



Horton Plaza Theatres **FOUNDATION**

Nurturing Arts and Culture

AGENDA

HORTON PLAZA THEATRES FOUNDATION Finance Committee Meeting

Monday, October 27, 2025, 3:30 p.m.
(Rescheduled from October 21, 2025)

Via MS Teams

Public MS Teams Link:

[Click to Join](#)

OR

To Join by Telephone:

Dial 619-737-2322 / Phone Conference ID: 452 030 4#

1. Call to Order

2. Roll Call

3. Non-Agenda Public Comment

Pursuant to the Brown Act, no discussion or action, other than a referral, shall be taken by the Board on any issue brought forth under the "Non-Agenda Public Comment."

CONSENT AGENDA

4. Approval of Horton Plaza Theatre Foundation's Finance Committee Meeting Minutes of August 26, 2025

REGULAR AGENDA

5. Recommended Acceptance of Horton Plaza Theatres Foundation's Unaudited Statement of Financial Position, Statement of Activities, Budget to Actual as of July 31, 2025 ~ Diane Ferris

6. Recommended Acceptance of Horton Plaza Theatres Foundation's Unaudited Statement of Financial Position, Statement of Activities, Budget to Actual as of August 31, 2025 ~ Diane Ferris

URGENT NON-AGENDA ITEMS

ADJOURNMENT

REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS

This information will be made available in alternative formats upon request, as required by the Americans with Disabilities Act (ADA), by contacting Betty Migliaccio, 619-533-7101. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting Betty Migliaccio, 619-533-7101. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters, require different lead times, ranging from five business days to two weeks. Please keep this in mind and provide as much advance notice as possible in order to ensure availability. The City is committed to resolving accessibility requests swiftly in order to maximize accessibility.



Horton Plaza Theatres **FOUNDATION**

Nurturing Arts and Culture

ITEM #4

MINUTES

HORTON PLAZA THEATRES FOUNDATION FINANCE COMMITTEE MEETING OF TUESDAY, AUGUST 26, 2025

CALL TO ORDER: Chair Patrick Stewart called the Meeting of the Finance Committee to order at 3:07 p.m.

Item #1 **Roll Call**

PRESENT: Chair Patrick Stewart, and Directors Jennifer Gattey and Leo Divinsky

Item #2 **Non-Agenda Public Comment**

None.

REGULAR AGENDA

Item #3: **Recommend Acceptance of Horton Plaza Theatres Foundation's Unaudited Statement of Financial Position, Statement of Activities, Budget to Actual as of May 31, 2025**

Civic Communities Accounting Manager Diane Ferris presented the item.

COMMITTEE DISCUSSION: Director Divinsky noted that a \$20,000 October overage from a continuously running motor inflated the chilled water variance but emphasized that overall utility usage remains high. He cautioned that escalating utility costs averaging \$17,000 per month could deplete the City of San Diego's ("City") annual allocation, noting the limited impact of the \$10,000 refund. He emphasized the need for an immediate review and tighter oversight of utility expenses.

Civic Communities Executive Vice President. Engineering & Construction Daniel Kay indicated that staff are conducting a comprehensive review of operational expenses and consultant and vendor contracts, to identify the most efficient approach for the HPTF and Lyceum with the matter to be presented to the full Board, with monthly progress updates to follow. Mr. Kay added that the consultant engagement was a one-time expenditure to support the RFP process for identifying a third-party operator.

COMMITTEE ACTION: Motion by Director Divinsky and seconded by Chair Stewart that the Horton Plaza Theatres Foundation Finance Committee accepts the Horton Plaza Theatres Foundation's Unaudited Statement of Financial Position, Statement of Activities, Budget to Actual as of May 31, 2025.

