



BUDGET & FINANCE COMMITTEE MINUTES

February 5, 2024

Members present: Brenda Alcala, Jennifer Babcock, Bianca Ebreo, Bárbara Guzmán, Barry Leahy, Ron Lodge, Lyle Markhart, Steve Wilkinson

Members Absent: Xavier Arinez, Don Gurnard

Staff present: Rachel Evey, Ellora La Shier, Brenda Magaña-Galvan, Mireya Sanchez

CALL TO ORDER 4:02pm

1) CONSENT AGENDA

- A. December 2023 Minutes approved by consent without changes.

2) FINANCIAL REPORTS – *Rachel Evey*

The financial reports do not include the revenue from online donations through Network for Good. Challenge filed with the vendor due to IRS status, which may be due to the 990-filing delay from Goetz Bailey and Yale.

- A. Unrestricted Project Activity Report- Overall decrease of \$32,000 from November to December for our unrestricted funds.
- B. Operating Income Statement- Annual fund income is under budget by \$8,000. Overall income is under budget by about \$23,000. For expenses, most things are in alignment with budget. The year-end appeal went overbudget due to the complexity of the print piece used. Overall expenses are under budget by \$49,000.
- C. Income Statement per Restrictions- Unrestricted revenue is \$308,000 as of December 31. This is an increase of about \$16,000 from December 2022. Events revenue and employee payroll contributions increased from last year. Temporarily restricted revenue is down from December 2022 by about \$130,000. Scholarship renewals are inconsistent due to the quarterly application process. In prior years, we asked donors to commit their scholarship by the end of the year. This decrease may also reflect the year-end appeal challenges previously discussed. Permanently restricted revenue is up by about \$712,000 from December 2022. This is due to investment gains and the major gift from the trust of Pixieann Zacher Kalcic. Total revenue as of December 31 was \$1.9 million, an increase from \$1.3 million in December 2022. Total expenses were \$801,000.
- D. Balance Sheet - Balance at CFNCW continues to be about \$10 million. Total assets as of December 31 was about \$13 million, an increase from \$11 million in 2022.
- E. Monthly Gift Report (January)- \$15,694 received from 67 donors. \$1,115 was recurring revenue from online donations (not payroll). \$260 was from Knight at the Wild ticket sales.
- F. Quarterly Expenditure Report (Sept.-Dec. 2023)
 - i. Under Gifts Grants and Awards, there are WVC employee monetary awards made in October. These are typically given in June at WVC's year-end celebration,

however due to the presidential transition the awards were announced in September and paid out in October.

- ii. Under scholarship programming, there was a reprint of the scholarship booklet due to a spelling error of a donor name. Updated copies were mailed to the donor in question and the remaining copies are used for events and cultivation meetings.

3) OLD BUSINESS

- A. Numerica Credit Union Account- account was intended originally to receive the funds from the Pixieann Zacher Kalcic trust. The account is not being used, as we received a check and deposited that to our CVB account/endowment as requested. Discussion regarding concerns with staff capacity and taking on the projects of auditor changes and banking service changes at the same time. Consideration to make the transition for auditing services this year and possibly put off the changing of banking services until next year. Note this was not originally an action item, however committee members felt it was appropriate to make it so in consideration of the proposal to close the account.

Motion from Ron Lodge to close the Numerica Credit Union Account. Second from Lyle Markhart. Motion carries without dissent or abstention.

4) NEW BUSINESS

- A. Endowment Allocation – report produced by CFNCW. Average fund balance based off 20 quarters ending 6/30/2023 and does not include the funds not included in the endowment spending policy. The last two years the rate was approved at 6% with discussion that it was unlikely to continue for a 3rd year. Discussion regarding fees, the policy update to average 20 quarters instead of 12 quarters, and how those affect our fund growth.

Motion from Barry Leahy for 2024-25 endowment spending rate of 5%. Second from Bárbara Guzmán. Motion carries without dissent or abstention.

- B. RFP for Audit Services- sent to the committee ahead of time, with the request to have commentary today. Discussion regarding the necessity of the firms having local offices and how that may limit our choices. Suggestion to open the RFP to firms that are out of the area. Preference will be given to those firms that show community support in their area and economic responsibility. Proposal to share our RFP with other WA college foundations, as they can provide a reference and we can be assured that those firms will be familiar with nonprofit and higher education auditing services.
- C. Fiscal Procedures Manual- updated draft provided for review, discussion will be at the next meeting. Tracked changes are from audit recommendations and changes in operational practices.

5) OTHER BUSINESS

- A. Report to the Full Board- status of RFP along with usual financial reports.

**ADJOURNMENT 5:10pm
Minutes taken by Mireya Sanchez**