

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres
Leslie Hatamiya, *Executive Director*
www.sbcf.org

This meeting will be held in person at the San Bruno Senior Center, with members of the public able to attend and offer public comment in person at the Senior Center or virtually via Zoom or telephone.

IN-PERSON MEETING LOCATION

San Bruno Senior Center
1555 Crystal Springs Road
San Bruno, CA 94066

REMOTE VIA ZOOM OR TELEPHONE

Zoom Link:
<https://us02web.zoom.us/j/84822260798?pwd=OFVZRZ3hrSkZKK2pYNFFiQ0h6cEtvUT09>
Webinar ID: 848 2226 0798
Passcode: 347046
Dial-in: (669) 900-6833

PUBLIC COMMENT: In person attendees who want to provide public comment will be asked to fill out a speaker card and submit it with the SBCF Executive Director. Virtual attendees can comment by using the “Raise Hand” feature in Zoom to request to speak. For dial-in comments, press *9 to “Raise Hand” and *6 to unmute. Public comment may also be emailed to info@sbcf.org. Comments received via email will not be read aloud during the meeting. Materials related to the agenda distributed after it is published will be available for public inspection at San Bruno City Hall, 567 El Camino Real, San Bruno, in compliance with the Brown Act.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the SBCF Office 48 hours prior to the meeting at (650) 763-0775 or info@sbcf.org.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

June 7, 2023

7:00 p.m.

- 1. Call to Order/Welcome**
- 2. Roll Call**
- 3. Public Comment:** Individuals are allowed three minutes at this time to comment on items that are not on this agenda. It is the Board’s policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendized pursuant to State Law.

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4. **Presentation:** Recognition of the 2023 Crestmoor Neighborhood Memorial Scholarship Recipients
5. **Approval of Minutes:** April 5, 2023, Regular Board Meeting
6. **Executive Director's Report**
7. **Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.
 - a. Adopt Resolution Appointing Member to the Audit Committee
 - b. Adopt Resolution Appointing Board Representatives to Participate in the San Bruno City Council's SBCF Board Appointment Interview Process
 - c. Receive and Approve Treasurer's Report (March and April 2023 Financial Statements)
8. **Conduct of Business**
 - a. Receive Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno
 - b. Receive Report on Other Programs (Community Grants Fund and Other Strategic Grants)
 - c. Receive Report from Investment Committee on its May 17, 2023, Regular Meeting
 - d. Adopt Resolution (a) Approving Fiscal Year 2023-2024 Budget, (b) Setting the Quasi-Endowment Payout Rate for Fiscal Year 2023-2024, (c) Approving Transfer from the Strategic Pool Investment Account to the Liquidity Account for Fiscal Year 2023-2024, and (d) Directing the Executive Director to Submit the Fiscal Year 2023-2024 Budget to the San Bruno City Council for Consideration and Approval
9. **Board Member Comments**
10. **Adjourn:** The next regular meeting of the Board of Directors is scheduled for Wednesday, July 5, 2023, at 7:00 p.m.

The San Bruno Community Foundation honors 10 San Bruno students who have demonstrated a strong commitment to the San Bruno community with multi-year college scholarships totaling \$160,000.



AWAB ABDELGADIR: Committed to increasing access to STEM opportunities for low-income students, Awab successfully led a campaign to bring computer science courses to Capuchino High School. Awab is a peer tutor in math and English, mentored San Bruno youth in coding and engineering through BoostKids!, volunteers at Mills-Peninsula Medical Center, is co-president of the Robotics Club, is president of the Black Student Union, leads the Sewing Club, and has served on the School Site Council. Awab will study computer science and cognitive science at UC Berkeley.



OSCAR CABALLERO: Oscar is a Capuchino High School scholar in the International Baccalaureate diploma program and a member of the San Bruno community who makes a difference. An active volunteer at St. Bruno Catholic Church, Oscar is secretary of the Animal Awareness Club and a member of Latino Unidos and the Environmental Club. He volunteers at a local assisted living facility, while also working at two restaurants. A cancer survivor, Oscar has served as a motivational speaker for children battling childhood cancer. With plans to major in electrical engineering, Oscar will attend UC Santa Cruz this fall.



LENA FELDMAN: With aspirations of becoming a physician, Lena will begin her studies at UC Davis this fall. As a volunteer at Musical Castle Preschool, Lena has provided a wide range of childcare services including teaching English to Russian-speaking children. She also provides tutoring to Ukrainian refugees to help them learn English and adjust to life in the United States. In addition to volunteering at Mills-Peninsula Hospital, Lena has served on the Capuchino High School Site Council, taught swimming lessons at the YMCA, and distributed meal kits to food-insecure families through Kind Hearts for You.



JULIO LAU: Julio is a trailblazer who left his family and community in Peru to pursue his education in the United States. Understanding firsthand the challenges facing English language learners, Julio is an English tutor at The Learning Center at Skyline College, primarily supporting international students. Julio has served as an associate senator of Skyline's student government, vice president of finance of the Honors Club, and is a member of the Phi Theta Kappa Honors Society. Julio is an entrepreneur who started a cell phone accessory import business, and he will study business as a transfer student at UCLA.



SIOFRA LINDEN: Committed to addressing the challenges of climate change, Siofra relaunched and has served as president of Capuchino High School's Environmental Club, organizing Earth Day rallies and spearheading and securing grant funding for an initiative to place PurpleAir air quality monitors around San Bruno. She is a four-year member of the track and cross country teams, is the concertmaster for the Capuchino Chamber Orchestra, plays violin in the Peninsula Youth Orchestra, and served as a San Mateo County Youth Climate Ambassador. Siofra will attend UCLA this fall.



GRACE ROFII: A 2021 graduate of Capuchino High School, Grace is completing her degree in communication studies at the College of San Mateo. In high school, Grace was president of the Sexuality and Gender Alliance Club and led inclusive sex and gender health education seminars. A star athlete since her days with the San Bruno Girls Softball League, Grace was an all-league player on the Capuchino softball team and has served as a coach at youth softball camps. A starter on the CSM team that won the program's first state championship, Grace will transfer to a four-year college to continue her education and softball career.



RUBI SANTACRUZ-HUERTA: With a desire to help diverse populations in need, Rubi is determined to become a pediatrician, and this fall she will begin undergraduate studies at UC Davis in pursuit of this dream. At Capuchino High School, where she is a scholar in the International Baccalaureate diploma program, Rubi has served as co-president of the Animal Awareness Club, a varsity cheerleader, and an active member of the Black Student Union, Leos Club, and Latino Unidos. Rubi is also an intern at Mills-Peninsula Hospital, teaches youth gymnastics, and started her own handcrafted soap business.



EUREKA SORIANO: A student leader at Skyline College, Eureka has served on the Student, Equity, Equal Employment and Diversity Committee, the Curriculum Committee, and the SPARC Committee. As Commissioner of Activities, Eureka has celebrated the community's cultural diversity, organizing a Filipinx Night Market, live Tongan dance performances, weekly Latinx festivities, and LGBTQ+ speaker panels. She also advocated for policy changes in San Mateo County to protect students from second-hand smoke as a Youth Leadership Institute intern. Eureka will transfer to San Francisco State University this fall.



ALYSIA TANIMURA: As a woman in computer science, Alysia is a trailblazer who seeks to open doors to underrepresented communities in STEM fields. At Skyline College, Alysia has served as a peer mentor providing critical support to first-generation college students, club liaison for the student government, and president of the Honors Club. In addition, she was founder and president of the Computer Science Club, a member of WISER (Women in Science and Engineering Represent), and a STEM Pathways Research Scholar intern. Alysia plans to major in mathematics of computation at UCLA.



ADRIAN WOMACK: Adrian is committed to ensuring that San Bruno is an inclusive, welcoming community. At Capuchino High School, he is co-founder and president of SAGEx Club, which promotes opportunities in STEM to underserved communities, is an active member of the Sexuality and Gender Alliance Club, serves on the Student Equity Council, is secretary of the Cap Kababayan Club, and worked with other students to paint a mural in downtown San Bruno. An aspiring physicist, Adrian is on the leadership team of TeenTechSF, is a member of the Math and Robotics clubs, and this fall will begin his studies at UC Riverside.

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

April 5, 2023

7:00 p.m.

Meeting Location:

San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno

1. **Call to Order/Welcome:** President Netane-Jones called the meeting to order at 7:00 p.m.
2. **Roll Call:** Board Members Netane-Jones, Ruane, Gomez, Lin, Moreno, Perry, and Torres, present.
3. **Public Comment:** None.
4. **Presentations**
 - a. Recognition of Dr. Melissa Moreno for Her Service on the San Bruno Community Foundation Board of Directors

Dr. Moreno was delayed in joining the meeting, so her presentation was conducted following the presentations to Mr. Grogan and Ms. Mottola.

On behalf of the Board, President Netane-Jones recognized former Board Member Melissa Moreno, who resigned from the Board effective April 1, 2023, as a result of her appointment as Interim Chancellor of the San Mateo County Community College District, with a proclamation from the San Bruno Community Foundation outlining her significant contributions to the Foundation, a framed copy of which Dr. Moreno received from the Foundation. Other Board members shared memories of working with Dr. Moreno and thanked her for her service to the Foundation and to the community as President of Skyline College. Dr. Moreno made brief remarks, saying it was an honor to serve on the Board and work for the benefit of San Bruno.

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- b. Recognition of San Bruno City Manager Jovan Grogan for his service to the San Bruno community and his support of the San Bruno Community Foundation

On behalf of the Board, President Netane-Jones honored outgoing San Bruno City Manager Jovan Grogan. She read a proclamation acknowledging Mr. Grogan's many contributions to the Foundation and the San Bruno community, a framed copy of which Mr. Grogan received from the Foundation. Board members thanked Mr. Grogan for his partnership with the Foundation, and Mr. Grogan addressed the Board, thanking Board members for the recognition and the Foundation's work in the community.

- c. Recognition of San Bruno Community Services Director Ann Mottola for her service to the San Bruno community and her support of the San Bruno Community Foundation

On behalf of the Board, President Netane-Jones honored outgoing San Bruno Community Services Director Ann Mottola. She read a proclamation acknowledging Ms. Mottola's partnership with the Foundation on various initiatives and her service to the San Bruno community, a framed copy of which Ms. Mottola received from the Foundation. Ms. Mottola addressed the Board, expressing her gratitude for the recognition and thanking the Foundation for all of its work in the community.

5. Approval of Minutes: March 1, 2023, Regular Board Meeting: Vice President Ruane moved to approve the minutes of the March 1, Regular Board Meeting, seconded by Treasurer Lin, approved unanimously by roll call vote.

6. Executive Director's Report

Executive Director Leslie Hatamiya reported on several items. She noted that she distributed magnetic name badges to all Board members on the dais, saying that now that groups are meeting again in person and they may be representing the Foundation at community events, the badges will be helpful in identifying them as SBCF Board members.

