**Boys & Girls Club of Chaffee County (BGCCC)**

**Minutes of the Finance Committee**

**September 15, 2021**

Attendees: Board Chairperson Duncan Campbell, Finance Committee Chair Jan Schmidt, Committee Members Gloria Broudy, Irv Broudy, Jo Ann Guattery, Chas Weaver and Staff Members Brian Beaulieu and Austin Taylor.

The meeting was held at the Salida club with several members participating on the Go To Meeting application. The meeting started just before 1:00pm.

1. Approval of Minutes from August meeting

Irv noted a correction regarding his and Gloria’s participation online and then made a motion to approve the minutes with that revision. Gloria seconded the motion and it carried unanimously.

1. August Financial Statements

Austin provided highlights of the August financial statements. (See attached memo.) Austin and Jan addressed several questions. Discussion included several items on the YTD budget comparison, balance sheet and 12-month trend report including the following:

* New balance sheet classification for investments; previously all funds were cash or cash equivalents
* First Western bank account was closed and entire balance moved to Fidelity; this included reserves in addition to the Endowment / Quasi-Endowment; confirmed reason for this was to increase returns
* Annual budget for daily fees was more heavily loaded in summer months vs. ratably over the year
* Uncollected fees are approximately $2,500; Brian said this was a decrease from ~ $8k in past years
* Health insurance was less than budgeted because only one month is reflected as of August
* Whether any pledges are past due and budgeting for uncollectible amounts, possibly at 5% as experienced by another organization Irv mentioned
* Reason for variability of monthly payroll expense (2-week pay cycle, seasonality and one-time payment)
* IT purchases for the computer lab included in the operating budget

ACTION ITEM: Austin will evaluate the need for a Bad Debt Reserve for uncollectible pledges.

ACTION ITEM: Staff, Jan and Duncan will work together toward adding key performance metrics in the financial report and exploring a dashboard as discussed in the Governance Committee.

1. Review Phase I Capital Campaign report

There was brief discussion of the status of the capital campaign and numbers reported through August.

1. Review Draft Audit Report for the Fiscal Year ended June 30, 2021

Jan said she and Austin were working to finalize the annual report. The second draft was included in the meeting packet and a few minor changes were still expected. The table on page 4 showing functional expenses would change. The percentage for Program Services and Fundraising would increase when “other capital campaign expenses” are in the proper column. The capital campaign caused the percentage for Fundraising to be greater and Program Services to be lower than 2020. Jan noted the categories reported for cash (Undesignated, Board-designated and Donor Restricted) and said she’d like to revise Note 3 to include disclosure of the $350,000 operating reserve to allay any concerns readers of the financial statements might have when they see a negative number for “financial assets available to meet general expenditures over the next 12 months.” It was also noted that Lyman Hamblin would attend the October board meeting (not a finance committee meeting) to present the report.

Duncan asked if the auditors had any management comments that staff needed to address.

ACTION ITEM: Austin will ask Mr. Hamblin for the final draft of the report and whether or not there would be a Management Letter. If suggested changes are made to the Board in a Management Letter, Austin will draft a response to the Board to address the issues raised.

1. Investment Committee Update

Jan provided an update from the Investment Committee that included the following:

* Review of the Investment Committee report provided to the board at the August meeting
* Discussion of follow up email communication from the committee written by Jake (Tom Jacobsen) regarding board expectations for returns and risks of investing in the market
* Action item for investing funds in addition to the Endowment
* Resignation of committee member Art Gentile

ACTION ITEM: Duncan will ask Art to reconsider his resignation.

ACTION ITEM: Jan will identify possible options for investing other funds to be held long-term.

1. Finance Department Update

Austin provided an update on accounting and finance activities.

* Audit is going well
* Resolution of the retirement account situation is in process; Austin trying to gain access to the Vanguard account to see activity and he created a spreadsheet of what contributions should have been made and market gains forfeited; Jan expressed concerns and emphasized the need to be in compliance with the plan documents for this qualified plan
* A new part-time position for a Resource Development staff member was discussed; the Finance Committee is conceptually in favor of pursing this but needs to see numbers showing how this affects the operating and capital campaign budgets

ACTION ITEM: Austin will prepare information about the budget impact of a possible RD position.

ACTION ITEM: Duncan will follow up with other clubs with an RD staff person and prepare a job description.

1. Cash Forecast Prototype

Austin has been working on this but it’s not ready for review by the Finance Committee.

ACTION ITEM: Austin will prepare a cash forecast report prototype for the Finance Committee to review at the next meeting and will break out cash balances by institution and purpose for which the funds are held. Per the discussion at the August meeting, it was agreed that the report would look back one quarter and project five years into the future.

1. Wrap Up / Next Meeting

Jan informed members that Jack Lee resigned from the committee.

The meeting concluded at 2:45 pm. Next meeting will be October 20th at 1:00 pm.

Minutes submitted by Jan Schmidt