



BUDGET & FINANCE MINUTES

January 3, 2023

Members present: Brenda Alcala, Xavier Arinez, Jennifer Babcock, Don Gurnard, Bárbara Guzmán, Barry Leahy, Ron Lodge, Lyle Markhart, Steve Wilkinson

Members absent: Bianca Ebreo, Jose González

Staff present: Rachel Evey, Mireya Sanchez

CALL TO ORDER 4:01pm

1) **PRESENTATION:** Draft FY 2021-22 Audited Financial Statements – *Michael Yale*

- A. Overall process went very well. Auditors report is still in draft form awaiting the review and approval from the full board. No deficiencies found in internal controls. Based on review of the fiscal procedures' manual, all internal controls have been followed with continual update of the manual to reflect changes. There is a single comment from the auditor regarding internal control updates which includes recommendation of random checks/audit by a board member with accounting experience to make sure procedures are being followed. Financial overview shown includes gains and loss over the previous 5 years. Breakdown of functional expenses discussed, as well as designations of net assets. Unrestricted makes up about 10% of total net assets, with remaining 90% of assets being donor restricted. Statement of financial position shows increased total assets decreased, mostly due to fair market value fluctuations. Liabilities increased due to scholarships and accounts payable. Major categories of expenses compared to prior year, showing an increase in program services and less to management and fundraising. Cash flow report discussed, showing increase from beginning of the year. Discussion of investments and fair value measurements, showing decrease due to unrealized loss. Review of pledges received toward Building Futures campaign. Review of Related Party transactions, includes funds transferred between the Foundation and the College, and contributions of nonfinancial assets (personnel services).

2) **FINANCIAL REPORTS** – *Rachel Evey*

- A. Project Activity Report (Unrestricted funds)- Increase just over 36K, expenses just over 48K. Continue to operate at a deficit. Transfer from unrestricted endowment to the college of 100K has taken place.
- B. Income Statement
 - i. Unrestricted Overview and Detailed- income is in-line with the exception of around 10K due to in-kind and assessment investments. As we go into the new year, that disparity will increase due to payroll and FMLA for our two employees who are out on maternity leave. Income will increase once the end of year gifts are recorded, as those are still being completed.

- ii. Per Restrictions- contributions and donations increased toward the end of the year. Biggest portion of expenses is GG&A to the college, as expected. Current investments at CFNCW are around \$9M.
- iii. Balance Sheet- Everything in line with budget with the exception of scholarship programming. The scholarship booklet has been printed and distributed, so the cost of that effort has put us over the budget in that line item. Overall deficit is still around \$50K, which is still better than anticipated.
- iv. Monthly Gift Report – *to be handed out at a later time.*

ADJOURNMENT at 4:50pm
Minutes taken by Mireya Sanchez