She also provided an update on the SBCF Board appointments process, as the Board has an open seat with Dr. Moreno's resignation and the first terms of President Netane-Jones, Vice President Ruane, and Secretary Gomez will conclude at the end of 2023. She reminded the Board that under the Foundation's Bylaws, the San Bruno City Council is responsible for appointing members of the SBCF Board of Directors and that under the process the Council put into place in December, the Council will review applications and conduct interviews. She noted that two members of the SBCF Board will be invited to participate in the interviews, and then the Council will make the appointments. She said that the application for applying for all four seats is posted on the City's website, with a May 5, 2023, application deadline.

Finally, Ms. Hatamiya discussed the Board's meeting schedule. She noted that, as was the practice pre-pandemic, the Board may cancel regular meetings when the Foundation does not face any pressing matters that would require Board attention in a given month, including the regularly scheduled May 3, 2023, meeting.

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7. Consent Calendar

- a. Adopt Resolution Authorizing President Malissa Netane-Jones to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2022-2023 for an Amount Not to Exceed \$11,000
- b. Adopt Resolution Adjusting Executive Director's Compensation
- c. Receive and Approve Treasurer's Report (February 2023 Financial Statements)

Because State law requires an oral report on the Board's action to adjust the Executive Director's compensation, President Netane-Jones reported that the action in Item 7.b. is to provide a 5% cost of living increase to her salary, which will now be \$207,816. She reported there would be no other changes to the Executive Director's compensation.

San Bruno resident Charles Meyer acknowledged the efforts of the Executive Director but commented that her salary seemed high.

Board Member Perry moved to accept the Consent Calendar as presented, seconded by Secretary Gomez, approved unanimously by roll call vote.

8. Conduct of Business

- a. Receive Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno and Adopt Resolution Increasing Strategic Grant Funding to the City of San Bruno for Construction of the San Bruno Recreation and Aquatic Center Project by an Amount Not to Exceed \$1,500,000

The Board received a thorough update on the Recreation and Aquatic Center from the City's project team, led by Project Manager Rod Macaraeg and Public Works Director Matthew Lee. They reviewed work recently completed, including wall framing, mechanical, electrical, and plumbing work, and parking lot construction, as well as upcoming work scheduled at the construction site, public outreach related to the project, progress on plans to install a solar photovoltaic system at the center, approved and potential change orders, and the project budget. Board members asked questions about the best practices related to construction contingency, change orders related to the disposal of contaminated soil, and the design of the new creek bed to handle potential rainfall in major storms.

The Board then considered the City's request for an additional \$1.5 million in grant funding to bolster the project's construction contingency. The project team explained that based on approved and anticipated change orders, it is estimated that by July the construction contingency will be \$605,400.75, which is about 4% of the remaining \$15 million worth of construction work to be completed. They said that for construction projects of this size, it is a best practice to have 10% to 15% contingency of the

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remaining work to ensure there is adequate funding for any unforeseen work and to avoid schedule delays and increased project costs, and the additional \$1.5 million increases the construction contingency to 14% of the remaining work. Board members asked questions about the request, and San Bruno City Manager Jovan Grogan explained that there is an eight-step process for the City to request additional funds, and as construction enters the final stretch, the City would not have the time to ask for additional funding, if needed, without a significant delay in finishing the project. He emphasized that the City will not spend the additional funds if they are not needed, but that they provide a very helpful cushion in the event that unexpected expenses arise in the final months of construction.

San Bruno resident Charles Meyer spoke in favor of the request, saying that he believes the City has cost controls in place and that the request is an opportunity for the Foundation to help the City make the Recreation and Aquatic Center a jewel for San Bruno.

Secretary Gomez moved to adopt the resolution increasing strategic grant funding to the City of San Bruno for the construction of the San Bruno Recreation and Aquatic Center project by an amount not to exceed \$1,500,000, seconded by Vice President Ruane, approved unanimously by roll call vote.

b. Receive Report on Community Day 2023 from the City of San Bruno

City Manager Jovan Grogan thanked the Board for the \$30,000 strategic grant supporting the City's 2023 Community Day. He said that the City is excited about holding another Community Day downtown. He then reported that the City received a request from the San Bruno Lions Club to not hold Community Day on the same day as the Posy Parade as in the past and that the City agreed to postpone Community Day this year and is exploring other dates for the event, considering scheduling logistics and staff workload.

c. Receive Report on Other Programs (Crestmoor Scholarship, Community Grants Fund, and Other Strategic Grants)

Executive Director Hatamiya reported that the Foundation received 69 applications for the 2023 Crestmoor Scholarship by the March 7 deadline. She reported that the volunteer selection panel is in the process of reviewing the applications and that the Foundation expects to notify applicants of the results of the selection process before the end of April. She said the scholarship recipients will be recognized at the June 7 Board meeting.

With regard to the Community Grants Fund, Ms. Hatamiya shared photos of recent virtual and in-person grant check presentations for the 2022-2023 cycle and provided highlights of some of the grant reports the Foundation recently received from 2021-2022 Community Grant recipients, including Art in Action, Capuchino High School Alumni Association, and Peninsula Volunteers, Inc.

With regard to other strategic grants, Ms. Hatamiya reported that the Centennial Plaza Improvement Project, which the Foundation is helping fund with a \$500,000 grant to the City of San Bruno, continues

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in the construction documents phase. She said that the project schedule has been pushed out about two months, as estimates for the City's review periods have been extended and extra time was added to allow for a Planning Commission review of the project. She said that under the revised timeline, construction is scheduled to begin in the fall of 2023 and conclude in the spring of 2024.

Ms. Hatamiya also reported on the \$35,000 strategic grant that the Foundation awarded to the San Bruno Park School District to support field trips and assemblies this school year. She noted that all five elementary schools and Parkside Intermediate School have used a portion of their allotted funding, with highlights including Parkside field trips to the Tech Museum and the Exploratorium and a Portola Elementary School visit to Oracle Park to learn math. She also showed a series of photos of Belle Air Elementary School third graders touring San Francisco International Airport.

9. Board Member Comments: None.

10. Adjourn: Treasurer Lin moved to adjourn the meeting at 8:46 p.m., seconded by Board Member Torres, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 7, 2023, by Secretary Raul Gomez and President Malissa Netane-Jones.

Raul Gomez, Secretary

Malissa Netane-Jones, President

SAN BRUNO

Community Foundation

Memorandum

DATE: June 2, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

Since the April 5, 2023, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship programs, monitoring and attending to various strategic grant initiatives, and supporting the Investment Committee, all of which will be covered during the business portions of the June 7, 2023, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

1. Insurance Policy Renewals

Renewals of the Foundation's workers compensation, directors and officers liability, and commercial general liability, cyber liability, property, and non-owned hired auto liability insurance policies became effective on March 21, 2023.

In addition, the Foundation's current crime insurance policy with Travelers Casualty and Surety Company of America is for two years and began on May 27, 2022. The second year on the policy began on May 27, 2023, and the premium is \$2,897.

2. Auditor

At the April 5 Board meeting, the Board approved Novogradac & Company LLP to conduct the Foundation's fiscal year 2022-2023 audit and authorized President Malissa Netane-Jones to execute a professional services agreement with the firm for audit and tax preparation services. We executed the professional services agreement with Novogradac on April 5, 2023.

3. Email Newsletter and Website Hits

Since the April 5 Board meeting, I have sent out two email blasts to the Foundation's email distribution list, reporting on the April meeting and announcing the 2023 Crestmoor Scholars. Of the approximately 800 emails sent, about 54% of the recipients opened each email.

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Memorandum

According to Google Analytics, activity on the sbcf.org website has been moderate and focused on the Crestmoor Scholarship. Between April 5 and May 30, 956 users visited the Foundation website. The most visited pages were home page and the pages related to the Crestmoor Scholarship, the Recreation and Aquatic Center project, and the Community Grants Fund.

SAN BRUNO

Community Foundation

Memorandum

DATE: June 2, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the June 7, 2023, Regular Board Meeting

For the June 7, 2023, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes three items related to administrative and operational functions of the Foundation.

1. Adopt Resolution Appointing Member to the Audit Committee

Article XIII, Section 4, of the San Bruno Community Foundation's Bylaws calls for an independent auditor to conduct annual independent audits of the Foundation's financial statements and records. Article VII, Section 5, establishes an Audit Committee consisting of at least two directors. The Audit Committee's duties include:

- Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary
- Negotiating the auditor's compensation
- Conferring with the auditor regarding the corporation's financial affairs
- Reviewing and accepting or rejecting the audit

The Bylaws stipulate that the President and Treasurer may not serve on the Audit Committee. Directors who are Foundation employees or officers or who receive any consulting, advisory, or other compensatory fees from the Foundation also may not serve on the Committee.

The Board appointed Raul Gomez as chair of the Audit Committee on January 13, 2020, and Melissa Moreno as Committee member on January 5, 2022. Dr. Moreno resigned from the SBCF Board effective April 1, 2023, resulting in a vacancy on the Audit Committee.

The attached resolution would appoint Board Member Irving Torres to the Audit Committee, filling the seat previously held by Dr. Moreno. Mr. Gomez will remain chair of the Audit Committee.

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Memorandum

2. Adopt Resolution Appointing Board Representatives to Participate in the San Bruno City Council's SBCF Board Appointment Interview Process

Under Article V, Section 5 of the Foundation's Bylaws, the San Bruno City Council shall designate all SBCF Board members. Under Section 8.C. of the City of San Bruno City Council Policies and Procedures, which were adopted on December 13, 2022, as part of its process to make appointments to the SBCF Board of Directors, the Council may meet to review applications and determine which applicants to invite for an interview. Section 8.C. further provides that the SBCF Board shall select two members to attend and participate in the City Council interview process.

As mentioned above, Dr. Melissa Moreno resigned from the SBSCF Board of Directors effective April 1, 2023. In addition, the first terms of three current Board members (Raul Gomez, Malissa Netane-Jones, and Jim Ruane) will conclude on December 31, 2023.

Last month, the San Bruno City Clerk's office solicited applications for one opening on the SBCF Board to be filled immediately for the remainder of Dr. Moreno's term (through December 31, 2025) and three openings that will commence on January 1, 2024, and conclude on December 31, 2027, with a May 5, 2023, deadline. The City Clerk's office received seven applications for the SBCF Board by the deadline.

As the City Council plans to interview applicants as part of the appointment process, the attached resolution would appoint Treasurer Pak Lin and Board Member Supriya Perry to participate in the San Bruno City Council's SBCF Board appointment interview process as the Board's representatives.

3. Receive and Approve Treasurer's Report (March and April 2023 Financial Statements)

The March and April 2023 financial statements each consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The Budget Reports include the budget figures approved at the June 1, 2022, Board meeting.

I recommend that the Board approve the attached resolutions and the Treasurer's Report, as outlined above, as part of the Consent Calendar on June 7, 2023.

