

Budget & Finance Committee Call

Minutes – September 22, 2014, 3:00 pm EST conference call

The call was convened Monday, September 22, 2014 at 3:05 pm EST.

Members present: Jane Federowicz, Linda Lulli, Peter Barnes, Barbara Carroll, Chris Byrd, Andy Brantley, Rob Shomaker, Glee Wilson

Others present: Mike Parton, Partner, Coulter & Justus, PC

Audit Report

Mike Parton, Partner, Coulter & Justus, PC provided the auditor communications on the June 30, 2014 audit. He mentioned that this was another clean audit for CUPA-HR and there were no findings to report. There was an audit adjustment proposed of \$19,600 for understatement of Section 457f deferred compensation accrual. The post audit conversation with the treasurer has been completed.

Mike briefly reviewed some of the key numbers in the financial statements. He noted that revenue increased almost 1 million over previous year with expenses increasing about .5 million. This shows that CUPA-HR is able to manage costs as revenue increases. He emphasized that CUPA-HR is a strong non-profit financially with a large amount of liquid assets and a small amount of liabilities. The liquid assets are conservatively managed as well.

Mike then answered the following questions:

What is the industry standard regarding reserves of this size of non-profit?

There is not really an industry standard, but a key strength in CUPA-HR's financial position is that last year's revenue was almost 7 million which is the same amount as net assets. CUPA-HR is able to continue to increase revenue each year while keeping costs below that increase to invest more in our services.

Are there any areas of concern in the financial position?

No. Management needs to always consider risk when considering new projects or services. When the audit team is planning the audit procedures, they are looking for things that can go wrong in the financial process. CUPA-HR's accounting team has the advantages of continuity due to cross training and documentation procedures.

Mike thanked Andy, Rob, Glee and her team for the opportunity to perform the audit and present the findings. He commends CUPA-HR upper management, board members and the Budget & Finance committee members for taking the audit process seriously.

Motion: Approve the audited financial statements and send to the full board for their approval. Motion was made by Linda and seconded by Peter. The motion passed unanimously.

Revenue Update

Jane reported a current revenue update for dues, surveys, boot camp and UHE registrations and ACON revenue. Dues revenue is 100.61% of budget! It is too early in the fiscal year to compare survey, boot camp and UHE revenue. Survey revenue will begin to pick up in December. It is anticipated that boot camp and UHE revenue will increase after presentations at ACON. The registration numbers for ACON are lower than budget (currently at 908, budget 942). Sponsorships and exhibit booths have exceeded budget, so anticipated total revenue should meet our original conference budget.

Higher Education Symposium (hosted by the Western Region) Budget

The budget for this event was presented with a \$19,748 return to reserve which is a 16% profit margin. There are still some unknowns such as sponsorships which are structured similar to ALP sponsorships. There will not be an exhibit hall. This is a 2 day event instead of the normal 2.5 day conference. Hotel costs are less because there are only 2 rooms for the event (one for workshop and one for meals). Marketing for this event will be national as this event will be listed as "Hosted by the Western Region".

Motion: Approve the Western Region Symposium budget and send to the full board for their approval. Motion was made by Linda and seconded by Peter. The motion passed.

Treasury Management RFP

Glee updated the committee on the status of the treasury management RFP process. The proposal was sent to 4 banks and the current bank, First Tennessee Bank. All banks indicated interest in completing the proposal. Deadline is October 8, 2014 for return of the proposals. Andy, Rob and Glee will review them and present their findings to this committee at their next call.

Annual Discussion/Action Topics

Jane presented a calendar of discussion or action topics for this committee each year. This list will keep the committee on track and is great for onboarding of new committee members.

The meeting was adjourned at 4:01 pm EST.

Next scheduled call

The date of the next call is Tuesday, October 28, 2014 4:00 pm.