

2. REVIEW

2.1 Foundation Investment Update by Financial Advisor

JAMES SCHRAMM

James Schramm reviewed the two investment accounts. The Foundation account was up again in March, overall doing well compared to benchmark of 6.2%. The next few months will continue to fluctuate. GDP numbers came in yesterday and they were lower than anticipated and the market responded favorably. Jobless rates are coming down. Earnings season is kicking in. He says to expect a recession in Q3-4; the Fed has been consistent and RJ does not expect interest rates to come down for a while. Corporations still posting good profit numbers. Housing is a trailing number and will stay higher longer. They are expecting to see a market rally during the 2nd half of this year.

There is still cash to invest in the Manvi Trust. This remains intentional so that it can be invested later in the year.

James shared that Raymond James has an FDIC insured account earning 5% and can insure up to \$50 million if there is a desire to move monies from LACOE to earn higher interest. Minimum deposit is \$100,000 in new assets. Next day liquidity. For comparison, LACOE interest rate is 2.78%. The committee is open to discussing moving monies. Sharlene Coleal discussed Board Designated funds. There was general discussion about interest rates and lending practices. James explained that the Fed is trying to bring down demand just enough to induce a slowdown in the economy without inducing a recession.

There was discussion about the allocation for the Foundation accounts, which is currently 60% stocks/40% bonds and generally on target in all areas. According to James, 40% bonds generates enough income to cover needs. Sharlene asked about changing the allocation model to 50/50. James recommends identifying the income needs when deciding, but expressed that the 60/40 allocation is in line with most nonprofit models.

3. RECOMMENDED APPROVAL

3.1 Financial Statements as of March 31, 2023

- Fund 81 Revenue & Expenses
- Operating Fund Cash Flow Projections
- Fund 82-89 Revenue & Expenses Summary
- Cash Balance Summary
- Fund 81-88 Disbursement Detail

SHARLENE COLEAL

Sharlene Coleal shared the financial overview for the Foundation:

The Adopted Budget included revenues and expenses of \$230,300 each with a \$0 net revenue.

As of March 31, 2023, we are 75% of the way through the fiscal year. Revenues of \$211,847 are above budget at 92%, expenses of \$201,002 are above budget at 87% bringing the net revenue to \$10,845 above budget. Revenues are at 92% of budget and tracking above budget due to contributions received for the Golf Tournament, Chancellor's Circle memberships and Silver Spur event.

Sharlene reported that the operating agreement between the District and the Foundation is in process. The agreement is traditionally brought to the joint board meeting, so she and the Foundation staff are working with legal counsel to complete. Randy Moberg asked to highlight changes at the Exec Committee meeting. Expect to see a reduction in legal expenses in the future now that so much of the heavy work has been done.

Regarding Manvi Trust – there will be a new trust agreement in the near future as amendments to the trust are approved by the court.

Lisa Burke asked for a motion to approve the Financial Statements as presented.

Motion to Approve: Randy Moberg Second Tamara Gurney

Voting Yes: Lisa Burke, Sharlene Coleal, Tamara Gurney, Brian Koegle, Randy Moberg, Shawna Lubs
(1 member absent)

3.2 2023-2024 Tentative Budget Draft

SHAWNA LUBS

Shawna Lubs introduced the tentative Foundation operating budget. She explained that they worked to keep revenues in line with previous year's budget. Annual appeals are set in line with the current budget. The budget sets a goal for the CDO for fundraising. Special events revenues projections are higher for golf since the tournament is back at Valencia Country Club and fees have increased with the course remodel. Chancellor's Circle and Silver Spur are projected in line with current year. Development and fundraising showing slight increases. Shawna shared that Alumni 360 software has been cancelled because Blackbaud/Razor's Edge has introduced comparable or better capabilities and it is already tied to the Foundation's database. Sharlene Coleal reviewed the Fund 82-89 funds with projected increases in fundraising goals.

Lisa Burke requested a motion to approve the FY 23/24 Tentative Budget as presented.

Motion to Approve: Randy Moberg Second: Steve Corn

Voting Yes:
Lisa Burke, Sharlene Coleal, Steve Corn, Tamara Gurney, Brian Koegle, Randy Moberg

3.3 Pledge Write-Off Review

DESIREE DODD

Desiree Dodd presented pledges that have not received payment in more than 3 years in the amount of \$4330. Outreach efforts have been made to contact and pursue payment without fulfillment. She asked that these be approved for write off per policy.

Lisa Burke requested a motion to approve.

Motion to Approve: Tamara Gurney Second: Randy Moberg

Voting Yes: Lisa Burke, Sharlene Coleal, Tamara Gurney, Brian Koegle, Randy Moberg, Shawna Lubs
(1 member absent)

3.4 Fund 82 Interest Sweep

SHARLENE COLEAL

- Board Designated Fund

Sharlene Coleal acknowledged Rosie Kochendorfer for uncovering accumulated interest in Fund 82. She explained that when interest rates plummeted several years ago the Foundation stopped sweeping nominal interest accumulations. That amount has now built to \$136,855.19 as interest rates have increased. Sharlene reviewed the programs under Fund 82 and noted that the amount is not currently serving a purpose.

Lisa Burke asked for a motion to sweep the accumulated interest.

Motion to Approve: Brian Koegle Second: Randy Moberg

Voting Yes: Lisa Burke, Sharlene Coleal, Steve Corn, Tamara Gurney, Brian Koegle, Randy Moberg, Shawna Lubs

Discussion continued with Randy Moberg pointing out that based on past policy and procedure, the Foundation has charged administrative fees. The Foundation currently only takes fees for non-scholarship donations over \$20,000 and does not currently take any administrative fees for investment services provided. This interest

discussed would serve to cover such fees. There was discussion about excluding interest generated by the Roger Van Hook Raising the BAR Fund and the Student Resource & Success Fund from the sweep. Lisa Burke requested a motion to approve sweeping the accumulated interest, with the exception of BAR and Student Resource & Success Fund.

Motion to Approve: Randy Moberg Second: Tamara Gurney

Voting Yes: Lisa Burke, Sharlene Coleal, Tamara Gurney, Brian Koogle, Randy Moberg, Shawna Lubs

(1 member absent)

4. PUBLIC COMMENT

4.1 Comments by Members of the Audience NOT on the Agenda

LISA BURKE

Lisa Burke asked for comments from the members not on the agenda; there were none.

5. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

5.1 Adjournment

LISA BURKE

Lisa Burke adjourned the meeting at 9:25am