Attachments:

1. Resolution Appointing Member to the Audit Committee
2. Resolution Appointing Board Representatives to Participate in the San Bruno City Council's SBCF Board Appointment Interview Process
3. March 2023 Financial Statements
4. April 2023 Financial Statements

RESOLUTION NO. 2023-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPOINTING MEMBER TO THE AUDIT COMMITTEE**

WHEREAS, Article XIII, Section 4, of the Bylaws calls for the retention of an independent auditor to conduct an annual audit of the San Bruno Community Foundation's financial statements and records;

WHEREAS, Article VII, Section 5, of the Bylaws establishes an Audit Committee consisting of at least two directors to assist the Board in selecting an independent auditor, negotiate the auditor's compensation, confer with the auditor regarding the Foundation's financial affairs, and review and accept or reject the annual audit;

WHEREAS, the Board of Directors appointed then-Board Member Melissa Moreno as a member of the Audit Committee on January 5, 2022; and

WHEREAS, Dr. Moreno resigned from the Foundation Board of Directors effective April 1, 2023, resulting in a vacancy on the Audit Committee.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby appoints Board Member Irving Torres as a member of the Audit Committee, filling the seat vacated by former Board Member Melissa Moreno.

Dated: June 7, 2023

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2023-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7th day of June, 2023, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2023-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPOINTING BOARD REPRESENTATIVES TO PARTICIPATE IN THE SAN BRUNO CITY COUNCIL'S
SBCF BOARD APPOINTMENT INTERVIEW PROCESS**

WHEREAS, Dr. Melissa Moreno resigned from the San Bruno Community Foundation Board of Directors effective April 1, 2023;

WHEREAS, the first terms of three current members of the San Bruno Community Foundation Board of Directors will conclude on December 31, 2023;

WHEREAS, under Article V, Section 5 of the Bylaws, the San Bruno City Council shall designate all SBCF Board members;

WHEREAS, under Section 8.C. of the City of San Bruno City Council Policies and Procedures, which were adopted on December 13, 2022, as part of its process to make appointments to the SBCF Board of Directors, the Council may meet to review applications and determine which applicants to invite for an interview;

WHEREAS, Section 8.C. further provides that the SBCF Board shall select two members to attend and participate in the City Council interview process;

WHEREAS, the San Bruno City Clerk's office solicited applications for one opening on the SBCF Board to be filled immediately for the remainder of Dr. Moreno's term (through December 31, 2025) and three openings that will commence on January 1, 2024, and conclude on December 31, 2027, with a May 5, 2023, deadline; and

WHEREAS, the San Bruno City Clerk's office received seven applications for the SBCF Board by the May 5, 2023, deadline.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors appoints Treasurer Pak Lin and Board Member Supriya Perry to participate in the San Bruno City Council's SBCF Board appointment interview process as the Board's representatives.

Dated: June 7, 2023

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2023-__ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 7th day of June, 2023, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

March 2023

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First nine months equal 75% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – Initial \$200,000 transfer in December, for Community Grants, is 66.9% of the budget.

Line 2 Transfers from Strategic Pool – \$21,029,423 transfers are 83.8% of budget.

Line 3 Transfers from Liquidity RAC – \$8,759,369 transfer of account balance is 99.8% of budget.

Line 4 Donations - \$1,670 income is unbudgeted. \$1,500 designated for Scholarships.

Line 5 Interest Income - \$61,836 is 586.5% of budget. Balance of Liquidity Pool is \$14,711,303.

EXPENSES

Line 9 Community Grants - \$300,000 is 100% of budget.

Line 10 Strategic Grants - \$565,000 is 10.3% of budget and has been for: Centennial Plaza Improvements (\$500,000); San Bruno Park School District Field Trips and Assemblies (\$35,000); and Community Day (\$30,000) grants. The year-end projection reflects a budget reduction of \$1,565,000.

Line 11 Other Grants – \$10,000 is the entire budget and was used for Parkside Athletic Field grant.

Line 13 Salaries & Wages – Expense is a touch over budget at 75.9%.

Line 14 Payroll Taxes & Benefits – Expense (\$18,310) is 72.7% of budget. Social Security/Medicare tax (\$9,792) and retirement (\$7,422) are largest costs with workers' compensation (\$882) and life (\$214) insurances also included.

Line 16 Occupancy – Only cost is office lease (\$12,151). Amount is 74.3% of budget.

Line 17 Insurance – Total (\$13,925) is 71.1% of budget and includes Directors & Officers (\$10,575), crime (\$2,430), and commercial liability (\$920) policies.

Line 18 Telecommunications – Cost (\$1,786) is 70% of budget and includes cell phones (\$812), internet (\$709), and land line (\$265) services.

Line 19 Postage & Shipping – Cost (\$2,082) is 56% of budget. \$1,510 or 73% of the total has been for distribution of Annual Reports.

Line 20 Marketing & Communications - \$14,302 expense is 80% of budget. Costs include Annual Report design and printing (\$11,113), Scholarship flyer design and printing (\$1,139), and grant/scholarship application software (\$1,688).

Line 21 Office Supplies & Equipment – Cost (\$1,184) is 20.4% of budget.

Line 22 Legal Fees – \$27,472 expense is 60.8% of budget. \$16,801 has been for administrative support, \$9,384 for Strategic Grants, and \$1,287 for Community Grants.

Line 23 Accounting & Payroll Fees – Total (\$27,808) is 77.7% of budget with \$16,299 for Accounting Consultant, \$10,100 for audit fees, \$819 for payroll fees, and \$590 for accounting software.

Line 24 Other Consultants – \$22,981 is 59.1% of budget and has been for fundraising assessment and planning (\$15,000), DEI training (\$5,000), and IT (\$2,981) consultants.

Line 25 Travel, Meetings & Conferences – \$200 is 1.2% of budget incurred for meeting room rent.

Line 26 Miscellaneous – Cost (\$2,082) equals 72.7% of budget. \$1,400 incurred for organizational memberships and \$200 for State attorney general filing fee.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 69.2% of budget, which is below 75% benchmark for the first nine months of the year. In terms of dollars, the \$313,557 in expense is \$26,100 less than the first nine months budget allocation. The projection for year-end is that these expenses will be \$27,121 less than budget.

Total March Investment net gain or increase in value is \$555,540. This came from Strategic Pool (\$148,203), Quasi Endowment (\$350,353), and Liquidity Pool (\$56,984) gains. Year-to-date investment gain or increase in value is \$1,899,295.

Overall organization year to date net gain or increase in net assets is \$774,244.

Total Net Assets, as of March 31, 2023 are \$28,018,725 with \$20,651,530 in Quasi Endowment; \$7,367,195 in general Unrestricted funds; and \$2,700 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

March 2023 2022-2023 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 285,937	69.9%	\$ 285,937	\$ -
2 Transfers from Strategic Pool	21,029,423	25,088,288	83.8%	21,029,423	(4,058,865)
3 Transfers from Liquidity RAC	8,759,369	8,774,970	99.8%	8,759,369	(15,601)
4 Donations	1,670	-	-	1,670	1,670
5 Interest Income	61,836	10,543	586.5%	68,707	58,164
6 Miscellaneous Income	-	-	-	-	-
7 Total Available for Operations	30,052,298	34,159,738	88.0%	30,145,106	(4,014,632)
EXPENSES					
8 Crestmoor Scholarships	-	160,000	0.0%	160,000	-
9 Community Grants	300,000	300,000	100.0%	300,000	-
10 Strategic Grants	565,000	5,500,000	10.3%	2,065,000	(3,435,000)
11 Other Grants	10,000	10,000	100.0%	10,000	-
12 Subtotal Direct Program Expenses	875,000	5,970,000	14.7%	2,535,000	(3,435,000)
13 Salaries & Wages	169,274	223,075	75.9%	229,277	6,202
14 Payroll Taxes & Benefits	18,310	25,173	72.7%	27,769	2,596
15 Subtotal Personnel Expenses	187,584	248,248	75.6%	257,046	8,798
16 Occupancy	12,151	16,349	74.3%	16,349	-
17 Insurance	13,925	19,572	71.1%	18,622	(950)
18 Telecommunications	1,786	2,552	70.0%	2,386	(166)
19 Postage & Shipping	2,082	3,720	56.0%	2,321	(1,399)
20 Marketing & Communications	14,302	17,878	80.0%	15,503	(2,375)
21 Office Supplies & Equipment	1,184	5,800	20.4%	1,784	(4,016)
22 Legal Fees	27,472	45,200	60.8%	40,472	(4,728)
23 Accounting & Payroll Fees	27,808	35,792	77.7%	33,808	(1,984)
24 Other Consultants	22,981	38,870	59.1%	32,481	(6,389)
25 Travel, Meetings & Conferences	200	16,031	1.2%	2,400	(13,631)
26 Miscellaneous	2,082	2,863	72.7%	2,582	(281)
27 Subtotal Non-Personnel	125,973	204,627	61.6%	168,709	(35,919)
28 Total Expenses	1,188,557	6,422,875	18.5%	2,960,755	(3,462,121)
29 Net Surplus/(Loss)	\$ 28,863,741	\$ 27,736,863		\$ 27,184,351	\$ (552,511)

SAN BRUNO

Community Foundation

Statement of Financial Position as of March 31, 2023

ASSETS

Cash, Wells Fargo General	\$ 168,698.74	
Cash, Wells Fargo Payroll	23,350.77	
Cash, Fidelity Liquidity Pool - Operating	14,768,287.00	
Total Cash		14,960,336.51
Investments, Fidelity Strategic Pool	7,783,514.60	
Investments, Fidelity Quasi-Endowment	20,651,529.57	
Total Investments		28,435,044.17
Prepaid Rent	1,399.44	
Prepaid Insurance	2,983.00	
Total Other Current Assets		4,382.44
Deposits	909.45	
Total Other Assets		909.45
TOTAL ASSETS		\$ 43,400,672.57

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	11,966.01	
Accrued Grants Payable	15,094,722.26	
Accrued Scholarships Payable	260,000.00	
Accrued Employee PTO	12,559.80	
Total Liabilities		15,379,248.07

NET ASSETS

Unrestricted, Non-QE 7/1/2022 Balance	7,341,872.74	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(1,026,550.56)	
Year to Date Strategic Investment Income	851,872.75	
Total Non-QE Unrestricted Net Assets		7,367,194.93
Quasi-Endowment 7/1/2022 Balance	19,804,107.76	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	1,047,421.81	
Total QE Unrestricted Net Assets		20,651,529.57
Total Unrestricted Net Assets		28,018,724.50
Donor Restricted Net Assets 7/1/2022 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(98,500.00)	
Total Donor Restricted Net Assets		2,700.00
Total Net Assets		28,021,424.50
TOTAL LIABILITIES & NET ASSETS		\$ 43,400,672.57

SAN BRUNO

Community Foundation

April 2023

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First ten months equal 83.3% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – Initial \$200,000 transfer in December, for Community Grants, is 66.9% of the budget.

Line 2 Transfers from Strategic Pool – \$21,029,423 transfers are 83.8% of budget.

Line 3 Transfers from Liquidity RAC – \$8,759,369 transfer of account balance is 99.8% of budget.

Line 4 Donations - \$1,718 income is unbudgeted. \$1,500 designated for Scholarships.

Line 5 Interest Income - \$64,216 is 608.2% of budget. Balance of Liquidity Pool is \$7,588,234.