Passed by the following vote (3-0):

Aye: Chair Patrick Stewart, and Directors Jennifer Gattey, and Leo Divinsky
Naye: None
Abstain: None
Recusal: None

Item #4: Recommend Acceptance of Horton Plaza Theatres Foundation's Unaudited Statement of Financial Position, Statement of Activities, Budget to Actual as of June 30, 2025

Civic Communities Accounting Manager Diane Ferris presented item and noted that the utility line item was over budget.

In response to Committee questions, Diane Ferris noted that the June financial records reflected two months of SDG&E charges and two months of chilled water charges, which contributed to the higher reported utility expenses.

Civic Communities Executive Vice President. Engineering & Construction Daniel Kay added that Civic Communities, in coordination with property management, is reviewing inefficiencies on the utility side. Mr. Kay indicated they are still in a due diligence and fact-gathering phase to determine the causes before implementing efficiency measures to reduce costs. Mr. Kay added that staff would look into an energy audit, potential SDG&E programs to improve energy efficiency and explore whether the foundation's nonprofit status could provide access to additional discounts or programs.

Diane Ferris noted that April records reflected an SDG&E bill but no chilled water bill, making the month appear unusually low.

COMMITTEE DISCUSSION: After a lengthy discussion, the Committee requested that staff compare current expenses with prior fiscal years and correlate them to construction and commissioning activities with an update at the September Board meeting.

Committee Members emphasized three key takeaways: (1) financials must follow GAAP rather than a hybrid approach, with the reflection on the July statements; (2) utility variances over the past two months require closer review to determine underlying causes; and (3) variance explanations should be written with sufficient clarity and detail to address questions directly, rather than broadly stating that utilities exceeded budget.

COMMITTEE ACTION: Motion by Director Divinsky and seconded by Director Varco that the Horton Plaza Theatres Foundation Finance Committee accepts the Horton Plaza Theatres Foundation's Unaudited Statement of Financial Position, Statement of Activities, Budget to Actual as of June 30, 2025.

Passed by the following vote (3-0):

Aye: Chair Patrick Stewart, Vice President Jennifer Gattey and Director Leo Divinsky
Naye: None
Abstain: None
Recusal: None

Item #5

Recommend Acceptance of Horton Plaza Theatres Foundation's Unaudited Statement of Financial Position, Statement of Activities, Budget to Actual as of July 31, 2025

Civic Communities Accounting Manager Diane Ferris introduced the item and clarified that the negative variance in utilities reflected a \$10,500 refund, which reduced monthly expenses to \$10,000.

COMMITTEE DISCUSSION: Director Divinsky emphasized the importance of accurately capturing expenses to avoid distorting the current and future financial outlook.

Chair Stewart recommended recording the full expense amount to avoid confusion and proposed categorizing the \$10,000 as Miscellaneous Income or labeling it as "City of San Diego Water Refund" to clarify its origin.

Director Divinsky suggested classifying it as a Prior Year Reconciliation and recommended removing it from the current fiscal year's expense records to maintain accurate reporting. He also inquired about the revenue side, confirming that one month of funding has already been received and suggested ensuring consistency in recognizing monthly allocations.

In response to the Committee, Civic Communities Executive Daniel Kay stated that staff were becoming familiar with the City's Commission for Arts & Culture ("Commission") processes and points of contact. Mr. Kay estimated that processing could take approximately three to six months but emphasized that there was no guarantee and that Civic Communities would need to continue working through the appropriate channels and developing familiarity with the Commission's procedures.

Chair Stewart noted that the invoicing process from the Commission differs from other City departments and typically involves coordination with related City staff. He proposed clarifying the preferred invoicing schedule by consulting with the City's Department of Cultural Affairs Executive Director Jonathon Glus and recommended inviting Mr. Glus to the September Board meeting.

After a lengthy discussion, the Committee returned the item to staff for further refinements.

No action was taken.

Item #6: Recommended Acceptance of Horton Plaza Foundation's Proposed Fiscal Year 2026 City Allocation and Operating Budget

Civic Communities Accounting Manager Diane Ferris introduced the item.

