



## Finance & Budget Committee

2/18/25

Zoom

Call to Order: 1:05 PM

### Attendance:

Ed Schulenberg, John Laflin, Karli Mackley, Mike Tavlin, Andy Martz, John Wirtz, Sherrie Tepe, Krystal Siebrandt

Natalia Wiita, Angelina Cuning, Kass Mounce, Allison Bock

### Welcome:

- Welcome Natalia to Foundation

### Agenda:

#### 1. Minutes

- a. Karli entertains a motion to approve the previous meeting minutes, Andy moves, Mike seconds, all in favor - Approved for publishing

#### 2. Financials

- a. December financials\*
  - i. Numbers and differences from previous month financials were spoken on
- b. Statement of financial positions
  - i. Total cash up about \$300,000 - \$30,000 came in for operations
  - ii. Spark – significant cash
  - iii. Frontier CDARS account matures March 13<sup>th</sup> – the proceeds will be put into related banks ICS account until more is known about liquidity needs for capital campaign funds
  - iv. Total assets were down from end of November – decrease in investment accounts as December market was down
  - v. Revenues and expenses
    1. 4 months in (33% of the year complete) - \$31,000 positive in comparison to budget
    2. Contributions around 29% - grant funds received that were not budgeted for; Close to where we want to be when contributions and grants are combined

- 3. Admin fees – 32% well on target
- 4. Investment/revenue/fees – 61%, includes investment earnings and annual payout and some funds that support operations – expect line item to be ahead of budget at beginning of year
- vi. Expenses are tracking at below or right on in all categories.
- vii. Quarter end
  - 1. Total expenses at 30% of budget, leading to net positive
- viii. Pass through (Fund 3)
  - 1. Grant revenue at \$106,500 – \$50,000 Acklie contribution for Spark
- ix. Spark contributions: \$85,000 from Google in December
- x. Liquidity report was presented showing a shortfall using budgeted expenses and revenues.
- xi. Karli makes motion to approve December financials, Mike seconds, all in favor – December financials approved

### 3. Audit\*

- a. Reallocated functional expenses from previous audit draft provided
- b. Draft presented from Buckley-Sitzman – now accurately presents how staff spends time and how expenses should be categorized
- c. Clean opinion
- d. Motion made to take it to board meeting on 2.26.25 to be approved, Mike moves, Ed seconds, all in favor – Audit to be taken to Board

### 4. 990 Report\*

- a. Original due date of January 15<sup>th</sup> – extended to July 15<sup>th</sup>
- b. Krystal and Karli discussed changes proposed to Buckley & Sitzman to have final draft for 2.26.25 board meeting.

### 5. Investment Committee Recommendation

- a. Investment Committee Meeting Minutes\*
  - i. RFP interviews were discussed; went over finalists – DA, Fiducient, Mercer
  - ii. Mike made a motion to engage Mercer, the Investment Committee's recommendation from the three finalists, as the new investment advisor for FLPS, the motion also included notifying DA Davidson 30 days after Mercer's engagement regarding termination of their services.
- b. Discussion over various aspects of RFP proposals and possible changes
  - i. Going over where these recommendations came from and the connections that they have to Lincoln
  - ii. DA Davidson assists in onboarding new employees for IRAs – Mike mentioned that this was not discussed with DA Davidson so it was unknown how it would affect the employee's IRAs
  - iii. Mercer team works with only nonprofits – less clients/staff, would expect to provide with equal or better service as DA Davidson
  - iv. Foundation does not hold any assets that would need to be sold to be transferred

- v. Mercer would not retain investments that DA Davidson chose – and securities would be transferred in kind
  - vi. Making sure that there is no breach of contract with this decision
  - vii. No contractual timeframe - if selection is made, able to terminate at any time.
- c. Timeline of decision
  - i. Take about 5 weeks to complete onboarding process before Mercer would accept assets and inform DA Davidson of change – no timeline has been discussed to finalists over when decision will be made
  - ii. Approvals needed from Board to move funds
  - iii. Slow process down a bit to allow proper discussion and education with new president and Executive committee not seeing recommendations yet
- d. Karli, alongside Natalia, recommend taking this to executive committee on 3.05.25 to possibly approve to be taken to board, Mike motions, Ed seconds, all in favor – Investment Committee's recommendation of engaging Mercer to be taken to Executive Committee for further review

**Adjourn: 1:56**