EXPENSES

Line 9 Community Grants - \$300,000 is 100% of budget.

Line 10 Strategic Grants - \$565,000 is 10.3% of budget and has been for: Centennial Plaza Improvements (\$500,000); San Bruno Park School District Field Trips and Assemblies (\$35,000); and Community Day (\$30,000) grants. The year-end projection reflects a budget reduction of \$1,565,000.

Line 11 Other Grants – \$10,000 is the entire budget and was used for Parkside Athletic Field grant.

Line 13 Salaries & Wages – Expense is over budget at 85.2% as approved by Board.

Line 14 Payroll Taxes & Benefits – Expense (\$20,943) is 83.2% of budget. Social Security/Medicare tax (\$11,379) and retirement (\$8,370) are largest costs with workers' compensation (\$980) and life (\$214) insurances also included.

Line 16 Occupancy – Only cost is office lease (\$13,551). Amount is 82.9% of budget.

Line 17 Insurance – Total (\$15,487) is 79.1% of budget and includes Directors & Officers (\$11,766), crime (\$2,700), and commercial liability (\$1,021) policies.

Line 18 Telecommunications – Cost (\$1,990) is 78% of budget and includes cell phones (\$910), internet (\$709), and land line (\$295) services.

Line 19 Postage & Shipping – Cost (\$2,163) is 58.1% of budget. \$1,510 or 70% of the total has been for distribution of Annual Reports.

Line 20 Marketing & Communications - \$14,400 expense is 80.5% of budget. Costs include Annual Report design and printing (\$11,113), Scholarship flyer design and printing (\$1,139), and grant/scholarship application software (\$1,785).

Line 21 Office Supplies & Equipment – Cost (\$1,597) is 27.5% of budget.

Line 22 Legal Fees – \$31,118 expense is 68.8% of budget. \$18,737 has been for administrative support, \$10,779 for Strategic Grants, and \$1,377 for Community Grants.

Line 23 Accounting & Payroll Fees – Total (\$29,753) is 83.1% of budget with \$18,153 for Accounting Consultant, \$10,100 for audit fees, \$910 for payroll fees, and \$590 for accounting software.

Line 24 Other Consultants – \$27,980 is 72% of budget and has been for fundraising assessment and planning (\$15,000), DEI training (\$10,000), and IT (\$2,980) consultants.

Line 25 Travel, Meetings & Conferences – \$200 is 1.2% of budget incurred for meeting room rent.

Line 26 Miscellaneous – Cost (\$2,103) equals 73.5% of budget. \$1,400 incurred for organizational memberships and \$200 for State attorney general filing fee.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 77.6% of budget, which is below 83.3% benchmark for the first ten months of the year. In terms of dollars, the \$351,293 in expense is \$26,103 less than the first ten months budget allocation. The projection for year-end is that these expenses will be \$27,121 less than budget.

Total April Investment net gain or increase in value is \$255,699. This came from Strategic Pool (\$96,577) and Quasi Endowment (\$159,122) gains. Year-to-date investment gain or increase in value is \$2,154,994.

Overall organization year to date net gain or increase in net assets is \$994,544.

Total Net Assets, as of April 30, 2023 are \$28,241,725 with \$20,810,652 in Quasi Endowment; \$7,728,373 in general Unrestricted funds; and \$2,700 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

April 2023 2022-2023 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 285,937	69.9%	\$ 285,937	\$ -
2 Transfers from Strategic Pool	21,029,423	25,088,288	83.8%	21,029,423	(4,058,865)
3 Transfers from Liquidity RAC	8,759,369	8,774,970	99.8%	8,759,369	(15,601)
4 Donations	1,718	-	-	1,718	1,718
5 Interest Income	64,126	10,543	608.2%	68,707	58,164
6 Miscellaneous Income	-	-	-	-	-
7 Total Available for Operations	30,054,636	34,159,738	88.0%	30,145,154	(4,014,584)
EXPENSES					
8 Crestmoor Scholarships	-	160,000	0.0%	160,000	-
9 Community Grants	300,000	300,000	100.0%	300,000	-
10 Strategic Grants	565,000	5,500,000	10.3%	2,065,000	(3,435,000)
11 Other Grants	10,000	10,000	100.0%	10,000	-
12 Subtotal Direct Program Expenses	875,000	5,970,000	14.7%	2,535,000	(3,435,000)
13 Salaries & Wages	190,008	223,075	85.2%	229,277	6,202
14 Payroll Taxes & Benefits	20,943	25,173	83.2%	27,769	2,596
15 Subtotal Personnel Expenses	210,951	248,248	85.0%	257,046	8,798
16 Occupancy	13,551	16,349	82.9%	16,349	-
17 Insurance	15,487	19,572	79.1%	18,622	(950)
18 Telecommunications	1,990	2,552	78.0%	2,386	(166)
19 Postage & Shipping	2,163	3,720	58.1%	2,321	(1,399)
20 Marketing & Communications	14,400	17,878	80.5%	15,503	(2,375)
21 Office Supplies & Equipment	1,597	5,800	27.5%	1,784	(4,016)
22 Legal Fees	31,118	45,200	68.8%	40,472	(4,728)
23 Accounting & Payroll Fees	29,753	35,792	83.1%	33,808	(1,984)
24 Other Consultants	27,980	38,870	72.0%	32,481	(6,389)
25 Travel, Meetings & Conferences	200	16,031	1.2%	2,400	(13,631)
26 Miscellaneous	2,103	2,863	73.5%	2,582	(281)
27 Subtotal Non-Personnel	140,342	204,627	68.6%	168,709	(35,919)
28 Total Expenses	1,226,293	6,422,875	19.1%	2,960,755	(3,462,121)
29 Net Surplus/(Loss)	\$ 28,828,343	\$ 27,736,863		\$ 27,184,399	\$ (552,463)

SAN BRUNO

Community Foundation

Statement of Financial Position as of April 30, 2023

ASSETS

Cash, Wells Fargo General	\$ 181,392.71	
Cash, Wells Fargo Payroll	49,956.47	
Cash, Fidelity Liquidity Pool	7,588,234.28	
Total Cash		7,819,583.46
Investments, Fidelity Strategic Pool	7,837,433.95	
Investments, Fidelity Quasi-Endowment	20,810,652.04	
Total Investments		28,648,085.99
Prepaid Rent	1,399.44	
Prepaid Insurance	15,607.00	
Total Other Current Assets		17,006.44
Deposits	909.45	
Total Other Assets		909.45
TOTAL ASSETS		\$ 36,485,585.34

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	21,966.17	
Accrued Grants Payable	7,949,334.52	
Accrued Scholarships Payable	260,000.00	
Accrued Employee PTO	12,559.80	
Total Liabilities		8,243,860.49

NET ASSETS

Unrestricted, Non-QE 7/1/2022 Balance	7,341,872.74	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(1,061,949.31)	
Year to Date Strategic Investment Income	948,449.38	
Total Non-QE Unrestricted Net Assets		7,428,372.81
Quasi-Endowment 7/1/2022 Balance	19,804,107.76	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	1,206,544.28	
Total QE Unrestricted Net Assets		20,810,652.04
Total Unrestricted Net Assets		28,239,024.85
Donor Restricted Net Assets 7/1/2022 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(98,500.00)	
Total Donor Restricted Net Assets		2,700.00
Total Net Assets		28,241,724.85
TOTAL LIABILITIES & NET ASSETS		\$ 36,485,585.34

SAN BRUNO

Community Foundation

Memorandum

DATE: June 2, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno

At the June 7, 2023, regular meeting, the Board of Directors will receive its quarterly update on the San Bruno Recreation and Aquatic Center (RAC) project, which is in the middle of the construction phase, from the City of San Bruno. Project Manager Rod Macaraeg will give the presentation on behalf of the City.

In addition, on behalf of the Foundation's Ad Hoc Committee on Recreation and Aquatic Center Project, President Malissa Netane-Jones will give a brief update on the eight RAC grants that the Foundation has awarded to the City.

Per the Board's approval of up to an additional \$1.5 million in grant funding for construction contingency, the Foundation and the City have executed an amendment to the grant agreement for RAC Grant #8 (Construction), which increases the grant amount by up to \$1.5 million, to \$41,964,454.15. The amendment confirms that the additional contingency funds will only be disbursed if needed. The amendment also extends the end of the grant period to March 31, 2024.

In addition, the Foundation made quarterly RAC grant payments totaling \$7,322,035.30 in late April/early May. As shown in the table below, as of May 15, 2023, the Foundation has paid out a total of \$42,887,313.04 in RAC grant payments and has a balance of up to \$8,612,686.96 left to disburse. The City will be submitting its next set of RAC grant reports in the second half of July, after which the Foundation will make payments on RAC Grants 3, 4, 5, and 8. Under the City's last report, RAC Grant #7 (Tom Lara Field Parking Lot Renovation) has been completed, with a balance of \$89,720.23 of the grant amount remaining. As committed to the City at the beginning of the RAC grant project, any unused grant amounts on RAC Grants #1-7 will eventually be added to the grant amount for RAC Grant #8 (Construction), ensuring that the City receives the full \$50 million original commitment the Foundation made to the project. It is possible that RAC Grants #4 (City Compliance Review) and #5 (Temporary Facilities) will also have balances remaining at the conclusion of those grants, which will need to be added to the grant amount for RAC Grant #8.

SAN BRUNO

Community Foundation

Memorandum

RAC Grant #	For	Total Grant Amount	Total Grant Payments Made as of 5/15/2023	Balance to Pay
1	Conceptual Design	\$416,108.85	\$416,108.85	\$0.00
2	Architectural Services	\$5,420,388.00	\$5,420,388.00	\$0.00
3	Project & Construction Management Services	\$1,079,000.00	\$1,026,065.76	\$52,934.24
4	City Compliance Review	\$1,061,611.00	\$583,323.61	\$478,287.39
5	Temporary Facilities	\$375,000.00	\$96,841.94	\$278,158.06
6	Business Plan	\$60,000.00	\$60,000.00	\$0.00
7	Tom Lara Field Parking Lot	\$1,123,438.00	\$1,033,717.77	\$89,720.23
8	Construction	\$40,464,454.15	\$34,250,867.11	\$6,213,587.04
8A	Construction Contingency	\$1,500,000.00	\$0.00	\$1,500,000.00
	TOTAL	\$51,500,000.00	\$42,887,313.04	\$8,612,686.96

SAN BRUNO

Community Foundation

Memorandum

DATE: June 2, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on Other Programs (Community Grants Fund and Other Strategic Grants)

At the June 7, 2023, Board meeting, I will give an update on the Community Grants Fund and the Foundation's other strategic grants.

1. Community Grants Fund

a. 2019-2020 Grant Cycle

In December 2019, the City of San Bruno received an \$8,000 grant to support the San Bruno-Narita Sister City Exchange Program, which has typically included a cultural and educational exchange between San Bruno and Narita middle school students and dignitaries. Due to the COVID-19 pandemic, the exchange program was canceled in 2020, 2021, and 2022, and we amended the grant agreement three times to extend the grant period. The grant period currently concludes on December 31, 2023.

