

## **Finance Committee Meeting Minutes** **October 13, 2020**

Videoconferenced via Google Meet

Committee Members Present: Angelica Arroyo, Jeremy Green, Jason Griffin, Rob Lee, Joyce Simon, Nathan Steen

Staff Present: Karen Kelly, Beccie Michael

1. Chair Rob Lee called the meeting to order at 4:03 pm.
2. There were NO GUESTS and NO PUBLIC COMMENT
3. Approval of July 28, 2020 Minutes
  - Motion: Mr. Griffin; second: Ms. Arroyo
  - Ayes: Mr. Green, Mr. Lee, Ms. Simon, Mr. Steen; Nays: none
4. Review of 2020 Third Quarter Financial Statements

Chair Rob Lee provided an overview of the *Balance Sheet with Previous Year Comparison and Profit and Loss Budget vs. Actual* statements for the quarter ended September 30, 2020. Of special note:

  - Balance Sheet shows a new PayPal account with a \$50K balance that the Foundation uses for Emergency Response grants, Evans College Incentives and other rapid disbursements.
  - The \$76,777 *Payroll Protection Program* Loan accounts for the large increase over last year in Current Liabilities. The loan will be converted from liability to asset once the forgiveness process is finalized.
  - Profit & Loss Budget vs. Actual statement shows that several unbudgeted bequests raised actual income above budgeted.
  - Although Emergency Assistance and Scholarship expenses exceeded budgeted amounts, those programs were funded by larger than budgeted contributions
  - The Foundation's \$150K contribution to MPC's Measure V bond campaign accounts for the large budget variance for unrestricted Campus Support
  - The 3<sup>rd</sup> quarter is the first reporting period of 2020 to show a net gain through investment activities
  - MPC Foundation remains financially strong
5. Recommendation for Board Approval, 2020 Q3 Financial Statements
  - Motion: Ms. Simon; Second: Mr. Green
  - Ayes: Ms. Arroyo, Mr. Griffin, Mr. Lee, Mr. Steen; Nays: none
6. Review of 2019 IRS Form 990

Foundation Accounting Manager Karen Kelly briefly reviewed the Foundation's informational tax return draft as prepared by the firm that prepares the annual audited financial statements,

*Minutes respectfully submitted by Karen Kelly*

EideBailly. The financial data reported to the IRS on form 990 ties to the information presented in the Independent Auditor's Report on Financial Statements for 2019.

The committee had questions about Investment Income and Net Income as reported in Part I, Lines 10 and 19, They agreed to recommend the 2019 Form 990 for acceptance by the full board pending clarification\*

- Motion: Mr. Lee; Second: Mr. Griffin
- Ayes: Ms. Arroyo, Mr. Green, Ms. Simon, Mr. Steen; Nays: none

\*clarification subsequently provided via email to committee on 10/15/2020

7. 2021 Budget Discussion

Beccie Michael, MPCF Executive Director, introduced a preliminary "directional budget" for FY 2021 that indicates whether line items are expected to increase or decrease in 2021. As the budget is further developed over the next months, the magnitude of changes will be refined, but overall, we expect that:

- Revenue will increase overall mostly via known legacy gifts and investment returns
- Event and Business Partner income will decrease slightly due to ongoing economic uncertainty
- Event expenses and certain operating expenses will decrease with ongoing pandemic restrictions
- A cost of living increase to Payroll expenses is anticipated
- As we grow the Foundation's programs, expenses for mission-related activity will also increase
- This budget calls for a slight increase in net revenue

8. Mr. Lee adjourned the meeting at 4:44 pm