



## BUDGET & FINANCE COMMITTEE MINUTES

Monday, December 4, 2023

**Members Present:** Brenda Alcala, Xavier Arinez, Jennifer Babcock, Bárbara Guzmán, Barry Leahy, Ron Lodge, Lyle Markhart

**Members Absent:** Bianca Ebreo, Don Gurnard, Steve Wilkinson

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

### CALL TO ORDER 4:03pm

#### 1) CONSENT AGENDA

- A. November 2023 minutes approved by consent without changes.
- B. Financial Reports- no questions or additional commentary on financial reports provided.

#### 2) NEW BUSINESS

- A. Audit Presentation- *Michael Yale*- presentation materials sent to all board members.
  - i. Overall performance of the audit went well with no difficulties encountered. These financial statements do not contain an official auditor's report as they are currently in draft form. Financial overview shows important takeaways for investments, assets activity, contributions as well as all other receivables and expenses. Unrealized losses resulting from market fluctuations in Fall 2022 are responsible for most of the major differentiation. Net assets are around 92% designated (restricted).
  - ii. Financial Statements- Assets- total ended up around \$11.9MM which is an increase of approximately \$900K from the previous year. Unrestricted public support and revenue is approximately \$1.6MM, restricted public support and revenue is \$1.4MM. Expenses- total expenses \$1.7MM. Change in assets approximately \$1.35MM.
  - iii. Cash from operating activities at \$157K from a negative balance FYE 2022. Cash provided from investing activities \$534K. Total net change in cash activity \$798K.
  - iv. Net investment return of \$849K.
  - v. Contributions and other receivables- total contributions receivable \$168K, total other receivables (CFNCW, estate gift) \$67K.
  - vi. Endowment total assets \$9.9MM including restricted and unrestricted.
  - vii. Contribution of nonfinancial assets- total \$301K. Comprised of donated personnel services and facility use from WVC. Facility use has not been recorded previously.
  - viii. Total net assets with donor restrictions = \$10.4MM increase of just over \$1.4MM from previous year.
  - ix. Highlights of statement- only noteworthy change is to the nonprofit leasing policy, which did not have any effect on financial operations.
  - x. Only recommendations are the internal controls should be tested regularly by a board member or someone else with accounting experience who is not a staff

member handling accounting function. The second recommendation is that continuing education be provided for the Foundation's personnel to help staff members recognize different kinds of revenue.

**3) OLD BUSINESS**

- A. Numerica Credit Union Account- approval received, all documents are being compiled and the opening of the account will take place via docusign. The account is only being opened to accept the Zacher Kalcic trust gift. Knowing that there are concerns regarding NCUA insurance and how that can add fees to future transfers, foundation staff will consider all banking options with an RFP going out to several local options.

**4) OTHER BUSINESS**

- A. Report to the Full Board- audited financial statements will be reviewed and approved at that meeting.

**ADJOURNMENT 5:00pm**

**Minutes taken by Mireya Sanchez**