This year, San Bruno and Narita are reviving the sister city relationship. In July, a delegation of five adults from San Bruno (two from the City of San Bruno, two from the San Bruno Park School District, and one from the San Bruno Community Foundation) will travel to Narita, Japan, in conjunction with the Gion Festival. A primary goal of this year's visit to Narita is to lay the groundwork for restarting the student exchange portion of the relationship in the next school year.

The grant funds will be used to cover expenses related to the July 2023 San Bruno delegation's trip to Narita, including travel expenses for delegation members representing the City of San Bruno and the San Bruno Park School District and overall support costs for the delegation's visit. Grant funds will not be used to cover travel expenses specifically for Secretary Raul Gomez, who will be representing SBCF on the trip. SBCF will directly pay for Mr. Gomez's travel expenses, which should total approximately \$3,500.

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b. 2021-2022 Grant Cycle

In December 2021, the San Bruno Lions Foundation received a \$6,525 grant to launch a formal community food pantry program, based at Parkside Intermediate School and operating through San Bruno Park School District schools, to distribute groceries to San Bruno families experiencing hunger. The Lions Foundation was unable to complete the project and expend the full grant amount by the end of the grant period (December 31, 2022) due to the superintendent transition at the school district. The new superintendent signed off on the location of the food pantry in early 2023, and the Lions Foundation is finishing furnishing the pantry. At the Lions Foundation's request, the Foundation and the Lions Foundation executed an amendment to the grant agreement extending the end of the grant period by six months to June 30, 2023.

For the 2021-2022 grant cycle, the City of San Bruno received a \$15,000 grant to enable the San Bruno Police Department to launch the RIDF (Reducing the Impact of Drugs on Families) drug education program in partnership with the San Bruno Park School District. Launch of the program was delayed and the SBPD was unable to expend all grant funds by the December 31, 2022, grant period deadline, as a result of the superintendent transition at the school district. The new superintendent has been fully briefed and is supportive of the program, which the SBPD has begun rolling out this spring. The SBPD requested a grant period extension to July 31, 2023, and the City and Foundation executed an amendment to the grant agreement confirming that extension.

c. 2023-2024 Grant Cycle

Following our usual schedule, we plan to launch the 2023-2024 cycle of the Community Grants Fund at the beginning of July. We are not making any significant changes to the program in 2023-2024.

We will continue to offer virtual Grant Workshops over the summer to educate potential applicants on the program and the application process. We are in the process of updating the marketing materials, as well as the online application and supporting documentation.

Key dates for the 2023-2024 grant cycle include:

- July 3, 2023: Program launches; application available online; begin distribution of marketing materials
- August 17, 2023, 6:30 p.m., and September 5, 2023, 12:00 p.m.: Grant Workshops via Zoom

SAN BRUNO

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- September 20, 2023, 5:00 p.m.: Application deadline
- December 6, 2023: Board consideration of grant awards

The fiscal year 2023-2024 budget that the Board will consider at the June 7 meeting includes a \$300,000 program disbursement allocation for the Community Grants Fund, including a \$100,000 donation from a community partner.

2. Strategic Grants

With regard to the Centennial Plaza Improvement Project, which the Foundation is helping fund with a \$500,000 grant to the City of San Bruno, the project continues in the construction documents phase. The City expects to go out to bid for the contractor this summer, with construction to begin in the fall of this year and conclude by the spring of 2023.

As it has done in past years, SBCF committed \$30,000 to the City of San Bruno for the 2023 Community Day. Community Day has typically been held on the first Sunday of June in conjunction with the Posy Parade, which is sponsored by the San Bruno Lions Club, and, with construction on the Recreation and Aquatic Center continuing in City Park, the City had planned to hold Community Day on June 4 in downtown San Bruno. As already reported to the Board, due to changes in the parade route by the Lions Club, Community Day is being de-coupled from the parade this year, and the City is working to identify a new date for Community Day. Once a new date is confirmed, the Foundation and the City will execute an amendment to the grant agreement extending the grant period for the Community Day grant.

SAN BRUNO

Community Foundation

Memorandum

DATE: June 2, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Investment Committee

The June 7, 2022, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held in person at San Bruno City Hall Room 101 on May 17, 2023. Treasurer Pak Lin chairs the Committee, on which Board Member Supriya Perry and community members Tony Clifford, Mark Hayes, and Tim Ross also serve.

On May 17, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Chief Executive Officer Brian Dombkowski and Senior Wealth Manager Kristin Sun – made its quarterly presentation to the Committee. The Committee also received a report from me on the Foundation's activities, discussed cash flow management in light of the Recreation and Aquatic Center project, adopted a resolution recommending to the Board the Quasi-Endowment payout rate for fiscal year 2023-2024, and conducted its annual review of the Investment Policy Statement and the Investment Operating Plan. The results of the Committee's deliberations will inform the discussion of another item on the June 7 agenda – namely, consideration of the resolution approving the fiscal year 2023-2024 budget, setting the fiscal year 2023-2024 Quasi-Endowment payout rate, and approving transfers from the Strategic Pool to the Liquidity Pool for fiscal year 2023-2024.

1. Quarterly Report from Sand Hill Global Advisors

Mr. Dombkowski gave an overview of the firm's investment outlook, particularly in light of recent bank failures and the impact of inflation and interest rate increases. He noted that economic growth may slow but that recession monitors suggest that the economy remains strong. In particular, he highlighted the strength of the employment market, with total number of jobs now exceeding pre-pandemic levels.

Ms. Sun then reviewed the Foundation's Investment Dashboard for the first quarter of 2023, including March 31, 2023, balances of \$20,658,295 for the Quasi-Endowment, \$7,790,433 for the Strategic Pool, and \$14,768,287 for the Liquidity Pool (total of \$43,217,015 in all three accounts). She reported that both the Quasi-Endowment and the Strategic Pool exceeded their

SAN BRUNO

Community Foundation

Memorandum

respective performance benchmarks, with the Quasi-Endowment seeing gains of 4.78% and the Strategic Pool seeing gains of 3.58% in the first quarter of 2023.

2. Committee's Discussion and Direction Regarding Cash Flow Strategies Related to Funding of the Recreation and Aquatics Center

At the Investment Committee meeting, I reported that in April, at the request of the City of San Bruno, the SBCF Board approved additional funding for RAC construction (RAC Grant #8) in an amount not to exceed \$1,500,000 and that the additional funding will go toward the project's construction contingency and only be utilized if needed.

I then sought guidance from the Committee on the timing of the transfer(s) from the Strategic Pool to the Liquidity Pool to cover this additional grant funding, especially since not all of the contingency funds may be disbursed. After much discussion, the Committee recommended, consistent with the original purpose of the Liquidity Pool, that the full \$1,500,000 be transferred immediately from Strategic to Liquidity. Following this recommendation, I instructed Sand Hill Global Advisors to transfer \$1,500,000 from Strategic to Liquidity in late May. If the City does not need the full \$1,500,000 for RAC construction contingency, the remaining balance can eventually be used for non-RAC Strategic Grants and operating expenses. With the recent transfer of \$1,500,000, a total of \$8,612,687 of the current Liquidity Pool balance is earmarked for the RAC and will cover all remaining RAC grant payments.

3. Committee's Recommendation to the Board for the Quasi-Endowment Payout Rate for Fiscal Year 2023-2024

Section VII of the Foundation's Investment Policy Statement sets forth the spending policy. Section VII.1. states:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

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Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals. Last June, upon recommendation from the Investment Committee, the Board amended the payout guidelines for the Quasi-Endowment Pool:

Payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

For the past six years, the Committee decided to recommend – and the Board subsequently adopted – a Quasi-Endowment payout rate sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund in the upcoming fiscal year. The Board has approved the annual payout rate as follows:

Fiscal Year	QE Payout Rate	Average QE Balance of Past 12 Quarters	Approved QE Payout
FY2017-2018	2.25%	\$15,685,369	\$352,921
FY2018-2019	1.95%	\$16,409,212	\$319,980
FY2019-2020	1.90%	\$16,711,034	\$317,510
FY2020-2021	1.70%	\$17,392,997	\$295,681
FY2021-2022	1.70%	\$18,407,790	\$312,932
FY2022-2023	1.41%	\$20,279,185	\$285,937

Upon my recommendation, the Committee is recommending that the Board continue to follow this practice for FY 2023-2024, which is consistent with the original long-term vision for the Quasi-Endowment (to fund those two programs plus support costs on an ongoing basis) and allows for some continued growth of the Quasi-Endowment, especially while the Foundation still has the Strategic funds to help support operational expenses. Strategic funds would cover cash needs for all strategic grants plus all support costs. This option has been a reasonable compromise position – it draws from the Quasi-Endowment but at a low rate, and it taps into the Strategic Pool for all support costs but also leaves some amount for additional strategic grantmaking.

With the assistance of Accounting Consultant Frank Bittner, I developed the 2023-2024 operating budget. Cash needs for the Crestmoor Scholarship and Community Grants Fund

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programs are estimated at \$371,690. Note that last year's payout was lower than usual because the Foundation received restricted donations during the previous few years that were not taken into account at the time the budget was created and the Quasi-Endowment payout rate was set. Last year, I reconciled all past disbursements for the Community Grants Fund and the Crestmoor Scholarship with Quasi-Endowment payout and restricted donations for those two programs since fiscal year 2017-2018 (the first year we had Quasi-Endowment payout), and last year's Quasi-Endowment payout took that reconciliation into consideration. In addition, this year the Foundation did not receive a significant donation to support the Crestmoor Scholarship as it had in the previous three years, so the Foundation is covering the full amount of scholarship payments this year. In past years, the Welch family donation had covered a portion of the scholarship payments, resulting in a partial rollover of Quasi-Endowment payout that was budgeted for scholarship payments to the next fiscal year. We do not have the benefit of that rollover this year.

For Quasi-Endowment payout calculation purposes, we use the quarter-ending balances on our Fidelity statements rather than those provided by SHGA (the two differ slightly based on different methods for recording transactions near the end of the quarter). The average of the latest 12 quarter-ending Quasi-Endowment values (Q2 2020 to Q1 2023) is \$20,946,234. A payout rate of 1.78% would result in a Quasi-Endowment payout of \$372,843.

As a result, the Investment Committee is recommending that the Board set the Quasi-Endowment payout rate for FY2023-2024 at 1.78%. The Board will consider a resolution taking such action as part of its consideration of the FY2023-2024 budget later in the June 7 Board meeting.

4. Annual Review of Investment Policy Statement and Investment Operating Plan

The Committee also conducted its annual review of the Foundation's Investment Policy Statement, which is the high-level policy document governing the Foundation's investment practices, and Investment Operating Plan, which is the more detailed operating agreement between the Foundation and SHGA, annually. Under the Investment Policy Statement, the Committee is tasked with reviewing both documents at least once a year and making any recommendations for amendments to the Board.

