

**Advance CTE/The Center to Advance CTE  
Finance & Audit Committee Meeting**

**Agenda**

Via [Zoom](#)

**October 5, 2022**

**2 – 3 p.m. EDT**

2 – 2:05 p.m.	Welcome and Introductions	Thalea Longhurst <i>Pages 1-2</i>
2:05 – 2:07 p.m.	Review and Approval of Minutes	Thalea Longhurst <i>Pages 3-5</i>
2:07 – 2:27 p.m.	Investments: <ul style="list-style-type: none"> <li>● Overview of markets</li> <li>● Review our investment policy statements</li> <li>● Review of investment portfolio performance</li> </ul>	Mark Friese, Merrill Lynch <i>Page 6</i>
2:27 – 2:37 p.m.	Review of Advance CTE Financials: <ul style="list-style-type: none"> <li>● FY22 Advance CTE financials</li> <li>● FY23 Advance CTE financials</li> </ul>	Krissy Haynes <i>Pages 7-14</i> <i>Pages 15-22</i>
2:37 – 2:50 p.m.	Review of The Center to Advance CTE Financials: <ul style="list-style-type: none"> <li>● FY22 The Center financials</li> <li>● FY23 The Center financials</li> </ul>	Krissy Haynes <i>Pages 23-31</i> <i>Pages 32-43</i>
2:50 – 3 p.m.	Wrap up  <u>Next Meeting:</u> January 18, 2023 2 – 3 p.m. EST Via Zoom Topic: Approval of audit and 990s	Thalea Longhurst

**Advance CTE/ Center to Advance CTE  
Finance/Audit Committee Roster  
FY 23**

**Secretary-Treasurer**

Thalea Longhurst  
State CTE Director  
Utah State Board of Education  
250 East 500 South  
P.O. Box 144200  
Salt Lake City, UT 84114  
[thalea.longhurst@schools.utah.gov](mailto:thalea.longhurst@schools.utah.gov)

**Past President**

Sarah Heath  
State CTE Director  
Colorado Community College System  
9101 E. Lowry Blvd  
Denver, CO 80230  
[sarah.heath@cccs.edu](mailto:sarah.heath@cccs.edu)

Jonathan Beard  
Assistant Director  
Ohio Department of Education  
1815 Franklin Park South  
Columbus, OH 43205  
[jonathan.beard@education.ohio.gov](mailto:jonathan.beard@education.ohio.gov)  
Term expires: June 30, 2024

Cathie Raymond  
State CTE Director  
Arizona Department of Education  
1535 West Jefferson, Bin 42  
Phoenix, AZ 85007  
[cathie.raymond@azed.gov](mailto:cathie.raymond@azed.gov)  
Term: June 30, 2023

Natalie English  
Executive Director of Career and Technical  
Education  
PO Box 302130  
Montgomery, AL 36130  
[Natalie.English@accs.edu](mailto:Natalie.English@accs.edu)  
Term expires: June 30, 2023

**The Advance CTE Finance/Audit Committee Meeting**

March 31, 2022

4-5 p.m. EST

Zoom Meeting

**ATTENDEES:** Sarah Heath, Katie Graham, Whitney Thompson, Cathie Raymond

**STAFF:** Krissy Haynes, Tanya Powers

**INVITED GUESTS:** Mark Friese, Merrill Lynch

**ABSENT:** Jonathan Beard.

**Welcome:** Graham welcomed everyone to the meeting.

Graham asked for approval of the January 13, 2022 minutes.

**MOTION: To approve minutes from January 13, 2022, as presented.  
Raymond; Heath.  
MOTION APPROVED.**

**Investment Update:** Haynes introduced Mark Friese, Financial Advisor with Merrill Lynch. Friese shared that the market had been volatile this year. It was down 9 percent and the organization was down 3 percent. He noted that 3 percent could be made up in one day. Friese gave an overview of the organization's asset allocation. Last year, adjustments with asset allocations were made. More money was moved to stocks because the interest rates are at an all-time low and the prognosis is that interest rates will remain low for the foreseeable future. Friese said that as rates rise, his team will adjust back to more fixed income exposure. With interest rates at an all-time low, the organization only has 17 percent invested in bonds because the return on bonds is low. The organization has 78 percent invested towards equity. Friese shared that within the last three years, the organization's accounts are up 42 percent in value. Friese shared that despite average Intra-Year declines of 14 percent, annual returns have been positive in 35 of the last 42 years and have averaged over 12 percent annually. Friese stated certain sectors of the market are recommended to be over-weighted to improve long-term performance. These are sectors that tend to perform well during a difficult economic environment and tend to lead the market when things improve. Friese shared that currently, the organization was over-weighted in consumer staples, healthcare, and utilities and under-weighted in areas that are more economically sensitive.

**Review and Approval of Advance CTE Financials:** Haynes shared an update that Green had approved a budget modification on February 2. This modification was under the 10% threshold, therefore did not need Board approval. The major changes included removing the Spring Meeting Sponsorship income as there will be no sponsors for the meetings this spring. The

awards expenses were also removed as the Excellence in Action awards were paused this year. The net income for Advance CTE was reduced by \$9,430 for a total net income of \$13,830.

Haynes walked through the Advance CTE financials, which have been reconciled through February 28, 2022. Advance CTE has received 91 percent of the budgeted income. There are currently two states/territories that have outstanding dues payments; California and Tennessee, but both have indicated their intent to have them paid this fiscal year. Haynes shared that the FY22 membership cycle had slowed down and the organization did not expect to meet the budgeted target for Associate Memberships. The estimate was based on prior years renewal rates, which had always been high. This year, however, there was a very high turnover rate as many of the Associate Members resigned from their positions. Also, the organization lost a couple of organizational members due to not having in-person meetings. Haynes expected memberships to pick back up again next year with the renewal of in-person meetings. Haynes shared that Spring Leadership Retreat and June Meeting Series registrations kicked off in March. Advance CTE was on track to meet the target income.

Advance CTE's expenses are 44 percent of the budgeted expenses which were expected to increase in the last quarter as the website rebuild begins and with the upcoming in-person Spring Leadership Retreat. The primary expenses are staff-related costs, operational expenses, and subscriptions.

Advance CTE's investments are -0.32 percent overall.

Graham asked for approval of the Advance CTE financials, as presented.

**MOTION: To approve the Advance CTE financials, as presented.  
Raymond; Thompson.  
MOTION APPROVED.**

**Review and Approval of The Center to Advance CTE Financials:** Haynes shared an update that the Center also had a budget modification approved since January. It was above the 10 percent threshold and was presented to the Board for approval. The budget increased by \$474,570, as five new grants were received.

Haynes gave an overview of the Center to Advance CTE's financials, which have also been reconciled through February 28, 2022. The Center to Advance CTE has received 90 percent of the budgeted income. Haynes shared that the ECMC Fellows payment had been delayed. 80 percent of the first payment needs to be spent prior to receiving the last payment. Interest and dividend income was slightly below target due to the decline in the market, so depending on the market over the next few months, the budgeted income may be below target.

The Center to Advance CTE's expenses are 39 percent of the budgeted expenses but are also expected to increase in the last quarter with the upcoming in-person meetings and website rebuild. Labor costs continue to be below budget due to the turnover. However, the organization

hired five new staff members since January: the Director of Communications and Membership, two Senior Policy Associates, and two Policy Associates. Haynes shared that the full staff met in person in March for the first time and it was full of great energy and excitement.

The overall rate of return on investments is 1.86 percent. Green and Haynes are meeting with Mark Friese on April 1, 2022, to discuss options to ensure that grant funding is not in jeopardy with the declining market.

Graham asked for approval of the Center to Advance CTE financials, as presented.

**MOTION: To approve the Center to Advance CTE financials, as presented.  
Raymond; Heath.  
MOTION APPROVED.**

Graham announced the next meeting will be held on June 16, 2022.

Graham called the Advance CTE Finance/Audit Committee Meeting to a close at 4:42 p.m. EST.

# **Advance CTE/The Center to Advance CTE Executive Investment Recommendation Summary September 2022**

It has been over two years since the world was shaken by a deadly and unpredictable virus. The stock market at one point in 2020 was down more than 34%. By the end of the year the market was up double digits. Many investors without guidance sold on the fear factor and then went on to watch a significant recovery. This recovery was helped by the environment of very low interest rates. This changed in 2022. The Federal Reserve has been aggressively raising interest rates to slow down potential inflation. The result has been a negative and volatile stock market. Currently the general market (S&P) is down about 16%. Higher interest rates also cause bonds to decline, so bonds have not had a positive return for 2022 so far either.

