

Advance CTE/The Center to Advance CTE
Finance/Audit Committee
MINUTES
CONFERENCE CALL
January 9, 2020
2 p.m.- 3 p.m. ET.

Attendees: Heather Justice, Bernadette Howard, Victoria Crownover, Whitney Thompson
Staff: Kim Green, Kate Kreamer
Invited Guests: Jennifer Arminger and Mac Lilliard, GRF CPAs and Advisors; Bert Swain, Dembo Jones

Introductions: Justice led introductions.

Review and Approval of Minutes: Justice presented the Finance/Audit Committee minutes from the November 2019 committee call and asked for questions.

MOTION: To approve the November 1, 2019 Finance/Audit Committee minutes, as presented.
Howard; Crownover.
MOTION ADOPTED.

Review and approval of draft audit: Lilliard provided an overview of the AU-C 260 letter and noted that there are not too many changes from the letters provided in years past. There were minimal changes, identified in the “new accounting standards update.” He also said there were no issues with the audit.

Armingier then walked through the financials. She shared that the audit process was very clear, they had all of the information they needed and the Advance CTE team was incredibly helpful and prepared. The presentation of the financials is consolidated across the two organizations, but is disaggregated by each organization at the end of the document. There are a few changes in how the information is presented based on a new accounting standards, which applies to all non-profits.

Armingier clarified that the column named “without donor restrictions” (which was formerly named “unrestricted net assets”) are resources we can use this year, while “with donor restriction” (which was formerly named “temporarily restricted net assets”) are resources received that are pledged for a specific purpose, using in a future fiscal year. This renaming was part of the updated accounting standards.

Green added that historically we have focused on keeping general/administrative costs as low as possible. The rules have changed and we are now required to charge time spent managing a grant (e.g., funder relations, grant reporting) to a general and administrative category, which will be under a grant.

Lilliard shared that the OAC letter does not include any comments that warrant concerns or actions but highlights that Advance CTE addressed a concern raised in 2018 regarding a change in revenue recognition.

Howard recognized how well the organization manages their financials and the audit, which is a testament to Green and her team.

**MOTION: To approve the FY19 audit as presented.
Crownover; Howard.
MOTION ADOPTED.**

Review and approval of draft 990s: Swain provided a high level overview of the major sections of the Association's 2018 990s. Swain shared that the 990-T (for Advance CTE) was the result of the 2017 new tax law, which identified transportation benefits provided by a non-profit as a business expense and required a tax filing. This provision has been revoked and we will be seeking a refund. Swain then walked through The Center to Advance CTE's 2018 990s.

Green thanked Bert Swain and Caroline Skinner for all of their hard work.

**MOTION: To approve the Advance CTE 2018 990s, as presented.
Thompson; Crownover.
MOTION ADOPTED.**

**MOTION: To approve The Center to Advance CTE 2018 990s, as presented.
Crownover; Thompson.
MOTION ADOPTED.**

Review and approval of financial statements: Green shared that our investments are doing well despite volatility in the market. Our advisor had no recommendations to make any changes to investment strategy, which keeps us in alignment with Board approval and policies.

The new budgets provided are those approved by the Committee and Boards of Directors in December 2019 along with updated actuals. Green shared we are in good place for both organizations. On the Advance CTE side, we anticipate all states being members once again, and have received New York's dues since submitting this document. Green pointed out that we have received a few small grants and contracts, which are now included in the updated budget.

For The Center, Green shared that a number of grants are ending in January and February of 2020, and the organization is focused on spending down our remaining resources. The new large grant from JPMorgan Chase Foundation has been approved and a \$1 million payment is coming soon. We have received approval to continue to draw down on previous New Skill for Youth grant until the new grant starts in March 2019.

Justice thanked Green for the organization of the financials and for keeping us in such strong financial health.

**MOTION: To approve the organization's financial statements, as presented.
Howard; Thompson.
MOTION ADOPTED.**

Meeting adjourned: 3:31 pm ET