After a brief discussion, the Committee did not make any recommendations for amendments to either document and noted that the most likely time to consider changes to both documents is next year, when all RAC grant payments have been completed and the Board considers the Foundation's post-RAC strategy.

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Finally, the two remaining Committee meetings in 2023 are scheduled for August 16 and November 15, both at 4:30 p.m. at San Bruno City Hall Room 101, 567 El Camino Real, San Bruno.

Attachment:

1. Investment Committee Resolution No. IC 2023-13 Recommending to the SBCF Board of Directors the Quasi-Endowment Payout Rate for Fiscal Year 2023-2024

RESOLUTION NO. 2023-13

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION INVESTMENT COMMITTEE RECOMMENDING TO THE SBCF BOARD OF DIRECTORS THE QUASI-ENDOWMENT PAYOUT RATE FOR FISCAL YEAR 2023-2024

WHEREAS, under Section II.2.a. of the Investment Policy Statement of the San Bruno Community Foundation, the Investment Committee is tasked to “review at least annually the Investment Policy Statement and Investment Operating Plan and monitor compliance with both documents”;

WHEREAS, Section VII.1 of the Investment Policy Statement sets forth the spending policy for the Quasi-Endowment as follows:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

WHEREAS, Section VI.1.d.i. of the Investment Operating Plan with its investment adviser, Sand Hill Global Advisors, as amended, states, with regard to the Quasi-Endowment payout:

Payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.78%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision (\$20,946,234), would result in a payout of \$372,843 and provide the necessary funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the

Community Grants Fund in fiscal year 2023-2024, consistent with the original long-term vision for the Quasi-Endowment; and

WHEREAS, the Foundation’s Board of Directors will consider the Foundation’s fiscal year 2023-2024 budget, including transfers from the Quasi-Endowment to the operating budget, at its June 7, 2023, meeting.

NOW, THEREFORE, BE IT RESOLVED that the Investment Committee recommends that the Board of Directors approve, for fiscal year 2023-2024, a Quasi-Endowment payout rate of 1.78%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision (\$20,946,234), resulting in a payout of \$372,843, to provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in fiscal year 2023-2024, consistent with the original long-term vision for the Quasi-Endowment.

Dated: May 17, 2023

ATTEST:



Pak Lin, Investment Committee Chair

I, Pak Lin, Chair, do hereby certify that the foregoing Resolution No. 2023-13 was duly and regularly passed and adopted by the Investment Committee of the San Bruno Community Foundation on this 17th day of May, 2023, by the following vote:

AYES: Committee members: Lin, Hayes, Perry, Ross

NOES: Committee members: None

ABSENT: Committee members: Clifford

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DATE: June 2, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: SBCF Budget and Transfers from the Quasi-Endowment and Strategic Pool to the Liquidity Pool for Fiscal Year 2023-2024

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. As we approach the end of the 2022-2023 fiscal year, I will present the 2023-2024 budget to the Board for approval at the June 7, 2023, Board meeting. If the Board approves the budget, I will present it to the City Council at its regular meeting on June 13, 2023, and the City Council will take formal action of approval at its regular meeting on June 27, 2023.

1. SBCF's Overall Financial Picture

Before I provide a detailed account of the FY2023-2024 budget, I think it is instructive to review the overall financial health of the organization. The following chart provides a high-level picture of the Foundation's overall financial history and health and includes both the investment portfolio managed by Sand Hill Global Advisors, LLC, as well as other funds (including initial funds received from the restitution funds to support the Foundation's operations in 2015-2016 prior to establishing the investment accounts as well as donations received):

SBCF Financial Snapshot (rounded)	
Total Initial Assets	\$70.5 million
Investment Gains Through 4/30/2023	+\$16.5 million
Donations and Other Income Through 4/30/2023	+\$1.5 million
Total Funds Disbursed Through 4/30/2022	-\$52.0 million
Portfolio Value as of 4/30/2023	\$36.5 million

Total initial assets include the \$69.8 million that was transferred to our Fidelity investment accounts in 2016 as well as about \$700,000 in cash that the City had previously transferred to the Foundation to cover our expenses from inception through June 2016. Investment gains are those made by the investment portfolio (the funds managed by Sand Hill). Donations and other

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income have flowed through our operating accounts but are not reflected in our investment portfolio.

Although we remain in a period of some market volatility, the Foundation's overall financial health remains strong. As of April 30, 2022, the Foundation's total assets were \$36,485,585, with total liabilities of \$8,243,860 and net assets of \$28,241,725.

2. Budgeting Principles

In developing this budget, I am guided by the principles of transparency and economy. As prudent stewards of the restitution funds, we want to communicate our decisions and activities with the community and have accordingly provided ample budget to do so. At the same time, we will be cost-conscious in all categories of expenses.

As I remind the Board each year, ours is not a typical nonprofit budget, where the goal is for expenses to equal revenues. Most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, as a result of our ample investment portfolio, the Foundation's budget is expense-driven. Our budgeted "income" consists primarily of transfers from our assets (Quasi-Endowment and Strategic Pool) to our operating budget to cover our cash needs during the fiscal year, along with a relatively small cohort of donations and interest income earned on our operating funds. We do not seek – and typically do not achieve – a "balanced budget," as our cash needs do not necessarily match our recorded expenses in a given year. This is because we record grant and scholarship commitments as expenses at the time agreements are executed and scholarships awarded, but grant and scholarship payments are often made in a later fiscal year. As a result, the fact that in the FY2023-2024 budget funds available for operations (\$1,831,596) slightly exceed expenses (\$1,427,059) should not be a cause for concern. The calculations of our expenses and funds available for operations should be analyzed separately, as they are based on different factors and needs.

3. FY2023-2024 Expenses

We have three main categories of expenses: Direct Program Expenses (Crestmoor Scholarships, Community Grants Fund, Strategic Grants, and Other Grants), Personnel Expenses, and Non-Personnel Support Costs. As previously mentioned, grant and scholarship commitments are recorded as expenses at the time grant agreements are executed and scholarships are awarded (but not necessarily paid out). We are currently projecting expenses of \$1,427,059.

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a. Direct Program Expenses

- Crestmoor Scholarships: This line is set at \$160,000, which is a \$40,000 increase from the \$120,000 awarded in 2017, 2018, and 2019. In 2020 and 2022, we awarded \$190,000 in scholarships based on a \$70,000 restricted donation from the Joseph W Welch Jr Foundation (in 2022, we also received a \$1,000 restricted donation from an individual donor). In 2021, we awarded \$195,000 in scholarships based on another \$70,000 donation from the Welch Foundation, a \$7,349 donation from the San Mateo County Association of REALTORS® Foundation, and a \$1,000 donation from an individual donor. In 2023, we received only a modest (\$1,500) donation from an individual donor and therefore awarded the budgeted amount of \$160,000. At this time, we do not anticipate any donations earmarked for the Crestmoor Scholarship in fiscal year 2023-2024. In November 2019 (prior to the first Welch donation), the Board approved an increase in scholarship awards to \$160,000 based on a recommendation from the Ad Hoc Committee on Crestmoor Scholarship, and this is the basis for retaining the \$160,000 budgeted amount. At this level, the Foundation will likely award a total of 11 scholarships in 2024: six high school to four-year college, two high school to community college, and three community college to four-year college.
- Community Grants Fund: This line is set at \$300,000, reflecting \$200,000 of the Foundation's funds and a \$100,000 donation from a community partner. This level of funding is consistent with the total amount of grants awarded the past six years of the program, with donations from Google.org/YouTube.
- Strategic Grants: This line is budgeted at \$500,000 as a placeholder. These funds could be used to fund one or more strategic grants that the Board chooses to fund in 2023-2024 and gives the Board the flexibility to consider strategic grantmaking opportunities that may arise.

The \$500,000 placeholder is consistent with what we have budgeted in recent years for small-to-medium-sized strategic grants. In the past, we have also included funds for major strategic grants, particularly the various Recreation and Aquatic Center grants, but, with all anticipated RAC grants approved, the proposed budget does not anticipate any major (greater than \$500,000) grants next year. With the Foundation set to disburse all remaining RAC grant payments next fiscal year, the Board will be revisiting its post-RAC strategy. I see 2023-2024 as a "re-set" year, where the Board thoughtfully deliberates its strategies and priorities once the RAC project – the Foundation's most significant legacy project – is completed. The \$500,000

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placeholder allows the Foundation to make some meaningful small-to-medium-sized strategic investments, while also identifying potential major initiatives in the coming years.

As a reminder, all strategic grants require specific Board approval, not just inclusion in the budget. Decisions on specific strategic grants will take place as proposals are vetted during the course of the year.

- Other Grants: Each year we budget \$10,000 for our Off-Cycle Small Grants process. This process is used to consider funding requests from organizations that: (a) seek funding for programs or projects that benefit the San Bruno community in a particularly meaningful and significant way and fall within one of the Foundation's focus areas; (b) do not exceed \$10,000; (c) cannot be reasonably considered during the next Community Grants Fund application schedule due to timing requirements; and (d) meet the organization and activity eligibility requirements of the Community Grants Fund.

b. Direct Personnel Expenses

- Salaries & Wages: This line reflects the Executive Director's current salary and the Program Manager's anticipated wages for the fiscal year. The Program Manager position (0.3 FTE, non-exempt) is paid hourly based on actual hours worked, and the budgeted amount is an estimate for the fiscal year. Actual hours worked and therefore actual salary/wages may be slightly different than the budgeted amount.
- Payroll Taxes & Benefits: This line reflects payroll taxes, workers compensation insurance premiums, and employee benefits for the fiscal year. Benefits include retirement plan contributions, life insurance, and personal time off.

Total Personnel Expenses are budgeted to increase 2.6% (\$6,652) from the projected level for 2022-2023, due to a mid-year cost-of-living increase for the Executive Director in the current fiscal year and an anticipated cost-of-living increase for the Program Manager in 2023-2024.

c. Non-Personnel Support Costs

- Occupancy: This line reflects the total rent for 2023-2024 under the current office lease, which runs through March 2025. Monthly rent will be \$1,399 from July

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through December 2023, \$1,415 for January through March 2024, and \$1,456 for April through June 2024.

- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, cyber, and directors and officers liability insurance policies (\$15,540), which have an annual renewal date of March 21. It also includes the Foundation's crime insurance policy (\$3,247), which has a renewal date of May 27. I have added an extra \$1,000 in case we experience any premium increases upon renewal in 2024.
- Telecommunications: This line includes continuation of cell phone expenses for the Executive Director and Program Manager (\$1,152), broadband Internet access for the office, and the office landline (\$1,056 for Internet and landline through San Bruno CityNet Services combined). This line also includes telecommunications expenses for the Program Manager, who works from home (\$240).
- Postage & Shipping: This line includes office postage (\$960) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses (\$1,500).
- Marketing & Communications: This line covers the projected printing costs associated with the Annual Report (\$11,000). It also includes funds for graphic design services (\$1,500), flyer/poster printing for the Community Grants Fund (\$800), flyer/poster printing for the Crestmoor Scholarships (\$1,000), website and e-newsletter costs (\$275), holiday cards (\$200), and costs associated with online grant and scholarship applications (\$2,011).
- Office Supplies and Equipment: This line includes \$175 monthly for office supplies and \$700 for computer backup and other software fees and miscellaneous office equipment expenses (such as repairing the printer, which has seen considerable wear and tear over the past eight years). It also includes \$3,000 for a new laptop and related software for the Executive Director. The current laptop is now nearly four years old, and while it is working properly now, by the end of the next fiscal year it may be time to invest in a new laptop if the current laptop begins to falter. The projected useful life for business computer equipment is typically three years.
- Legal Fees: This line is a 27.2% increase over the projected amount for the current fiscal year. Our outside nonprofit counsel, NEO Law Group (budgeted at \$13,500, or \$1,125 per month), recently raised its hourly rates for the first time since we began

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using them in 2015. In addition, the line includes \$36,240 (\$3,020 per month) for our outside municipal law counsel, Shute, Mihaly & Weingberger, LLP. For both outside firms, I bolstered their budget allotments due to the fact that we may seek guidance from them as the Board considers the Foundation's post-RAC strategy over the next year. In general, we typically come in well under budget on this line, but I like to include a cushion in the event that any unexpected issues requiring legal assistance arise.

- Accounting & Payroll Fees: Payroll fees (\$1,092) are based on the current arrangement with our payroll vendor (Intuit QuickBooks). For audit and tax preparation services, \$11,000 is budgeted, per the Foundation's contract with Novogradac & Company. In addition to \$590 for QuickBooks accounting software, \$23,760 is included for the accounting consultant/full charge bookkeeper, per the terms of our professional services agreement with him.
- Other Consultants: This line includes \$10,382 for the IT consultant (based on current usage and the terms of our professional services agreement). I have also included placeholders of \$7,500 for additional diversity, equity, and inclusion (DEI) activities, as the Board has expressed a desire to have at least one DEI session per year and the Board will be adding at least one new Board member who will need to receive the training continuing Board members already received, and \$15,000 for a fundraising consultant in the event that the Board seeks additional guidance on fund development activities as it considers the Foundation's post-RAC strategy.
- Travel, Meetings & Conferences: Now that the Foundation has resumed in-person meetings and gatherings (with a hybrid component for Board meetings), the Foundation will experience higher meeting-related costs in the next fiscal year. This line includes the expenses for 12 Board meetings, although it is possible that several monthly meetings will be canceled due to lack of pressing business: \$1,200 for the building attendant at the Senior Center and \$1,584 for City of San Bruno IT staff to provide technical support for the hybrid meetings. This line also includes \$700 for two Zoom Pro subscriptions and one Zoom webinar subscription, \$200 for meeting-related refreshments (including an in-person scholarship reception), \$240 for the Program Manager's mileage reimbursement, and \$500 for miscellaneous conference, training, and meeting expenses. This year, the line also includes a one-time expense of \$3,500 to cover the costs of one Board member to participate in the San Bruno-Narita Sister City Exchange Program visit to Japan in July 2023.

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- Miscellaneous: This line includes various expenses that may arise and do not fit in any of the other cost categories. It typically covers professional organization membership fees (such as the San Bruno Chamber of Commerce, Thrive: Alliance of Nonprofits, and the California Association of Nonprofits), bank fees, online news subscriptions, Board and partner recognition, and government/agency taxes and fees.

Total Non-Personnel Support Costs are budgeted to increase \$27,981 from the 2022-2023 year-end projection (but note that they are a \$9,036 decrease from the 2022-2023 budgeted amounts). This is due to a combination of (a) budgeting based on contract ceilings and providing flexibility for unanticipated expenses, and (b) several new expenses (*e.g.*, increased meeting costs now that the Board has transitioned to hybrid meetings). Budgeted amounts operate as ceilings, and I am very cost-conscious in all purchasing decisions, so that actual costs frequently turn out to be lower than the budget projections. Please note that in 2022-2023, actual Non-Personnel Support Costs are projected to be 18.1% (\$37,017) lower than the budgeted amount.

The biggest changes in Non-Personnel Support Costs are: (a) a \$1,176 increase in Insurance premiums, which includes a \$1,000 buffer in the event that premiums increase when our policies are renewed next spring; (b) a \$2,286 increase for Marketing & Communications, which reflects a healthy cushion in the face of escalating printing costs over the past two years; (c) a \$3,803 increase in Office Supplies & Equipment in case the Executive Director's four-year-old laptop needs replacing; (d) a \$10,622 increase in Legal Fees due to an increase in outside counsel hourly rates and the potential need for additional legal guidance as the Board considers the Foundation's post-RAC strategy; (e) a \$2,989 increase in Accounting & Payroll Fees due to a slight increase in the cost of our contract with the auditing firm and budgeting the accounting consultant based on his contract ceiling; and (f) an increase of \$5,524 in Travel, Meetings & Conferences, reflecting the transition to hybrid in-person/virtual meetings and the one-time costs associated with a Board member participating in the San Bruno-Narita Sister City Exchange Program.

4. FY2023-2024 Funds Available for Operations

As mentioned above, this is not a balanced budget, where income equals expenses. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs for the fiscal year. Our assumption is that all Personnel Expenses and Non-Personnel Support Costs will be paid out during the fiscal year (\$457,059). Projected cash needs for Program Disbursements (total of \$10,267,687) are as follows:

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Crestmoor Scholarship	
2020 Scholars	\$10,000
2021 Scholars	\$35,000
2022 Scholars	\$40,000
2023 Scholars	\$50,000
2024 Scholars	\$50,000
Total Crestmoor Scholarship	\$185,000
Community Grants Fund	
Grants to be awarded in December 2023	\$300,000
Total Community Grants Fund	\$300,000
Strategic Grants	
RAC Grants	\$8,612,687
Community Day 2023	\$30,000
Music Education Strategic Initiative Extension	\$130,000
Centennial Plaza Improvement Project	\$500,000
Other miscellaneous strategic grants – to be determined	\$500,000
Total Strategic Grants	\$9,772,687
Other Grants	
Out-of-Cycle Responsive Grants	\$10,000
Total Other Grants	\$10,000

Total cash needs for 2023-2024 are estimated at \$10,724,746. This figure, after adjustment for the residual 2022-2023 cash balance, drives the Foundation's Funds Available for Operations in 2023-2024.

We have two categories of Funds Available for Operations: Operating Income and Transfers from Investments.

a. Operating Income

At this time, projected Operating Income is low (\$17,177):

- **Interest Income:** This line includes estimated investment income from the Fidelity Liquidity Pool account and interest earned on the Wells Fargo bank accounts. This is a conservative estimate, based on 25% of the actual interest income anticipated for fiscal year 2022-2023. In the context of the full budget, even if Interest Income is

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higher than budgeted, it will remain a small portion of the Funds Available for Operations.

- Restricted Donations: There are no firm commitments for donations earmarked to specific programs, but we may receive such restricted donations during the year.

b. Transfers from Investments

The Foundation's available funds come primarily from transfers from the Quasi-Endowment and the Strategic Pool. The question in developing this budget is what portion of the needed funds comes from each pool. In answering this question, it is important to think back to the original purpose of each pool of funds. In responding to the results of the Community Listening Campaign, the Board decided to designate about \$55 million of the restitution funds to establish the Strategic Pool to be spent outright on strategic initiatives, including at least one major community facility project (which ultimately turned out to be the RAC).

The Liquidity Pool was created to serve as a holding account for expenditures planned in the subsequent 0-24 months. Its purpose is to mirror the Foundation's operating accounts, and it may be funded by both the Quasi-Endowment and the Strategic Pool. The investment goal for the Liquidity Pool is to preserve the principal balance of all funds directed into this pool, and as such, capital preservation and liquidity are the primary objectives. In 2018, the Board moved \$10 million from the Strategic Pool to the Liquidity Pool for use in the following fiscal year (and thus not part of the current fiscal year's operating budget) in order to reduce market volatility risk for a portion of the funds to be used to fund the RAC project. This led to the creation of two subaccounts in the Liquidity Pool – Liquidity-Operating and Liquidity-RAC – which received different treatment in the Foundation's monthly financial statements, and each received its share of interest income that the Pool accrues. In the balance sheet, funds in the Liquidity-RAC subaccount were shown as investment assets and not part of the operating budget. In contrast, the funds in the Liquidity Pool intended to support that fiscal year's operating budget (Liquidity-Operating) are shown as cash assets. At the beginning of this fiscal year, per the approved budget and in anticipation of paying out the remaining RAC grant payments in the following 18 months, we transferred the remaining balance of Liquidity-RAC (\$8,759,369) to Liquidity-Operating and closed the Liquidity-RAC subaccount. Since then, all references to the Liquidity Pool or Liquidity-Operating refer to the full balance of the Liquidity Pool account, which is part of the operating budget and shown on the balance sheet as cash assets.

The Board also created the Quasi-Endowment with \$15 million of the restitution funds. The idea behind the Quasi-Endowment has been to follow a long-term endowment investment strategy, so that only a portion of the investment income would be used for operations, and that once the Strategic Pool had been depleted, a scaled-back version of the Foundation could

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continue to operate – possibly in perpetuity – funding the Crestmoor Scholarships, the Community Grants Fund, and potentially some smaller strategic projects on an ongoing basis. In creating the Investment Operating Plan in 2016, the Board decided not to take any Quasi-Endowment payout in the first year of possessing the restitution funds (2016-2017) to enable the Quasi-Endowment to grow. Since then, the Board has approved the annual payout rate to cover the year’s cash needs for the Crestmoor Scholarship and Community Grants Fund, as follows:

Fiscal Year	QE Payout Rate	Average QE Balance of Past 12 Quarters	Approved QE Payout
FY2017-2018	2.25%	\$15,685,369	\$352,921
FY2018-2019	1.95%	\$16,409,212	\$319,980
FY2019-2020	1.90%	\$16,711,034	\$317,510
FY2020-2021	1.70%	\$17,392,997	\$295,681
FY2021-2022	1.70%	\$18,407,790	\$312,932
FY2022-2023	1.41%	\$20,279,185	\$285,937

Consistent with the vision behind the Quasi-Endowment, the approved payout rates have been well below the maximum of 7% set out in the Investment Operating Plan and have allowed the Quasi-Endowment to continue to grow while the Foundation still has funds in the Strategic Pool to cover other expenses.

Residual cash on hand as of June 30, 2023, is projected to be \$8,994,303. Of the residual cash on hand, \$113,310 is earmarked for Community Grants and Crestmoor Scholarships (rollover of expected donation for Community Grants, two deferred scholarship payments, and payout overage resulting from the fact that payout rate is expressed as a percentage and not as a precise dollar amount). Of the remaining amount, up to \$8,612,687 is earmarked for all remaining RAC grant payments, including the recently approved \$1,500,000 for RAC construction contingency (which may or may not be used in full).¹ As a result, of the projected

¹ Through May 5, 2023, the Foundation has made grant payments totaling \$42,887,313.04 related to the eight grants supporting the design and construction of the RAC. In the current 2022-2023 fiscal year, RAC grant payments have totaled \$22,353,104.82. The remaining balance of the original \$50 million commitment to be paid is \$7,112,686.96, all of which is expected to be disbursed in fiscal year 2023-2024.