Over the last three years the association and foundation accounts are up a total of about 48% far above historical averages. Both the association and foundation accounts are over-weighted in defensive sectors and have performed better than the general market, but are still down for this year. We have also seen interest rates rise with many people anticipating that this trend will continue this year.

Currently the combined Association and Foundation stock holdings are about 60%. This is well within the revised range. Due to some recent deposits the cash levels for the Foundation and Association are particularly high. The good news is higher interest rates are available for short-term cash needs. Money markets that were paying less than .3% are now paying almost 2%. This makes it is advisable to review the short-term needs for cash and perhaps add any excess to dividend oriented stocks and the institutional money market account.

Summary of recommended changes:

The above changes are intended to improve long-term performance and increase income from fixed income investments. Certain sectors of the market are recommended to be over-weighted also to improve long-term performance. These are sectors that tend to perform well during a difficult economic environment and tend to lead the market when things improve.

No direct costs are associated with making these changes.

**FY22 Advance CTE Financial Report**  
*Report prepared by Krissy Haynes, Finance & Operations Manager*

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This report provides summary financial information for July 1, 2021 through June 30, 2022 or 100% of the fiscal year. The accountant has reconciled the financial statements through June 30, 2022 and all year-end entries have been completed.

**INCOME:** Advance CTE exceeded its budgeted income target by 6 percent. In FY22, all states and U.S. territories continued their membership including Indiana which was not budgeted. Fall Meeting registration and sponsorships exceeded expectations due to high interest in the content of the meeting. Interest and dividend income was the higher than expected due to the strong market conditions in FY22. UMASS was twelve percent below its budget target due to shifting income to next fiscal year. Contract payments are still expected from Citizens & Scholars and The Rockefeller Foundation. We are also still receiving Spring Meeting registration fees.

**EXPENSES:** Advance CTE spent 79.5 percent of its budgeted expenses. Member Services was slightly below budget due to a delay in the return of office and no in-person meetings or travel. Member Supports was almost 50 percent below budget as the New State Director Institute was held virtually. Lobbying was 75 percent below budget as no local travel was required because there were no in-person meetings with Capitol Hill staff. The Advance CTE Board was below budget as most Board Meetings were held virtually instead of in-person. UMASS expended only 54 percent of its budgeted expenses as less staff time was required for the project than estimated. A portion of general and administrative costs are linked to interest income; with interest income exceeding its target, the correlated expenses similarly were above target. All unexpended income for FY22 was rolled into the Advance CTE reserves.

Additional details regarding income and expenses can be found in the Explanatory Notes section of the accompanying budget.

**ASSETS:** Assets total \$5,259,940.62 with equity at \$4,679,247.13.

**INVESTMENTS:** Over the last three years the Association and Foundation accounts have grown a total of about 48%, which is far above historical averages. For FY22, The portfolio had a -10.15% cumulative rate of return, with the equity portion at -10.47%, which is higher than the Dow Jones Index (-10.80% cumulative) and the S & P 500 (-11.92% cumulative).

**Board action required:** Approve FY22 financial reports.

## FY22 Advance CTE Budget

	APPROVED FY22	Actuals as of 6/30/2022	Actuals to Budget 100% of fiscal year	Explanatory Notes
<b>INCOME</b>				
State Memberships	\$561,749.00	\$577,194.00	102.7%	55 members including all 50 states, the District of Columbia and U.S. territories. All payments received.
Associate & Organizational Memberships	\$81,175.00	\$78,800.00	97.1%	Reduction in organizational memberships due to no in-person meetings (as many organizational members are sponsors).
Spring meeting registration	\$62,000.00	\$60,560.00	97.7%	Registration fees are still being received. Expect to receive \$65,000 once all registration invoices are paid.
Fall meeting registration	\$50,000.00	\$65,181.00	130.4%	Exceeded Fall Meeting registration target by 30%.
Fall meeting sponsorships	\$32,160.00	\$35,000.00	108.8%	Sponsorships for the virtual Fall Meeting were slightly above target.
UMass	\$8,500.00	\$7,500.00	88.2%	\$7,500 in income received. Remaining \$1,000 rolled into future year for meeting registrations, since no publicly available in-person meetings were held in FY22.
Interest/Dividend	\$50,000.00	\$62,870.96	125.7%	Interest/Dividends did better than expected in FY22.
Other income	\$26,000.00	\$36,000.39	138.5%	Wonder Strategies for Good contract, speaking fees and honorariums. Still expecting payment for two additional contracts with Rockefeller (\$3,000) and Citizens & Scholars (\$5,000).
<b>TOTAL REVENUES</b>	<b>\$871,584.00</b>	<b>\$923,106.35</b>	<b>105.9%</b>	
<b>EXPENSES</b>				
<b>Allocated Expenses to Specific Projects</b>				
Member Services	\$43,589.19	\$35,757.30	82.0%	Below budget due to lower office costs due to delay in return to the office and in-person meetings.
Member Supports	\$24,554.90	\$13,300.33	54.2%	Below budget as New State Director Institute was held virtually.
Government Relations	\$83,000.00	\$82,308.06	99.2%	On budget. Government Relations consulting firm supporting the federal policy work and Graduate Fellow.
Lobbying	\$2,345.00	\$570.00	24.3%	Below budget due to no in-person meetings.
Fall Meeting	\$82,160.00	\$72,296.87	88.0%	Below budget due to creating the branding in house. Expenses for the Fall Meeting included production and event planning support.
Spring Meeting	\$62,000.00	\$55,894.16	90.2%	Below budget due to lower AV costs and fewer attendees paying by CC. Costs include Spring State Leadership Retreat catering, AV and materials.
Advance CTE Board	\$36,149.02	\$28,671.49	79.3%	Below budget due to shorter in-person Board Meeting which resulted in decreased meeting costs (namely food), as well as most meetings in FY22 being virtual.
UMass	\$3,022.00	\$1,636.89	54.2%	Staff time spent working on UMASS.
<b>Subtotal - Specific Projects</b>	<b>\$336,820.11</b>	<b>\$290,435.10</b>	<b>86%</b>	
<b>Staffing &amp; General &amp; Administrative Expenses</b>				
Non-contract Staff Time	\$436,575.00	\$296,512.33	67.9%	Below budget due to staff transitions and majority of staff time covered by grants.
Total G&A Expenses (excluding staff time)	\$72,503.20	\$85,440.43	117.8%	Over budget due to high bank and investment fees (see income above also balances our overage here). Other expenses included rent, accounting and audit.
<b>Total G&amp;A Expenses</b>	<b>\$509,078.20</b>	<b>\$381,952.76</b>	<b>75.0%</b>	
<b>Total Project Expenses</b>	<b>\$336,820.11</b>	<b>\$290,435.10</b>	<b>86.2%</b>	
<b>TOTAL EXPENSES</b>	<b>\$845,898.31</b>	<b>\$672,387.86</b>	<b>79.5%</b>	
<b>INCOME LESS EXPENSES</b>	<b>\$25,685.69</b>	<b>\$250,718.49</b>		

