet and reflected the balances of EIDL and PPP loans but without forgiveness granted in the year they were reflected at full value. A motion to recommend the Board approve the 2020-21 Audited Financial Statements was made. M/S/ Chorbajian/Lorch. The motion passed unanimously.

B. 2020 IRS Form 990 Review

Jarrold Penner explained that the 990 was a public document so it was good to address any questions at this time. Jarrod pointed out the important checklists on governance and policies that raised no red flags. He pointed out that schedule A disclosed information on highly compensated employees and schedule J included more information on the CEO. He pointed out that unrelated business income (UBI) was in a loss position that resulted in no tax liability. A motion was made to recommend the Board approve the 2019 IRS Form 990. M/S/ Chorbajian/Lorch. The motion passed unanimously.

C. First Quarter (2021-22) Financial Review

Paul reviewed the Financial Statements for the three months ending September 30, 2021. Carol asked if we were being paid promptly now that hotels had to pay TOT and TID to the City of Monterey more quickly and monthly rather than bi-monthly. Paul indicated the City of Monterey had now caught up to the new process and was paying our TID regularly and more promptly but that the agreed pay as you go on TOT was delayed pending an agreement with the City. A motion was made to recommend the Board approve the First Quarter (2021-22) Financials. M/S/ Chorbajian/Lorch. The motion passed unanimously.

GOOD OF THE ORDER

NEXT MEETING

Friday January 21, 2022

ADJOURN

Stefan Lorch adjourned the meeting at 10:27 AM