In April 2023, at the request of the City of San Bruno, the SBCF Board approved additional funding for RAC construction (RAC Grant #8) in an amount not to exceed \$1,500,000. The additional funding will go toward the project’s construction contingency and will only be utilized if needed.

At its recent meeting, the Investment Committee discussed the timing of transfer(s) from Strategic to Liquidity to cover additional \$1,500,000 in RAC grant funding to cover construction contingency. After much discussion, the Committee recommended, consistent with the original purpose of the Liquidity Pool, that the full \$1,500,000 be

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June 30 cash on hand, the remaining \$268,307 is designated for non-RAC Strategic Grants and operating expenses.

- Quasi-Endowment Payout: The cash flow needs of the Crestmoor Scholarships and Community Grants Fund are expected to be \$485,000 for fiscal year 2023-2024. As mentioned above, \$113,310 of the cash on hand at the end of fiscal year 2022-2023 will go toward meeting these cash needs, leaving a balance of \$371,690 to be funded by new Quasi-Endowment payout. At the June 7 meeting, the Board will consider a proposal from the Investment Committee to set the fiscal year 2023-2024 payout rate for the Quasi-Endowment at 1.78%, which would cover the balance of the cash flow needs of the Crestmoor Scholarships and Community Grants Fund. The payout amount is determined by multiplying the average of latest available 12 prior quarter-ending Quasi-Endowment values (\$20,946,234, covering Q2 2020 through Q1 2023). The 1.78% payout rate thus results in a payout of \$372,843.
- Strategic Pool: The total transfer from the Strategic Pool is budgeted at \$1,441,576. As we transferred to Liquidity all funds needed to pay out the remaining RAC grant payments in the current fiscal year, 100% of the \$1,441,576 (along with the projected cash remaining from 2022-2023) will cover all operating expenses and non-RAC strategic and other grant payments (not including Community Grants and Crestmoor Scholarship payments).

The Investment Committee recommends that Board give the Executive Director the discretion to manage all transfers from investment accounts, including the discretion to divide each category of transfers into smaller increments, set the timing of the incremental transfers based on the Foundation's cash flow needs, and transfer less than the approved transfer amounts as circumstances may warrant. Thus, the Executive Director can wait to transfer funds from the Strategic Pool to cover any non-RAC strategic grants until such grants are approved and grant payments are due.

Together, Operating Income and Transfers from Investments result in a total of \$1,831,596 in Funds Available for Operations. With residual cash from FY2022-2023 carried forward into FY2023-2024, this total will cover anticipated FY2023-2024 cash needs.

transferred immediately from Strategic to Liquidity. Following this recommendation, I instructed Sand Hill Global Advisors to transfer \$1,500,000 from Strategic to Liquidity in late May. If the City does not need the full \$1,500,000 for RAC construction contingency, the remaining balance can eventually be used for non-RAC Strategic Grants and operating expenses.

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Memorandum

The attached resolution, which I recommend the Board adopt, authorizes four actions. It: (a) approves the FY2023-2024 budget; (b) sets the Quasi-Endowment payout rate for FY2023-2024; (c) approves a transfer from the Strategic Pool to the Liquidity Pool as part of the FY2023-2024 operating budget; and (d) directs the Executive Director to submit the FY2023-2024 budget to the San Bruno City Council for consideration and approval. It also gives the Executive Director the discretion to manage all transfers from investment accounts, including the discretion to divide each category of transfers into smaller increments, set the timing of the incremental transfers based on the Foundation's cash flow needs, and transfer less than the approved transfer amounts, based on the Foundation's cash flow needs.

Attachments:

1. Resolution Approving Fiscal Year 2023-2024 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2023-2024, and Approving Transfer from the Strategic Pool Investment Account to the Liquidity Pool for Fiscal Year 2023-2024
2. Exhibit A: 2023-2024 Proposed Budget

RESOLUTION NO. 2023-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION

(A) APPROVING FISCAL YEAR 2023-2024 BUDGET, (B) SETTING THE QUASI-ENDOWMENT PAYOUT RATE FOR FISCAL YEAR 2023-2024, (C) APPROVING TRANSFER FROM THE STRATEGIC POOL INVESTMENT ACCOUNT TO THE LIQUIDITY ACCOUNT FOR FISCAL YEAR 2023-2024, AND (D) DIRECTING THE EXECUTIVE DIRECTOR TO SUBMIT THE FISCAL YEAR 2023-2024 BUDGET TO THE SAN BRUNO CITY COUNCIL FOR CONSIDERATION AND APPROVAL

WHEREAS, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2023, and prudent financial management of the Foundation's finances requires the creation of an annual budget prior to the start of the fiscal year;

WHEREAS, Article XVI(c) of the Foundation's Bylaws require that the Foundation's annual budget be approved by the San Bruno City Council;

WHEREAS, the proposed fiscal year 2023-2024 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made or may make;

WHEREAS, the Board of Directors, upon receipt from the City of San Bruno in May 2016 of the restitution funds resulting from the City's settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, established three Fidelity brokerage accounts to hold the Foundation's funds: Quasi-Endowment Pool account, Strategic Pool account, and Liquidity Pool account;

WHEREAS, Section VII.1 of the Foundation's Investment Policy Statement states:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

WHEREAS, Section VI.1.d.i of the Foundation's Investment Operating Plan with investment adviser Sand Hill Global Advisors (SHGA), which provides pool-specific operating guidelines for payout or other withdrawals, states:

Payout amount [for the Quasi-Endowment Pool] will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.78% for fiscal year 2023-2024 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment the opportunity to continue to grow;

WHEREAS, the Investment Committee, on May 17, 2023, passed a resolution recommending that the Board of Directors set the Quasi-Endowment payout rate for fiscal year 2023-2024 at 1.78%, resulting in a payout of \$372,843;

WHEREAS, the Section VII.2 of the Foundation's Investment Policy Statement states:

The Strategic Pool has been earmarked by the Board to fund strategic projects, including but not limited to capital improvement projects of community facilities, that benefit the San Bruno community. As such, withdrawals will be determined by the timing of project expenditures, as well as guidance from the SBCF Board. The Investment Committee and SBCF staff will provide direction to the Investment Manager regarding liquidation of investments to fund the withdrawals. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, Section VI.1.d.ii of the Foundation's Investment Operating Plan states:

Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, transfers of up to \$1,439,676 from the Strategic Pool to the Liquidity Pool may be needed to cover the Foundation's operating expenses and strategic grant obligations for the 2023-2024 fiscal year; and

WHEREAS, the Investment Committee and Board recommend that the Executive Director have the discretion to manage the transfers from the Quasi-Endowment and Strategic Pool to the Liquidity Pool, including dividing the transfers into smaller increments, setting the

timing of the incremental transfers, and transferring less than the approved payout amount as circumstances may warrant, based on the Foundation’s cash flow needs.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the fiscal year 2023-2024 Foundation budget attached as Exhibit A.

FURTHER BE IT RESOLVED that the Board of Directors sets the Quasi-Endowment payout rate for fiscal year 2023-2024 at 1.78%, resulting in a transfer from the Quasi-Endowment account to the Liquidity Pool of \$372,843, to be used to meet the cash needs of the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in the 2023-2024 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation’s cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity Pool account of \$1,439,676 to cover operating expenses and strategic grant obligations for the 2023-2024 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation’s cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors directs the Executive Director to submit the fiscal year 2023-2024 budget to the San Bruno City Council for consideration and approval.

Dated: June 7, 2023

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2023-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7th day of June, 2023, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

2023-2024 Budget

	<u>2022-23 Budget</u>	Apr 2023 <u>Actual</u>	May-Jun 2023 <u>Projected</u>	Projected <u>2022-23</u>	Proposed <u>2023-24 Budget</u>	Change vs. <u>2022-23 Actual</u>
INCOME						
1 Interest Income	\$ 10,543	\$ 64,126	\$ 4,580	\$ 68,706	\$ 17,177	\$ (51,530)
2 Donations	-	1,718	100,000	101,718	-	(101,718)
3 Miscellaneous Income	-	-	-	-	-	-
4 Subtotal Operating Income	10,543	65,844	104,580	170,424	17,177	(153,248)
5 Transfers from Quasi Endowment	285,937	200,000	85,937	285,937	372,843	86,906
6 Transfers from Strategic Pool	25,088,288	21,029,423	1,500,000	22,529,423	1,441,576	(21,087,847)
7 Transfers from Liquidity-RAC	8,774,970	8,759,369	-	8,759,369	-	-
8 Subtotal Transfers from Investments	34,149,195	29,988,792	1,585,937	31,574,729	1,814,419	(21,000,941)
9 FUNDS AVAILABLE FOR OPERATIONS	34,159,738	30,054,636	1,690,517	31,745,153	1,831,596	(21,154,188)
EXPENSES						
10 Crestmoor Scholarships	160,000	-	160,000	160,000	160,000	-
11 Community Grants Fund	300,000	300,000	-	300,000	300,000	-
12 Strategic Grants	5,500,000	565,000	1,500,000	2,065,000	500,000	(1,565,000)
13 Other Grants	10,000	10,000	-	10,000	10,000	-
14 Subtotal Direct Program Expenses	5,970,000	875,000	1,660,000	2,535,000	970,000	(1,565,000)
15 Salaries & Wages	223,075	190,008	38,956	228,964	234,706	5,742
16 Payroll Taxes & Benefits	25,173	20,943	4,909	25,852	26,762	910
17 Subtotal Direct Personnel Expenses	248,248	210,951	43,865	254,816	261,468	6,652
18 Occupancy	16,349	13,551	2,799	16,350	17,009	659
19 Insurance	19,572	15,487	3,124	18,611	19,787	1,176
20 Telecommunications	2,552	1,990	485	2,475	2,648	173
21 Postage & Shipping	3,720	2,163	160	2,323	2,560	237
22 Marketing & Communications	17,878	14,400	1,100	15,500	17,786	2,286
23 Office Supplies & Equipment	5,800	1,597	400	1,997	5,800	3,803
24 Legal Fees	45,200	31,118	8,000	39,118	49,740	10,622
25 Accounting & Payroll Fees	35,792	29,753	4,000	33,753	36,742	2,989
26 Other Consultants	38,870	27,980	4,500	32,480	32,882	402
27 Travel, Meetings & Conferences	16,031	200	2,200	2,400	7,924	5,524
28 Miscellaneous	2,863	2,103	500	2,603	2,713	110
29 Subtotal Non-Personnel Support Costs	204,627	140,342	27,268	167,610	195,591	27,981
30 TOTAL EXPENSES	6,422,875	1,226,293	1,731,133	2,957,426	1,427,059	(1,530,366)
31 NET SURPLUS	\$ 27,736,863	\$ 28,828,343	\$ (40,616)	\$ 28,787,727	\$ 404,536	\$ (19,623,822)