COMMITTEE DISCUSSION: Committee members emphasized that the Fiscal Year 2026 budget should be presented in a single, unified format reflecting all income and expenses for HPTF and clarified that it was not necessary to separate the City budget or reserves, as there should be one consolidated budget for the organization, with the exception of utilities, which may continue to be tracked separately.

After a lengthy discussion, the Committee returned the item to staff for further refinements.

No action was taken.

URGENT NON-AGENDA ITEMS ~ Director Divinsky announced his resignation from the Board of Directors citing the lender's assumption of control of the Horton Plaza property.

ADJOURNMENT ~ The meeting adjourned at 3:58 p.m.

Horton Plaza Theatres Foundation
Statement of Financial Position
As of July 31, 2025

Assets**Operating Assets**

Cash and Cash Equivalents	\$ 427,141
Account Receivable (ROPS)	27,560
Account Receivable (CITY)	18,750
Prepaid Expenses	9,427
Total Assets	\$ 482,878

Liabilities and Net Assets**Liabilities**

Account Payable	\$ 17,626
Credit Card	861
Total Liabilities	18,487

Net Assets

Net Assets without Restrictions	376,417
Net Asset with Restriction - PAF	88,154
Net Income (Loss)	(180)
Total Liabilities and Net Assets	\$ 482,878

Horton Plaza Theatres Foundation
Statement of Revenues and Expenses
as of July 31, 2025

Revenue

City of San Diego	\$ 18,750
Interest Income	600
Refund of Prior Year Expenses	10,572
Total Revenue	<u>29,922</u>

Expenses

Administration	7,461
Audit/Tax/Paychex	127
CAM Charges - Property Taxes	1,758
Facility Maintenance	915
Insurance	6,472
Marketing	2,000
Office Expense	1,493
Utilities	9,876
Total Expenses	<u>30,102</u>

Change in Net Assets	<u>\$ (180)</u>
-----------------------------	------------------------

Horton Plaza Theatres Foundation
Statement of Revenues and Expenses
as of July 31, 2025

	Current Month Actual	Monthly Budget	Current Month Variance \$	Current Month Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	FY26 Budget
<u>Revenue</u>									
City of San Diego	\$ 18,750	\$ 18,750	\$ -	0%	\$ 18,750	\$ 18,750	\$ -	0%	\$ 225,000
Interest Income	600	417	183	44%	600	417	183	44%	5,000
Refund of Prior Year Expenses	10,572	0	10,572		10,572	0	10,572		
Total Revenue	29,922	19,167	10,755	56%	29,922	19,167	10,755	56%	\$ 230,000
<u>Expenses</u>									
Administration	7,461	8,167	706	9%	7,461	8,167	706	9%	98,000
Audit/Tax/Paychex	127	583	456	78%	127	583	456	78%	7,000
CAM Charges - Property Taxes	1,758	1,833	75	4%	1,758	1,833	75	4%	22,000
Facility Maintenance	915	4,167	3,252	78%	915	4,167	3,252	78%	50,000
Insurance	6,472	5,583	(889)	-16%	6,472	5,583	(889)	-16%	67,000
Marketing	2,000	0	(2,000)	0%	2,000	0	(2,000)		
Office Expense	1,493	333	(1,160)	-348%	1,493	333	(1,160)	-348%	4,000
Utilities	9,876	11,667	1,791	15%	9,876	11,667	1,791	15%	140,000
Total Expenses	30,102	32,333	2,231	7%	30,102	32,333	2,231	7%	388,000
Net Income/Deficit	\$ (180)	\$ (13,167)	\$ 12,987		\$ (180)	\$ (13,167)	\$ 12,987		\$ (158,000)

Horton Plaza Theatres Foundation
Statement of ROPS 19 FY26 Funding
As of July 31, 2025