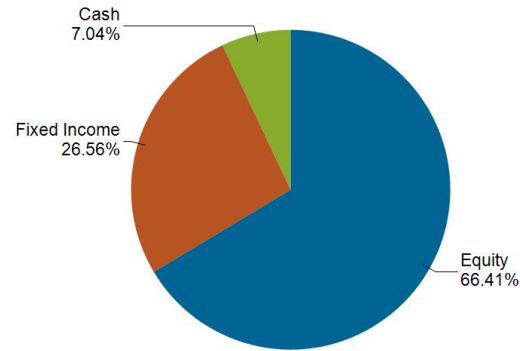


**Advance CTE  
Balance Sheet - FY22  
As of June 30, 2022**

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1012 Cash-BOA Checking-Use This	407,454.26
1017 Merrill Lynch Cash - 749	283,120.32
1018 Merrill Lynch Cash - 7WD	31,133.66
<b>Total Bank Accounts</b>	<b>\$ 721,708.24</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	34,762.00
<b>Total Accounts Receivable</b>	<b>\$ 34,762.00</b>
<b>Other Current Assets</b>	
<b>1100 Investments</b>	
1131 Government Bonds	894,328.38
1159 Equities	3,393,667.79
1299 Accrued Interest Receivable	3,690.46
<b>Total 1100 Investments</b>	<b>\$ 4,291,686.63</b>
1275 Security Deposit	9,000.00
1280 Due from Foundation	122,742.17
1300 Prepaid Expense	23,713.13
1499 Undeposited Funds	52,356.00
<b>Total Other Current Assets</b>	<b>\$ 4,499,497.93</b>
<b>Total Current Assets</b>	<b>\$ 5,255,968.17</b>
<b>Other Assets</b>	
1400 Furniture and Fixtures	33,200.78
1405 Accumulated Depreciation - Furniture and Fixtures	-29,531.71
1410 Equipment	8,927.17
1450 Accumulated Depreciation- Equipment	-8,623.79
<b>Total Other Assets</b>	<b>\$ 3,972.45</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,259,940.62</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable {105}	21,017.84
<b>Total Accounts Payable</b>	<b>\$ 21,017.84</b>
<b>Other Current Liabilities</b>	
2070 Accrued Vacation	149,413.73
2099 Deferred Revenue	7,679.00
2152 Deferred Revenue FY22 State Dues	15,450.00
2153 Deferred Revenue FY22 Associate Dues	-2,380.00
2154 Deferred Revenue FY23 State Dues	198,777.00
2155 Deferred Revenue FY23 Associate Dues	29,750.00

<b>Total 2099 Deferred Revenue</b>	<b>\$</b>	<b>249,276.00</b>
<b>2102 Payroll Liabilities</b>		1,733.76
<b>Total Other Current Liabilities</b>	<b>\$</b>	<b>400,423.49</b>
<b>Total Current Liabilities</b>	<b>\$</b>	<b>421,441.33</b>
<b>Long-Term Liabilities</b>		
<b>2880 Deferred Rent and lease incentive</b>		159,252.16
<b>Total Long-Term Liabilities</b>	<b>\$</b>	<b>159,252.16</b>
<b>Total Liabilities</b>	<b>\$</b>	<b>580,693.49</b>
<b>Equity</b>		
<b>3000 Net Assets Without Donor Restrictions</b>		3,677,148.59
<b>3005 Net Assets With Donor Restrictions</b>		25,000.00
<b>3900 Earnings</b>		1,261,116.42
<b>Net Revenue</b>		-284,017.88
<b>Total Equity</b>	<b>\$</b>	<b>4,679,247.13</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$</b>	<b>5,259,940.62</b>

## Asset Allocation: June 30, 2022



Asset Class	Market Value (\$)	% of Total
Equity	3,058,584	66.41
Fixed Income	1,223,183	26.56
Cash	324,173	7.04
<b>Subtotal</b>	<b>4,605,940</b>	<b>100.00</b>
<b>Total</b>	<b>4,605,940</b>	

**Advance CTE**  
 Advisory Program Fees  
 July 1, 2021 - June 30, 2022

<b>ASSOCIATION 7WD-04H50</b>			
Trade/Transaction Date	Description	Amount	
	Advisory Program Fee		
7/6/2021	INV. ADVISORY FEE JUL	\$	874.94
	Advisory Program Fee		
8/3/2021	INV. ADVISORY FEE AUG	\$	883.18
	Advisory Program Fee		
9/2/2021	INV. ADVISORY FEE SEP	\$	879.95
	Advisory Program Fee		
10/4/2021	INV. ADVISORY FEE OCT	\$	873.26
	Advisory Program Fee		
11/2/2021	INV. ADVISORY FEE NOV	\$	872.60
	Advisory Program Fee		
12/2/2021	INV. ADVISORY FEE DEC	\$	875.83
	Advisory Program Fee		
1/4/2022	INV. ADVISORY FEE JAN	\$	871.77
	Advisory Program Fee		
2/2/2022	INV. ADVISORY FEE FEB	\$	857.90
	Advisory Program Fee		
3/3/2022	INV. ADVISORY FEE MAR	\$	848.81
	Advisory Program Fee		
4/4/2022	INV. ADVISORY FEE APR	\$	824.73
	Advisory Program Fee		
5/3/2022	INV. ADVISORY FEE MAY	\$	796.53
	Advisory Program Fee		
6/2/2022	INV. ADVISORY FEE JUN	\$	801.90
<b>Total</b>		<b>\$</b>	<b>10,261.40</b>

<b>ASSOCIATION 749-04H01</b>			
	Advisory Program Fee		
7/6/2021	INV. ADVISORY FEE JUL	\$	3,129.59
	Advisory Program Fee		
8/3/2021	INV. ADVISORY FEE AUG	\$	3,195.49
	Advisory Program Fee		
9/2/2021	INV. ADVISORY FEE SEP	\$	3,265.14
	Advisory Program Fee		
10/4/2021	INV. ADVISORY FEE OCT	\$	3,403.66
	Advisory Program Fee		
11/2/2021	INV. ADVISORY FEE NOV	\$	3,594.84
	Advisory Program Fee		
12/2/2021	INV. ADVISORY FEE DEC	\$	3,554.27
	Advisory Program Fee		
1/4/2022	INV. ADVISORY FEE JAN	\$	3,698.04
	Advisory Program Fee		
2/2/2022	INV. ADVISORY FEE FEB	\$	3,511.79
	Advisory Program Fee		
3/3/2022	INV. ADVISORY FEE MAR	\$	3,432.03
	Advisory Program Fee		
4/4/2022	INV. ADVISORY FEE APR	\$	3,507.63
	Advisory Program Fee		
5/3/2022	INV. ADVISORY FEE MAY	\$	3,281.01
	Advisory Program Fee		
6/2/2022	INV. ADVISORY FEE JUN	\$	3,280.58
<b>Total</b>		<b>\$</b>	<b>40,854.07</b>

<b>Total Fees All Accounts</b>	<b>\$</b>	<b>51,115.47</b>
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# Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2021 to 06/30/2022

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2022	5,456,689	0	37,227	(887,976)	4,605,940	(15.59)	(10.15)
2021	4,778,100	350,000	56,671	271,918	5,456,689	6.44	6.44
<b>Total</b>	<b>4,778,100</b>	<b>350,000</b>	<b>93,898</b>	<b>(616,057)</b>	<b>4,605,940</b>		<b>(10.15)</b>

Note that various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

# Relative Performance - Equity: Yearly

Performance period: 07/01/2021 to 06/30/2022

Period	Actual ROR(%)		Dow Jones Industrial Average PR(%)		Dow Jones Industrial Avg TR(%)		MSCI Emerging Markets TR Net(%)		MSCI World ex USA TR Net(%)		S&P 500 PR(%)		S&P 500 TR(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum
<b>2022</b>	<b>(18.79)</b>	<b>(10.47)</b>	<b>(15.31)</b>	<b>(10.80)</b>	<b>(14.44)</b>	<b>(9.05)</b>	<b>(17.63)</b>	<b>(25.28)</b>	<b>(18.76)</b>	<b>(16.76)</b>	<b>(20.58)</b>	<b>(11.92)</b>	<b>(19.96)</b>	<b>(10.62)</b>
US Equity	(18.79)	(10.47)												
<b>2021</b>	<b>10.24</b>	<b>10.24</b>	<b>5.32</b>	<b>5.32</b>	<b>6.29</b>	<b>6.29</b>	<b>(9.30)</b>	<b>(9.30)</b>	<b>2.46</b>	<b>2.46</b>	<b>10.91</b>	<b>10.91</b>	<b>11.67</b>	<b>11.67</b>
US Equity	10.24	10.24												

With respect to performance shown, various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

Reference Indices are included in this report as a general source of information regarding the performance of various types of investments. Allocation models and Indices should not be used to benchmark the performance of a specific account or portfolio. Your Financial Advisor can provide further information regarding the particular allocation models and Indices shown, including how the composition of an index compares to the composition of your account or portfolio.

**FY23 Advance CTE Financial Report**  
*Report prepared by Krissy Haynes, Finance & Operations Manager*

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This report provides summary financial information for July 1, 2022 through August 31, 2022 or 17% of the fiscal year. The accountant has reconciled the financial statements through July 31, 2022, which means investments are reflected through this date.

