

**REGULAR MEETING OF THE
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**

**Tuesday, November 4, 2014 – 10:00 AM
Staff Conference Room – Second Floor
Flagstaff City Hall – 211 West Aspen, Flagstaff, Arizona**

MINUTES

1. Call to Order

Chairman VanLandingham called the meeting to order at 10:04 a.m.

2. Roll Call

Members Present

Members Absent

Chairman John VanLandingham
Member Antoinette Beiser
Member David Stilley

None

Others present: District Attorney Dana Kjellgren; District Treasurer Barbara Goodrich; District Clerk Elizabeth Burke.

3. Approval of Minutes of the Board meeting of October 7, 2014.

Member Stilley moved to approve the minutes of October 7, 2014; seconded; passed unanimously.

4. Review/approval of September 2014 financial report.

Member Stilley moved to approve the September 2014 financial reports, Exhibit A attached hereto and made a part hereof; seconded; passed unanimously.

5. Review of DBA Executive Director recruitment efforts.

Chairman VanLandingham reported on the status of recruitment efforts since Mr. Lamberson was not present. He said that the Flagstaff Downtown Business Alliance (FDBA) closed application submittals on October 20, 2014; there were 12-15 applications received. They narrowed those down to six for personal interviews. Three of them happened yesterday; the rest will be done by the end

of the week. For those out of state they Skype'd the interviews. He said that once they narrow these down to one to three applicants the DBA will bring them to Flagstaff for a series of additional interviews and meet and greets, and will include the District Board members in those gatherings.

He said that they hope to make an offer by Thanksgiving, but they have agreed that if the right candidate is not found with this round, they will start the process again rather than hire someone not suited for the position.

6. Review/update on contract deliverables.

Ms. Kjellgren then reviewed each of the deliverables from the IGA:

By December 4, 2014

#1-4 Chairman VanLandingham reported that he has been working with staff on these various items.

By December 31, 2014

#1-3 Brief discussion was held on the Handbook of Procedures to be developed for the District Clerk and Treasurer. Ms. Burke and Ms. Goodrich agreed to gather specific information from the League and Clerks' Association.

By February 4, 2015

Ms. Kjellgren said that this election would be for board members for four-year terms. Staff has been reviewing relevant statutes and will meet with the District Attorney this week to put together a proposed schedule to be approved at next month's Board Meeting. Ms. Kjellgren said that they would propose a mail ballot election which has to receive approval from the County Board of Supervisors.

Additionally, Ms. Kjellgren reminded the Board members that with the recent Operations Manual they agreed to increase the size of the board from three members to five so that would need to be addressed at this election.

Ms. Kjellgren noted that the statutes are very vague with respect to elections for districts and she and staff will proceed with the intent of keeping the process open and transparent.

By March 4, 2015

#1-3 It was noted that many of these items have been started in the past and will need to be updated and Chairman VanLandingham agreed to get with

Karl Eberhard of the City to review them. Ms. Kjellgren said that the Board should compare these items with the management program to ensure it is being covered.

- #4 Ms. Burke agreed to look through City records and try to locate the Heritage Square Plaza related documents and make them available to the District Attorney. Ms. Kjellgren noted that her partner worked on some of these documents when he was employed with the City and she would consult the City Attorney to see if she felt there was any conflict of interest. If there is, she herself would review the documents.

By June 4, 2015

- #2 Chairman VanLandingham asked if anything other than the \$15,000 project required by statutes would be required based on this wording. Ms. Kjellgren agreed to meet with Chairman VanLandingham once she had an opportunity to review the related statutes.

7. PUBLIC PARTICIATION

Public Participation enables the public to address the Board about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.

None

8. Report of Board of Directors.

None

9. Adjournment

The Regular Meeting of the Flagstaff Downtown Business Improvement and Revitalization District Board held November 4, 2014, adjourned at 10:47 a.m.

John VanLandingham, Chairman

ATTEST:

Elizabeth A. Burke, District Clerk

Johanna Klomann, CPA, PLLC

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Flagstaff Downtown Business Improvement
Flagstaff, AZ

Dear Board of Directors:

ACCOUNTANTS COMPILATION REPORT

I have compiled the accompanying balance sheet for Flagstaff Downtown Business Improvement (a not for profit organization) as of September 30, 2014, and the related budget to actual income statement on the accrual basis of accounting, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with U.S. generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with U.S. generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's assets, liabilities, net assets, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Flagstaff Downtown Business Improvement as of and for the month ended September 30, 2014, because I performed certain accounting services that impaired my independence.

Johanna Klomann, CPA
October 18, 2014

FDBIRD
Profit & Loss Budget vs. Actual
 July through September 2014

	Jul - Sep 14	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
BID Prop. Tax Assess. May	0.00	63,749.00	-63,749.00
BID Prop. Tax Assess. Nov.	0.00	63,749.00	-63,749.00
Carry Forwards	0.00	0.00	0.00
City of Flagstaff	12,373.00	11,870.00	503.00
Coconino County	28,888.00	29,132.00	-244.00
Interest Earned	142.51		
Other Contributions			
City of Flagstaff IGA	127,000.00	127,000.00	0.00
One Time Infrastructure Project	0.00	0.00	0.00
Total Other Contributions	<u>127,000.00</u>	<u>127,000.00</u>	<u>0.00</u>
Total Income	168,403.51	295,500.00	-127,096.49
Expense			
Accounting (Audit & Tax)	0.00	9,000.00	-9,000.00
Bookkeeping	0.00	1,800.00	-1,800.00
Legal Fees	7,037.62	18,700.00	-11,662.38
Management Expenses	1,575.00	218,900.00	-217,325.00
Website	0.00	9,300.00	-9,300.00
Total Expense	<u>8,612.62</u>	<u>257,700.00</u>	<u>-249,087.38</u>
Net Ordinary Income	159,790.89	37,800.00	121,990.89
Net Income	<u><u>159,790.89</u></u>	<u><u>37,800.00</u></u>	<u><u>121,990.89</u></u>

10:48 AM
10/18/14
Accrual Basis

FDBIRD
Balance Sheet
As of September 30, 2014

	<u>Sep 30, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
BBVA Checking	30,760.38
BBVA Money Mkt	<u>129,030.51</u>
Total Checking/Savings	<u>159,790.89</u>
Total Current Assets	<u>159,790.89</u>
TOTAL ASSETS	<u>159,790.89</u>
LIABILITIES & EQUITY	
Equity	
Net Income	<u>159,790.89</u>
Total Equity	<u>159,790.89</u>
TOTAL LIABILITIES & EQUITY	<u>159,790.89</u>

FDBIRD
General Ledger
As of September 30, 2014

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
BBVA Checking									34,871.12
Check	09/15/2014	902		Philadelphia Insurance	Director's and ...	Management E...		1,575.00	33,296.12
Check	09/19/2014	904		Kjellgren & Speed		Legal Fees		2,535.74	30,760.38
Total BBVA Checking							0.00	4,110.74	30,760.38
BBVA Money Mkt									100,057.53
Deposit	09/02/2014				Interest	Interest Earned	84.98		100,142.51
Deposit	09/25/2014				Deposit	Coconino County	28,888.00		129,030.51
Total BBVA Money Mkt							28,972.98	0.00	129,030.51
Furniture and Equipment									0.00
Total Furniture and Equipment									0.00
Marketable Securities									0.00
Total Marketable Securities									0.00
Other Assets									0.00
Total Other Assets									0.00
Security Deposits Asset									0.00
Total Security Deposits Asset									0.00
Payroll Liabilities									0.00
Total Payroll Liabilities									0.00
Other Liabilities									0.00
Total Other Liabilities									0.00
Opening Balance Equity									0.00
Total Opening Balance Equity									0.00
Perm. Restricted Net Assets									0.00
Total Perm. Restricted Net Assets									0.00
Temp. Restricted Net Assets									0.00
Total Temp. Restricted Net Assets									0.00
Unrestricted Net Assets									0.00
Total Unrestricted Net Assets									0.00
BID Prop. Tax Assess. May									0.00
Total BID Prop. Tax Assess. May									0.00
BID Prop. Tax Assess. Nov.									0.00
Total BID Prop. Tax Assess. Nov.									0.00
Carry Forwards									0.00
Total Carry Forwards									0.00
City of Flagstaff									-12,373.00
Total City of Flagstaff									-12,373.00
Coconino County									0.00
Deposit	09/25/2014			Coconino County	Payment in lie...	BBVA Money Mkt		28,888.00	-28,888.00
Total Coconino County							0.00	28,888.00	-28,888.00
Events									0.00
Total Events									0.00
Grants									0.00
Total Grants									0.00
Interest Earned									-57.53
Deposit	09/02/2014				Interest	BBVA Money Mkt		84.98	-142.51
Total Interest Earned							0.00	84.98	-142.51
Other Contributions									-127,000.00
City of Flagstaff IGA									-127,000.00
Total City of Flagstaff IGA									-127,000.00
One Time Infrastructure Project									0.00
Total One Time Infrastructure Project									0.00
Other Contributions - Other									0.00
Total Other Contributions - Other									0.00
Total Other Contributions									-127,000.00
Sponsorships									0.00
Total Sponsorships									0.00
Accounting (Audit & Tax)									0.00
Total Accounting (Audit & Tax)									0.00
Bookkeeping									0.00
Total Bookkeeping									0.00

10:50 AM

10/18/14

Accrual Basis

FDBIRD
General Ledger
As of September 30, 2014

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Legal Fees									4,501.88
Check	09/19/2014	904		Kjellgren & Speed		BBVA Checking	2,535.74		7,037.62
Total Legal Fees							2,535.74	0.00	7,037.62
Management Expenses									0.00
Check	09/15/2014	902		Philadelphia Insurance	Director's and ...	BBVA Checking	1,575.00		1,575.00
Total Management Expenses							1,575.00	0.00	1,575.00
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Website									0.00
Total Website									0.00
Ask My Accountant									0.00
Total Ask My Accountant									0.00
No acct									0.00
Total no acct									0.00
TOTAL							33,083.72	33,083.72	0.00