7/1/2025	Beginning Balance		\$ 250,000.00
7/2/2025	Ashley McFall	\$ 50.00	
7/2/2025	DCJ Theatrical	23,402.17	
7/2/2025	Siemens	4,107.50	
	Total Expensed - Receipt 8/1/25	\$ 27,559.67	222,440.33
	Remaining ROPS		<u><u>\$ 222,440.33</u></u>

Horton Plaza Theatres Foundation
Statement of Financial Position
As of August 31, 2025

Assets**Operating Assets**

Cash and Cash Equivalents	\$ 431,966
Account Receivable (ROPS)	0
Account Receivable (CITY)	37,500
Prepaid Expenses	14,586
Total Assets	\$ 484,052

Liabilities and Net Assets**Liabilities**

Account Payable	\$ 29,983
Credit Card	475
Total Liabilities	30,458

Net Assets

Net Assets without Restrictions	376,417
Net Asset with Restriction - PAF	88,154
Net Income (Loss)	(10,977)
Total Liabilities and Net Assets	\$ 484,052

Horton Plaza Theatres Foundation
Statement of Revenues and Expenses
as of August 31, 2025

Revenue

City of San Diego	\$ 37,500
Interest Income	1,293
Refund of Prior Year Expenses	10,572
Total Revenue	<u>49,365</u>

Expenses

Administration	12,843
Audit/Tax/Paychex	223
CAM Charges - Property Taxes	1,758
Facility Maintenance	1,697
Insurance	12,200
Marketing	2,000
Office Expense	1,869
Utilities	27,752
Total Expenses	<u>60,342</u>

Change in Net Assets	<u>\$ (10,977)</u>
-----------------------------	---------------------------

Horton Plaza Theatres Foundation
Statement of Revenues and Expenses
as of August 31, 2025

	Current Month Actual	Monthly Budget	Current Month Variance \$	Current Month Variance %	YTD Actual	YTD Budget	YTD Variance \$	YTD Variance %	FY26 Budget
<u>Revenue</u>									
City of San Diego	\$ 18,750	\$ 18,750	\$ -	0%	\$ 37,500	\$ 37,500	\$ -	0%	\$ 225,000
Interest Income	693	417	276	66%	1,293	833	460	55%	5,000
Refund of Prior Year Expenses	0	0	0		10,572	0	10,572		
Total Revenue	19,443	19,167	276	1%	49,365	38,333	11,032	29%	\$ 230,000
<u>Expenses</u>									
Administration	5,382	8,167	2,785	34%	12,843	16,333	3,490	21%	98,000
Audit/Tax/Paychex	96	583	487	84%	223	1,167	944	81%	7,000
CAM Charges - Property Taxes	0	1,833	1,833	100%	1,758	3,667	1,909	52%	22,000
Facility Maintenance	782	4,167	3,385	81%	1,697	8,333	6,636	80%	50,000
Insurance	5,728	5,583	(145)	-3%	12,200	11,167	(1,033)	-9%	67,000
Marketing	0	0	0	0%	2,000	0	(2,000)		
Office Expense	376	333	(43)	-13%	1,869	667	(1,202)	-180%	4,000
Utilities	17,876	11,667	(6,209)	-53%	27,752	23,333	(4,419)	-19%	140,000
Total Expenses	30,240	32,333	2,093	6%	60,342	64,667	4,325	7%	388,000
Net Income/Deficit	\$ (10,797)	\$ (13,167)	\$ 2,370		\$ (10,977)	\$ (26,333)	\$ 15,356		\$ (158,000)

Horton Plaza Theatres Foundation
Statement of ROPS 19 FY26 Funding
As of August 31, 2025

7/1/2025	Beginning Balance		\$ 250,000.00
7/2/2025	Ashley McFall	\$ 50.00	
7/2/2025	DCJ Theatrical	23,402.17	
7/2/2025	Siemens	4,107.50	
	Total Spent - Reimbursed 8/1/25	\$ 27,559.67	222,440.33
	Remaining ROPS		\$ 222,440.33