**INCOME:** Advance CTE has received 53.5 percent of its budgeted income. 60 percent of state membership income has been received with the remaining invoices due in September and October. Organizational membership renewal payments are slow to arrive. Outreach has been made by the Executive Director to foster these relationships and try to keep them as members. Most have responded with the intent to renew and are sending their payments in. Both the Fall Meeting registration and sponsorship income will exceed the budgeted target once all payments are received. Fall Meeting registrations surpassed the goal by five percent while the sponsorship income surpassed the goal by over 30 percent in record time as sponsors are excited to support our first in-person meeting in over three years.

Advance CTE is entering into a fee for service contract with Texas (\$60,000) and Wyoming (\$20,000). This income will be incorporated into a budget amendment once received. The budget amendment will also include the removal of the Spring Meeting income and expenses as the Perkins Regional Meetings will be held in its place and funded by the next Gates grant.

**EXPENSES:** Advance CTE has spent 5 percent of its budgeted expenses, which is on target with projections. A majority of expenses incurred thus far are operational expenses, publications and subscriptions, salaries and benefits and consulting costs.

Additional details regarding income and expenses can be found in the Explanatory Notes section of the accompanying budget.

**ASSETS:** Assets total \$6,162,691.95, with equity at \$5,157,751.70.

**INVESTMENTS:** The portfolio has a 2.46% rate of return for FY23, with the equity portion at 4.17%, which is higher than the Dow Jones Index (2.39%) and slightly lower than the S & P 500 (4.48%).

**Board action required:** Approve FY23 financial reports.

**FY23 Advance CTE Budget**

	<b>APPROVED FY23</b>	<b>Actuals as of 8/31/2022</b>	<b>Actuals to Budget 17% of fiscal year</b>	<b>Explanatory Notes</b>
<b>INCOME</b>				
State Memberships	\$616,785.00	\$374,531.00	60.7%	Dues payments received for 33 states. Still expecting payment from 20 states and territories, which should be received in September and October.
Associate & Organizational Memberships	\$78,500.00	\$68,575.00	87.4%	Nine organizations are behind on their dues renewal payments. Outreach has been made by the Executive Director to attempt to keep these memberships active.
Spring meeting registration	\$97,500.00	\$0.00	0.0%	Spring Meeting will likely not occur due to Perkins Meetings. We will be proposing a budget modification at a future Board Meeting.
Spring Meeting sponsorships	\$90,000.00	\$6,750.00	7.5%	Apple prepaid their sponsorship for the Spring Meeting. This sponsorship will likely be applied to a future meeting.
Fall Meeting registration	\$87,750.00	\$56,450.00	64.3%	Fall Meeting registration opened in July. We have reached \$92,975 in registration income with \$56,450 of the current registrations being paid.
Fall meeting sponsorships	\$60,000.00	\$19,929.00	33.2%	Sponsorships launched in late August and we reached \$73,500 in sponsorships in record time, of which \$19,929 in sponsorships has already been paid.
UMass	\$6,000.00	\$0.00	0.0%	First payment will be received in October.
Interest/Dividend	\$10,000.00	\$35,221.63	352.2%	Received a large dividend payment in July.
Other income	\$3,000.00	\$0.00	0.0%	
<b>TOTAL REVENUES</b>	<b>\$1,049,535.00</b>	<b>\$561,456.63</b>	<b>53.5%</b>	
<b>EXPENSES</b>				
<b>Allocated Expenses to Specific Projects</b>				
Member Services	\$37,107.98	\$6,771.83	18.2%	Expenses include operational costs and facilitation training for staff.
Member Supports	\$84,009.82	\$0.00	0.0%	No expenses to date.
Government Relations	\$115,000.00	\$14,202.50	12.4%	Expenses include federal policy consultant.
Lobbying	\$2,270.00	\$0.00	0.0%	No expenses to date.
Fall Meeting	\$77,699.00	\$1,002.11	1.3%	Expenses include meeting app and credit card fees.
Spring Meeting	\$97,094.00	\$0.00	0.0%	No expenses to date.
Advance CTE Board	\$16,357.59	\$548.10	3.4%	Expenses include annual Directors & Officers insurance coverage.
<b>Subtotal - Specific Projects</b>	<b>\$429,538.39</b>	<b>\$22,524.54</b>	<b>5%</b>	
<b>Staffing &amp; General &amp; Administrative Expenses</b>				
Non-contract Staff Time	\$492,000.00	\$24,414.31	5.0%	Staff salaries and benefits for all Advance CTE projects.
Total G&A Expenses (excluding staff time)	\$88,503.20	\$8,074.93	9.1%	Rent, investment fees, accounting and audit.
<b>Total G&amp;A Expenses</b>	<b>\$580,503.20</b>	<b>\$32,489.24</b>	<b>5.6%</b>	
<b>Total Project Expenses</b>	<b>\$429,538.39</b>	<b>\$22,524.54</b>	<b>5.2%</b>	
<b>TOTAL EXPENSES</b>	<b>\$1,010,041.59</b>	<b>\$55,013.78</b>	<b>5.4%</b>	
<b>INCOME LESS EXPENSES</b>	<b>\$39,493.42</b>	<b>\$506,442.85</b>		

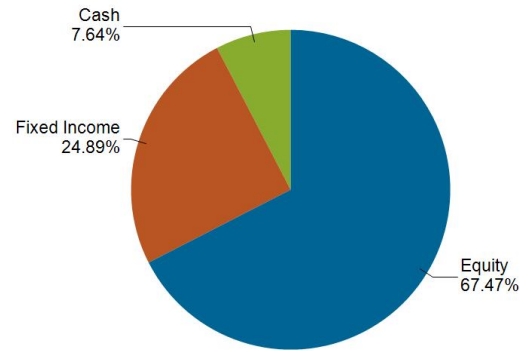


**Advance CTE**  
**Balance Sheet - FY23**  
As of August 31, 2022

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1012 Cash-BOA Checking-Use This	624,569.70
1017 Merrill Lynch Cash - 749	281,758.38
1018 Merrill Lynch Cash - 7WD	92,157.00
<b>Total Bank Accounts</b>	<b>\$ 998,485.08</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	472,954.00
<b>Total Accounts Receivable</b>	<b>\$ 472,954.00</b>
<b>Other Current Assets</b>	
<b>1100 Investments</b>	
1131 Government Bonds	898,767.61
1159 Equities	3,646,845.12
1299 Accrued Interest Receivable	3,076.92
<b>Total 1100 Investments</b>	<b>\$ 4,548,689.65</b>
1275 Security Deposit	9,000.00
1280 Due from Foundation	119,084.23
1300 Prepaid Expense	10,841.20
<b>Total Other Current Assets</b>	<b>\$ 4,687,615.08</b>
<b>Total Current Assets</b>	<b>\$ 6,159,054.16</b>
<b>Other Assets</b>	
1400 Furniture and Fixtures	33,200.78
1405 Accumulated Depreciation - Furniture and Fixtures	-29,724.41
1410 Equipment	8,927.17
1450 Accumulated Depreciation- Equipment	-8,765.75
<b>Total Other Assets</b>	<b>\$ 3,637.79</b>
<b>TOTAL ASSETS</b>	<b>\$ 6,162,691.95</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable {105}	1,532.09
<b>Total Accounts Payable</b>	<b>\$ 1,532.09</b>
<b>Other Current Liabilities</b>	
2070 Accrued Vacation	149,413.73
2099 Deferred Revenue	0.00
2152 Deferred Revenue FY22 State Dues	15,450.00
2153 Deferred Revenue FY22 Associate Dues	-2,380.00
2154 Deferred Revenue FY23 State Dues	598,418.00
2155 Deferred Revenue FY23 Associate Dues	82,975.00
<b>Total 2099 Deferred Revenue</b>	<b>\$ 694,463.00</b>

<b>2102 Payroll Liabilities</b>		1,132.41
<b>Total Other Current Liabilities</b>	<b>\$</b>	<b>845,009.14</b>
<b>Total Current Liabilities</b>	<b>\$</b>	<b>846,541.23</b>
<b>Long-Term Liabilities</b>		
<b>2880 Deferred Rent and lease incentive</b>		158,399.02
<b>Total Long-Term Liabilities</b>	<b>\$</b>	<b>158,399.02</b>
<b>Total Liabilities</b>	<b>\$</b>	<b>1,004,940.25</b>
<b>Equity</b>		
<b>3000 Net Assets Without Donor Restrictions</b>		3,677,148.59
<b>3005 Net Assets With Donor Restrictions</b>		25,000.00
<b>3900 Earnings</b>		977,098.54
<b>Net Revenue</b>		478,504.57
<b>Total Equity</b>	<b>\$</b>	<b>5,157,751.70</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$</b>	<b>6,162,691.95</b>

## Asset Allocation: August 31, 2022



Asset Class	Market Value (\$)	% of Total
Equity	3,184,013	67.47
Fixed Income	1,174,671	24.89
Cash	360,610	7.64
<b>Subtotal</b>	<b>4,719,295</b>	<b>100.00</b>
<b>Total</b>	<b>4,719,295</b>	

**Advance CTE**  
**Advisory Program Fees**  
**July 1, 2022 - August 31, 2022**

**ASSOCIATION 7WD-04H50**

Trade/Transaction Date	Description	Amount
	Advisory Program Fee	
7/5/2022	INV. ADVISORY FEE JUL	\$ 794.36
	Advisory Program Fee	
8/2/2022	INV. ADVISORY FEE AUG	\$ 811.57
<b>Total</b>		<b>\$ 1,605.93</b>

**ASSOCIATION 749-04H01**

	Advisory Program Fee	
7/5/2022	INV. ADVISORY FEE JUL	\$ 3,063.99
	Advisory Program Fee	
8/2/2022	INV. ADVISORY FEE AUG	\$ 3,273.84
<b>Total</b>		<b>\$ 6,337.83</b>

**Total Fees All Accounts \$ 7,943.76**

# Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2022 to 08/31/2022

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2022	4,605,940	0	8,166	105,188	4,719,295	2.46	2.46
<b>Total</b>	<b>4,605,940</b>	<b>0</b>	<b>8,166</b>	<b>105,188</b>	<b>4,719,295</b>		<b>2.46</b>

Note that various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

# Relative Performance - Equity: Yearly



Performance period: 07/01/2022 to 08/31/2022

Period	Actual ROR(%)		Dow Jones Industrial Average PR(%)		Dow Jones Industrial Avg TR(%)		MSCI Emerging Markets TR Net(%)		MSCI World ex USA TR Net(%)		S&P 500 PR(%)		S&P 500 TR(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum
2022	4.17	4.17	2.39	2.39	2.84	2.84	0.17	0.17	0.07	0.07	4.48	4.48	4.77	4.77
US Equity	4.17	4.17												

With respect to performance shown, various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

Reference Indices are included in this report as a general source of information regarding the performance of various types of investments. Allocation models and Indices should not be used to benchmark the performance of a specific account or portfolio. Your Financial Advisor can provide further information regarding the particular allocation models and Indices shown, including how the composition of an index compares to the composition of your account or portfolio.

**FY22 The Center to Advance CTE Financial Report**  
*Report prepared by Krissy Haynes, Finance & Operations Manager*

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This report provides summary financial information for July 1, 2021 through June 30, 2022 or 100% of the fiscal year. The accountant has reconciled the financial statements through June 30, 2022 and all year-end entries have been completed.

A budget modification was approved by the Executive Director, Kimberly Green, on September 19, 2022. The modification removed the reserve withdraw as no withdraw was needed due to the high returns on interest and dividends. The budget revision did not adjust the total income and expenses as the income removed from the reserve withdraw was moved to the interest and dividends income.

**INCOME:** The Center to Advance CTE received 100 percent of its budgeted income. All grant income was received for the year. Due to interest and dividends exceeding budgeted projections, no funds needed to be pulled from reserves to cover Board and Development costs. All unspent income for the current grants was carried forward into the next fiscal year.

**EXPENSES:** The Center to Advance CTE spent 72 percent of its budgeted expenses. Three grants ended this year on budget: NSFY Innovation, Joyce 2 and CHSA-Gates, however NSFY Innovation has been replaced by *New Skills ready network* and both our Joyce and CHSA-Gates grants have been renewed. Many grants ended the year below budget. PAYA (Partnership for Youth Apprenticeship) continues to be below budget due to low staffing and no in-person meetings and travel. This grant received a no-cost extension through December and another extension is expected. The Gates 3 grant was under budget due to a change in the direction of the Career Clusters work and some of the consulting work being shifted to next fiscal year. The Joyce 3 grant (which supports the opportunity gap workshop technical assistance and will support additional projects around learner voice and diversifying the CTE workforce) ended the year below budget as the state stipends are being sent early next fiscal year and unexpected overlap between our Joyce 2 grant and this one, which led to less staff time charge to Joyce 3 in its first few months.

The ECMC Postsecondary Data grant ended the year below budget as the funding is rolling forward to cover the National Summit in December. The ECMC Fellows grant is under budget because of a project timeline adjustment made to delay the start of cohort one. The Siemens 3 grant (support to states related to communicating about CTE/career advising) is under budget as no in-person workshops took place this fiscal year and there was limited travel to states or events. The CHSA-Gates 2 grant is under budget as work just started at the end of FY22, so the funding is rolling into the next fiscal year to continue the work. The Walton Family Foundation grant (supporting our 50-state report on CTE funding models and the CTE without borders research) is under budget as work just started ramping up at the end of the fiscal year. All remaining grant funding has been rolled into FY23 and all grants are currently on track to meet all deliverables and expend the funding as required by each grant.

Additional details regarding income and expenses can be found in the Explanatory Notes section of the accompanying budget.

**ASSETS:** Assets total \$4,191,329.37, with equity at \$3,822,144.28.

**INVESTMENTS:** Over the last three years the Association and Foundation accounts have grown a total of about 48%, which is far above historical averages. The portfolio had a -6.42% cumulative rate of return, with the equity portion at -6.38%, which is higher than the Dow Jones Index (-10.8% cumulative) and the S & P 500 (-11.92% cumulative).

***Board action required:*** Approve FY22 financial reports.



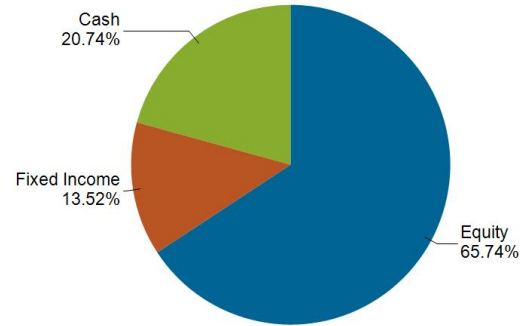
FY22 The Center to Advance CTE Budget				
	APPROVED FY22	Actuals as of 6/30/22	Actuals to Budget 100% of fiscal year	Explanatory Notes
<b>Income</b>				
Annie E. Casey	\$200,000.00	\$200,000.00	100.0%	All income received. Received final \$200,000 payment in June and rolled into FY23.
PAYA	\$113,566.49	\$113,566.49	100.0%	All income received. Rolled remaining income into FY23.
Gates 3.0	\$374,050.00	\$374,050.00	100.0%	All income received. Rolled remaining income into FY23. Grant on track to be completed on December 5, 2022.
Joyce 2.0	\$102,678.65	\$102,678.65	100.0%	Grant ended on March 31, 2022.
Joyce 3.0	\$71,850.00	\$71,850.00	100.0%	First grant payment received; allocated \$71,850 for FY22 with rest of initial payment being carried forward.
NSFY Innovation	\$42,784.62	\$42,784.62	100.0%	Grant ended March 31, 2022.
New Skills (JPMC)	\$1,025,497.15	\$1,025,497.15	100.0%	Second year of five year grant with \$1,000,000 received in FY22.
ECMC	\$264,700.01	\$264,700.01	100.0%	All income received. Rolled remaining income into FY23. Grant on track to be completed in December 2022.
ECMC Fellows	\$456,720.00	\$456,720.00	100.0%	Received second payment of \$429,000 in June. Rolled remaining income into FY23.
Siemens 3.0	\$417,893.14	\$417,893.14	100.0%	All income received. Rolled remaining income into FY23. Grant on track to end on September 30, 2022.
CHSA-ECMC	\$15,167.00	\$15,167.00	100.0%	All income received. Rolled remaining income into FY23.
CHSA-Gates	\$4,651.46	\$4,651.46	100.0%	Grant ended on October 31, 2021.
CHSA-Gates 2	\$7,500.00	\$7,500.00	100.0%	All income received. Rolled remaining income into FY23.
CHSA-Joyce	\$40,301.00	\$40,301.00	100.0%	All income received. Rolled remaining income into FY23.
JFF Stimulus	\$65,000.00	\$65,000.00	100.0%	Grant ended on June 30, 2022.
Walton (WFF)	\$130,220.00	\$130,220.00	100.0%	Received first payment and rolled remaining income into FY23.
Other Income	\$0.00	\$2,212.45	n/a	Profit share from NOCTI and contract with Utah.
Interest/Dividend	\$52,200.00	\$52,425.43	100.4%	Interest/Dividend income was higher in FY22 than in past years and covered all internal project expenses.
<b>Total</b>	<b>\$3,384,779.52</b>	<b>\$3,387,217.40</b>	<b>100.1%</b>	
<b>EXPENSES</b>				
<b>Allocated Expenses to Specific Projects</b>				
Annie E. Casey	\$200,000.00	\$183,662.91	91.8%	Grant on track. Expenses include staff time and partner payments.
PAYA Expenses	\$113,566.49	\$56,377.93	49.6%	Grant continues to be below budget and is currently scheduled to end on December 31, 2022. Expenses include staff time, resource development, meetings and travel and operational costs.
Gates 3.0 Expenses	\$374,050.00	\$221,752.28	59.3%	Grant is below budget and is scheduled to end on March 30, 2023. Expenses include staff time, consulting support, Career Clusters modernization, resource development, meetings and travel.
NSFY Innovation Expenses	\$42,784.62	\$42,600.52	99.6%	Grant ended on March 31, 2022 on budget.

FY22 The Center to Advance CTE Budget				
	APPROVED FY22	Actuals as of 6/30/22	Actuals to Budget 100% of fiscal year	Explanatory Notes
New Skills Expenses	\$1,025,497.15	\$719,694.35	70.2%	Grant ended year below estimated budget, but is still on track as it is a five year grant with three years remaining. Expenses include staff costs, resource development, travel, finance and operations support, rent and operational costs.
Joyce 2.0 Expenses	\$102,678.65	\$102,602.29	99.9%	Grant ended on March 31, 2022 on budget.
Joyce 3.0 Expenses	\$71,850.00	\$39,817.64	55.4%	Below FY22 estimated budget due to state stipends being delivered next fiscal year. The grant is still on track as funding is rolling forward to continue work for the grant. Expenses include staff time, travel and operational costs.
ECMC Expenses (Postsecondary Data Initiative)	\$264,700.01	\$170,754.39	64.5%	Below FY22 estimated expenses, but grant is still on track as remaining funding is being rolled into FY23 to cover costs for the National Summit.
ECMC Fellowship Expenses	\$456,720.00	\$344,463.08	75.4%	Below FY22 estimated expenses as the timeline of the cohorts was adjusted.
Siemens 3.0 Expenses	\$417,893.14	\$343,518.61	82.2%	Below budget due to no in-person trainings and limited TA travel to states. On track to end on September 30, 2022. Expenses include staff time, workshop design and stipends, meetings and travel and operational costs.
CHSA-ECMC	\$15,167.00	\$12,405.85	81.8%	Grant is on track. Expenses include staff time and travel.
CHSA-Gates	\$4,651.46	\$4,651.46	100.0%	Grant ended on October 31, 2021 on budget.
CHSA-Gates 2	\$7,500.00	\$2,718.72	36.2%	Grant on track as funding is being rolled into FY23 to cover staff time.
CHSA-Joyce	\$40,301.00	\$37,270.16	92.5%	Grant on track to end on August 31, 2022. Expenses include staff time, travel and resource development.
JFF Stimulus	\$65,000.00	\$65,000.00	100.0%	Grant was completed on budget on June 30, 2022.
Walton (WFF)	\$130,220.00	\$51,685.62	39.7%	On track as funding is rolling into FY23 to cover expenses. Expenses include staff time and partner support.
Development	\$6,000.00	\$5,170.88	86.2%	Expenses covered the Annual Report and meeting registrations.
Board expenses	\$25,000.00	\$24,188.50	96.8%	Expenses covered Board Meetings and trainings, as well as development of the dashboard.
Project-based internal staff time and benefits	\$20,000.00	\$16,816.38	84.1%	Expenses covered internal staff time and benefits to support development and Board.
<b>Subtotal for Specific Projects</b>	<b>\$3,383,579.52</b>	<b>\$2,445,151.57</b>	<b>72.3%</b>	
<b>General &amp; Administrative Expenses</b>				
Direct staff and benefits	\$1,200.00	\$1,145.48	95.5%	G&A staff time and benefits.
<b>Total G&amp;A expenses</b>	<b>\$1,200.00</b>	<b>\$1,145.48</b>	<b>95.5%</b>	
<b>Total project expenses</b>	<b>\$3,383,579.52</b>	<b>\$2,445,151.57</b>	<b>72.3%</b>	
<b>TOTAL EXPENSES</b>	<b>\$3,384,779.52</b>	<b>\$2,446,297.05</b>	<b>72.3%</b>	
<b>INCOME LESS EXPENSES</b>	<b>\$0.00</b>	<b>\$940,920.35</b>		

**The Center to Advance CTE**  
**Balance Sheet - FY 22**  
As of June 30, 2022

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 Cash - Bank of America	347,185.64
1017 Cash - Merrill Lynch	61,925.10
1018 Cash - Merrill Lynch# 03248	631,993.62
<b>Total Bank Accounts</b>	<b>\$ 1,041,104.36</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	445,400.80
<b>Total Accounts Receivable</b>	<b>\$ 445,400.80</b>
<b>Other Current Assets</b>	
1050 Mutual Funds	2,686,132.85
1350 Prepaid expense	383.64
1499 Undeposited Funds	5,000.00
<b>Total Other Current Assets</b>	<b>\$ 2,691,516.49</b>
<b>Total Current Assets</b>	<b>\$ 4,178,021.65</b>
<b>Fixed Assets</b>	
1100 Furniture	19,885.35
1101 Accumulated Depreciation-Furniture	-15,078.95
1120 Equipment	56,485.74
1121 Accumulated Depreciation-Equipment	-47,984.42
<b>Total Fixed Assets</b>	<b>\$ 13,307.72</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,191,329.37</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 *Accounts Payable	369,185.09
<b>Total Accounts Payable</b>	<b>\$ 369,185.09</b>
<b>Total Current Liabilities</b>	<b>\$ 369,185.09</b>
<b>Total Liabilities</b>	<b>\$ 369,185.09</b>
<b>Equity</b>	
3900 Net Assets Without Donor Restriction	1,786,409.92
3902 Net Assets With Donor Restrictions	1,945,140.08
Net Income	90,594.28
<b>Total Equity</b>	<b>\$ 3,822,144.28</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 4,191,329.37</b>

## Asset Allocation: June 30, 2022



Asset Class	Market Value (\$)	% of Total
Equity	2,222,108	65.74
Fixed Income	457,076	13.52
Cash	700,867	20.74
<b>Subtotal</b>	<b>3,380,052</b>	<b>100.00</b>
<b>Total</b>	<b>3,380,052</b>	

**The Center to Advance CTE**  
**Advisory Program Fees**  
**July 1, 2021 - June 30, 2022**

**FOUNDATION 749-04G96**

Trade/Transaction Date	Description	Amount
	Advisory Program Fee	
7/6/2021	INV. ADVISORY FEE JUL	\$ 2,475.24
	Advisory Program Fee	
8/3/2021	INV. ADVISORY FEE AUG	\$ 2,523.70
	Advisory Program Fee	
9/2/2021	INV. ADVISORY FEE SEP	\$ 2,573.25
	Advisory Program Fee	
10/4/2021	INV. ADVISORY FEE OCT	\$ 2,467.84
	Advisory Program Fee	
11/2/2021	INV. ADVISORY FEE NOV	\$ 2,591.07
	Advisory Program Fee	
12/2/2021	INV. ADVISORY FEE DEC	\$ 2,569.40
	Advisory Program Fee	
1/4/2022	INV. ADVISORY FEE JAN	\$ 2,682.40
	Advisory Program Fee	
2/2/2022	INV. ADVISORY FEE FEB	\$ 2,580.57
	Advisory Program Fee	
3/3/2022	INV. ADVISORY FEE MAR	\$ 2,521.72
	Advisory Program Fee	
4/4/2022	INV. ADVISORY FEE APR	\$ 2,574.14
	Advisory Program Fee	
5/3/2022	INV. ADVISORY FEE MAY	\$ 2,425.96
	Advisory Program Fee	
6/2/2022	INV. ADVISORY FEE JUN	\$ 2,445.72
<b>Total</b>		<b>\$ 30,431.01</b>

**FOUNDATION 7WD-03248**

	Annual Service Fee	
7/8/2021	EMA ANNUAL FEE	\$ 4.00
	Annual Service Fee	
9/1/2021	EMA ANNUAL FEE	\$ 1.13
<b>Total</b>		<b>\$ 5.13</b>

**Total Fees All Accounts \$ 30,436.14**

# Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2021 to 06/30/2022

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2022	3,250,835	600,000	24,024	(494,807)	3,380,052	(13.57)	(6.42)
2021	3,002,243	0	28,295	220,296	3,250,835	8.28	8.28
<b>Total</b>	<b>3,002,243</b>	<b>600,000</b>	<b>52,319</b>	<b>(274,511)</b>	<b>3,380,052</b>		<b>(6.42)</b>

Note that various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

# Relative Performance - Equity: Yearly



Performance period: 07/01/2021 to 06/30/2022

Period	Actual ROR(%)		Consumer Price Index (All Urban NSA)(%)		Dow Jones Industrial Average PR(%)		MSCI World PR(%)		S&P 500 PR(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum
<b>2022</b>	<b>(15.68)</b>	<b>(6.38)</b>	<b>6.28</b>	<b>9.06</b>	<b>(15.31)</b>	<b>(10.80)</b>	<b>(21.21)</b>	<b>(15.61)</b>	<b>(20.58)</b>	<b>(11.92)</b>
US Equity	(15.68)	(6.38)								
<b>2021</b>	<b>11.03</b>	<b>11.03</b>	<b>2.62</b>	<b>2.62</b>	<b>5.32</b>	<b>5.32</b>	<b>7.11</b>	<b>7.11</b>	<b>10.91</b>	<b>10.91</b>
US Equity	11.03	11.03								

With respect to performance shown, various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

Reference Indices are included in this report as a general source of information regarding the performance of various types of investments. Allocation models and Indices should not be used to benchmark the performance of a specific account or portfolio. Your Financial Advisor can provide further information regarding the particular allocation models and Indices shown, including how the composition of an index compares to the composition of your account or portfolio.

**FY23 The Center to Advance CTE Financial Report**  
*Report prepared by Krissy Haynes, Finance & Operations Manager*

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This report provides summary financial information for July 1, 2022 through August 31, 2022 or 17% of the fiscal year. The accountant has reconciled the financial statements through July 31, 2022, which means investments are reflected through this date.

A budget amendment was approved by the Executive Director, Kimberly Green, on September 16, 2022. The amendment increased the income and expenses by 2.3 percent, and included the actual carry forward amounts for each active grant. Additionally, the other income was reduced to \$0 as the fee for service contract with Texas is being provided by Advance CTE. Removing this income caused the reserve withdraw amount to increase to \$91,885.18. These funds cover the staff time and expenses for Board, Development and G&A. It is important to note that there is \$80,441 budgeted for staff time, but a majority of that time will be allocated to future grants once the agreements are signed therefore reducing the need to draw funds from the reserves.

**INCOME:** The Center to Advance CTE has received 73 percent of its budgeted income. All income is on track and expected to be received. The Center to Advance CTE received a new two-year grant for \$193,450 in July from NOAA to support work in Delaware to develop an environmental literacy framework for CTE (BWET). The Annie E. Casey stimulus grant will be ending in October and will be replaced with longer-term funding for the stimulus initiative work. A new grant from The Bill and Melinda Gates Foundation is expected to be received later this year to continue the Career Clusters revision and to support a series of Perkins Regional Meetings.

**EXPENSES:** The Center to Advance CTE has spent 16 percent of its budgeted expenses. All grants are currently on track and on budget. The College in High School Alliance (CHSA) grant with Joyce ended on budget on August 31 and is being replaced with a new investment from Joyce in CHSA. The Annie E. Casey stimulus grant is on track to end on budget on October 31, 2022. A majority of expenses incurred thus far are operational expenses, travel, salaries and benefits and consulting costs.

Additional details regarding income and expenses can be found in the Explanatory Notes section of the accompanying budget.

**ASSETS:** Assets total \$3,913,453.67, with equity at \$3,617,978.54.

**INVESTMENTS:** The portfolio had a 1.96% rate of return for FY23, with the equity portion at 3.25%, which is higher than the Dow Jones Index (2.39%) and lower than the S & P 500 (4.48%).

**Board action required:** Approve FY23 financial reports.



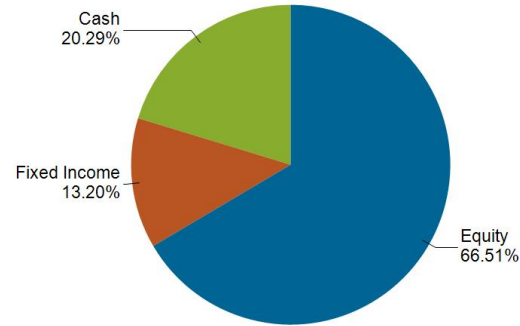
FY23 The Center to Advance CTE Budget				
	APPROVED FY23	Actuals as of 8/31/22	Actuals to Budget 17% of fiscal year	Explanatory Notes
<b>Income</b>				
Annie E. Casey	\$216,337.09	\$216,337.09	100.0%	Carried forward \$216,337.09 in remaining grant funds. Grant ends October 31, 2022 and will be replaced by longer-term funding for this initiative.
NOAA Bay Watershed Education and Training Program	\$90,122.47	\$0.00	0.0%	Income will be received monthly starting in September 2022.
ECMC Postsecondary Data Initiative	\$277,642.52	\$277,642.52	100.0%	Carried forward remaining \$277,642.52 to be spent down by December 2022.
ECMC Fellows	\$547,504.90	\$460,373.72	84.1%	Carried forward \$460,373.72 and receiving final payment of \$416,000 in February 2023, of which \$87,131.18 will be recognized to cover the remaining FY23 expenses.
New Skills (JPMC)	\$1,079,954.15	\$584,660.10	54.1%	Carried forward \$584,660.10 and receiving next payment of \$1,000,000 in September, of which \$495,294.05 will be recognized to cover FY23 expenses.
CHSA-ECMC	\$20,335.42	\$20,335.42	100.0%	Carried forward remaining \$20,335.42 for FY23 expenses. Grant ends on January 31, 2023.
CHSA-Gates 2	\$12,281.28	\$12,281.28	100.0%	Carried forward remaining \$12,281.28 to cover FY23 expenses. Grant ends on February 25, 2023.
CHSA-Joyce	\$3,736.17	\$3,736.17	100.0%	Carried forward remaining \$3,736.17 in expenses to close out grant which ended on August 31, 2022.
PAYA	\$143,089.28	\$143,089.28	100.0%	Carried forward \$143,089.28 to cover FY23 expenses. Grant ends on December 31, 2022.
Siemens 3.0	\$74,374.53	\$74,374.53	100.0%	Carried forward remaining \$74,374.53 for FY23 expenses. Grant ends September 30, 2022.
Gates 3.0	\$228,840.26	\$228,840.26	100.0%	Carried forward remaining \$228,840.26 to cover FY23 expenses. Grant ends March 3, 2023.
Joyce 3.0	\$218,740.00	\$115,782.36	52.9%	Carried forward \$115,782.36 and receiving an additional \$169,400 in December 2022, of which \$102,957.64 will be recognized for FY23 expenses.
Walton (WFF)	\$248,314.38	\$248,314.38	100.0%	Carried forward \$98,314.38 and received an additional \$150,000 in August, of which \$109,535.61 was recognized to cover FY23 expenses.
Other Income	\$0.00	\$0.00	n/a	
Interest/Dividend	\$10,000.00	\$1,840.24	18.4%	Interest/dividends through July 2022.
Reserve Withdraw to Balance Budget	\$91,885.18	\$0.00	0.0%	No withdraw required to date. Interest/dividends covered internal expenses through August.
<b>Total</b>	<b>\$3,263,157.63</b>	<b>\$2,387,607.35</b>	<b>73.2%</b>	
<b>EXPENSES</b>				
<b>Allocated Expenses to Specific Projects</b>				
Annie E. Casey	\$216,337.09	\$161,580.46	74.7%	Grant on track to end on October 31, 2022. Expenses include staff time, partner payments and operational costs.
BWET Expenses	\$90,122.47	\$2,286.73	2.5%	Grant started in July 2022. Expenses include staff time and operational costs.
ECMC Expenses	\$277,642.52	\$30,153.74	10.9%	Grant on track to end in December. Expenses cover staff time, consulting and operational costs.
ECMC Fellows Expenses	\$547,504.90	\$31,217.93	5.7%	Grant on track. Expenses include travel, staff time, consulting and operational costs.

FY23 The Center to Advance CTE Budget				
	APPROVED FY23	Actuals as of 8/31/22	Actuals to Budget 17% of fiscal year	Explanatory Notes
New Skills Expenses	\$1,079,954.15	\$124,440.77	11.5%	Grant on track. Expenses include resource development, meetings and travel, consulting, staff time and operational costs.
CHSA-ECMC	\$20,335.42	\$5,372.46	26.4%	Grant on track. Expenses include staff time, meetings and travel.
CHSA-Gates 2	\$12,281.28	\$5,455.85	44.4%	Grant on track. Expenses include staff time.
CHSA-Joyce	\$3,736.17	\$3,736.17	100.0%	Grant ended on August 31 on budget.
PAYA Expenses	\$143,089.28	\$25,964.53	18.1%	Grant on track. Expenses include staff time, website development, and operational costs.
Siemens 3.0 Expenses	\$74,728.71	\$30,369.32	40.6%	Grant on track to end in September. Expenses include staff time, workshops, travel and meetings.
Gates 3.0 Expenses	\$228,840.26	\$52,166.89	22.8%	Grant on track. Expenses include staff time, consultant support, resource development, travel and operational expenses.
Joyce 3.0 Expenses	\$218,740.00	\$26,831.28	12.3%	Grant on track. Expenses include staff time and operational costs.
Walton (WFF)	\$248,314.38	\$17,047.55	6.9%	Grant on track. Expenses include staff time and operational costs.
Development	\$11,900.00	\$0.00	0.0%	No expenses to date.
Board expenses	\$7,990.00	\$0.00	0.0%	No expenses to date.
Project-based internal staff time and benefits	\$80,441.00	\$1,127.99	1.4%	Staff time and benefits to support development and Board.
<b>Subtotal for Specific Projects</b>	<b>\$3,261,957.63</b>	<b>\$517,751.67</b>	<b>15.9%</b>	
<b>General &amp; Administrative Expenses</b>				
Direct staff salaries and benefits	\$1,200.00	\$92.87	7.7%	G&A staff time and benefits.
<b>Total G&amp;A expenses</b>	<b>\$1,200.00</b>	<b>\$92.87</b>	<b>7.7%</b>	
<b>Total project expenses</b>	<b>\$3,261,957.63</b>	<b>\$517,751.67</b>	<b>15.9%</b>	
<b>TOTAL EXPENSES</b>	<b>\$3,263,157.63</b>	<b>\$517,844.54</b>	<b>15.9%</b>	
<b>INCOME LESS EXPENSES</b>	<b>\$0.00</b>	<b>\$1,869,762.81</b>		

**The Center to Advance CTE**  
**Balance Sheet - FY23**  
As of August 31, 2022

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 Cash - Bank of America	346,668.87
1017 Cash - Merrill Lynch	61,435.18
1018 Cash - Merrill Lynch# 03248	631,978.67
<b>Total Bank Accounts</b>	<b>\$ 1,040,082.72</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	11,900.00
<b>Total Accounts Receivable</b>	<b>\$ 11,900.00</b>
<b>Other Current Assets</b>	
1050 Mutual Funds	2,848,887.65
1350 Prepaid expense	191.82
<b>Total Other Current Assets</b>	<b>\$ 2,849,079.47</b>
<b>Total Current Assets</b>	<b>\$ 3,901,062.19</b>
<b>Fixed Assets</b>	
1100 Furniture	19,885.35
1101 Accumulated Depreciation-Furniture	-15,336.83
1120 Equipment	56,485.74
1121 Accumulated Depreciation-Equipment	-48,642.78
<b>Total Fixed Assets</b>	<b>\$ 12,391.48</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,913,453.67</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 *Accounts Payable	295,475.13
<b>Total Accounts Payable</b>	<b>\$ 295,475.13</b>
<b>Total Current Liabilities</b>	<b>\$ 295,475.13</b>
<b>Total Liabilities</b>	<b>\$ 295,475.13</b>
<b>Equity</b>	
3900 Net Assets Without Donor Restriction	1,877,004.20
3902 Net Assets With Donor Restrictions	-324,627.03
Net Income	2,065,601.37
<b>Total Equity</b>	<b>\$ 3,617,978.54</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,913,453.67</b>

## Asset Allocation: August 31, 2022



Asset Class	Market Value (\$)	% of Total
Equity	2,292,233	66.51
Fixed Income	454,752	13.20
Cash	699,387	20.29
<b>Subtotal</b>	<b>3,446,372</b>	<b>100.00</b>
<b>Total</b>	<b>3,446,372</b>	

**The Center to Advance CTE**  
**Advisory Program Fees**  
**July 1, 2022 - August 31, 2022**

**FOUNDATION 749-04G96**

Trade/Transaction Date	Description	Amount	
	Advisory Program Fee		
7/5/2022	INV. ADVISORY FEE JUL	\$	2,290.05
	Advisory Program Fee		
8/2/2022	INV. ADVISORY FEE AUG	\$	2,425.27
<b>Total</b>		<b>\$</b>	<b>4,715.32</b>

**FOUNDATION 7WD-03248**

	Annual Service Fee		
7/8/2022	EMA ANNUAL FEE	\$	50.00
<b>Total</b>		<b>\$</b>	<b>50.00</b>

<b>Total Fees All Accounts</b>		<b>\$</b>	<b>4,765.32</b>
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# Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2022 to 08/31/2022

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2022	3,380,052	0	3,747	62,574	3,446,372	1.96	1.96
<b>Total</b>	<b>3,380,052</b>	<b>0</b>	<b>3,747</b>	<b>62,574</b>	<b>3,446,372</b>		<b>1.96</b>

Note that various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

# Relative Performance - Equity: Yearly



Performance period: 07/01/2022 to 08/31/2022





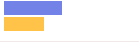







Period	Actual ROR(%)		Consumer Price Index (All Urban NSA)(%)		Dow Jones Industrial Average PR(%)		MSCI World PR(%)		S&P 500 PR(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum
2022	3.25	3.25	0.09	0.09	2.39	2.39	3.19	3.19	4.48	4.48
US Equity	3.25	3.25								

With respect to performance shown, various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill services. Past performance does not guarantee future results.

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# Sector Analysis - Summary

As of Close of Business: 09/08/2022

Sector	Total Holdings(%)		Current(%)	Model(%)	Gap-Model vs. Current(%)	All Equity compared to Custom Model		
	0%	50%				ML Holdings(\$)	Model(\$)	Gap-Model vs. Holdings(\$)
<b>Equity</b>								
Health Care			14.73	13.30	(1.43)	817,799	1,092,889	275,090
Consumer Staples			11.77	6.10	(5.67)	653,494	501,250	(152,244)
Information Technology			24.80	27.80	3.00	1,376,304	2,284,385	908,081
Consumer Discretionary			9.48	12.90	3.42	526,473	1,060,020	533,548
Industrials			12.20	8.20	(4.00)	677,074	673,811	(3,263)
Materials			3.15	2.60	(0.55)	174,747	213,648	38,901
Financials			12.79	10.60	(2.19)	709,910	871,025	161,115
Communication Services			4.28	10.90	6.62	237,373	895,676	658,304
Utilities			3.77	2.70	(1.07)	209,387	221,865	12,477
Energy			1.90	2.50	0.60	105,567	205,430	99,863
Real Estate			1.13	2.40	1.27	62,597	197,213	134,617
Equities Blend			0.00	0.00	0.00	0.72	0	(0.72)
<b>Total</b>						<b>5,550,723</b>		

\* Total represents the sum of all cash and cash equivalents including short positions with associated credit balances.



# Sector Analysis - Summary

As of Close of Business: 09/08/2022

## Date of Composition Information Obtained for Pooled Investments

If the accounts included in this analysis hold mutual funds, closed end funds, annuities, 529 portfolios, or external account proxies, the portfolio holdings reported by the fund as of the date identified below are reflected in the current portfolio analysis. