



VISIT

**NEWPORT**  
**BEACH**  
CALIFORNIA

**Audit Committee Meeting**

Visit Newport Beach

Zoom Meeting

September 21, 2020

10:00 a.m.

**Members**

<b>X</b>	Candace Bisconte, Chairperson	<b>X</b>	Joe Stapleton
<b>X</b>	Homer Bludau, Member at Large	<b>X</b>	Dan Matusiewicz

**Staff and Audit Firm Represented**

<b>X</b>	Gary Sherwin, President & CEO	<b>X</b>	Lily Pearson, VP of Finance
<b>X</b>	Kendall Merkley, KMJ Corbin - Partner	<b>X</b>	Neda Emerson, KMJ Corbin - Manager
<b>X</b>	Dina Alleluia-Carr, Finance		

**X – In Attendance**

**A – Absent**

**E – Excused**

**Call to Order**

Ms. Bisconte called the meeting to order at 10:02 AM.

**Approval of Minutes**

Ms. Bisconte asked for a motion to approve the audit committee minutes of September 23, 2019. Ms. Bisconte requested a name correction to the minutes for the company name of KMJ. Mr. Bludau made the motion to approve, Mr. Stapleton seconded. Minutes approved.

**Presentation of 2019-2020 Fiscal Year Audit**

Ms. Bisconte welcomed our auditors, Kendall Merkley and Neda Emerson of KMJ Corbin. Mr. Merkley reviewed the Visit Newport Beach audit with the audit committee. The field work started the third week of August and all requests were provided by Visit Newport Beach in a timely manner. The clean audit report is expected to be issued to the City of Newport Beach by September 30, 2020. The tax returns will be completed by November 15, 2020. There was one unrecorded adjustment which KMJ wouldn't have recorded anyway. There were no disagreements with the Visit Newport Beach management team. Mr. Merkley stated that the Board will be receiving a letter from KMJ about the Audit. Mr. Merkley reviewed the charges from Newport Beach & Company to Visit Newport Beach and that the charges were consistent from past years. For the year ended June 30, 2020, the Organization incurred approximately \$2.1 million related to



general and administrative, payroll and related and other direct marketing costs from Newport Beach & Company and are recorded in marketing expenses in the Statement of Activities. Due to Covid-19 the organization took certain cost cutting measures prior to their year end which included reducing discretionary marketing, other expenses, pay cuts, furloughs and reduction in its workforce. The organization believes these measures, along with its existing cash will cover its cash flow for at least twelve months. Mr. Merkley stated that the organization got a new SBA loan of \$150,000 due to Covid-19. Ms. Pearson said that our \$2.6 million in short term investments are in Government bonds and Treasury Notes. Mr. Matusiewicz inquired on the market value on the investments. Mr. Merkley went over the different levels of the bonds. Ms. Pearson stated that the Schwab investment statements show the different prices. Mr. Merkley reviewed recent accounting pronouncements. Mr. Merkley stated the 2020 Expenditures Report for the year ended June 30, 2020, is fairly stated. There were no adjustments which means the team does the day to day financials correctly. Ms. Emerson spoke about an uncorrected misstatement of a true up of accumulated amortization as of year-end from a prior year invoice. The company started the amortization 6 months early on a 2019 website invoice. Mr. Sherwin spoke about the campaigns that the Marketing team are working on for the Fall. Ms. Pearson stated that our team have been working on items that would have been done by outside firms since we had to cut expenses.

Ms. Bisconte asked for a motion to approve the 2019-2020 Audit with recommendation to the Board of Directors. Mr. Bludau made the motion to approve, Mr. Stapleton seconded. Audit approved.

#### **Adjournment**

Ms. Bisconte adjourned the meeting at 10:58 a.m.

Respectfully submitted by

  
Dina Alleluia-Carr, Recording Secretary

Approved by

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Candace Bisconte, Chairperson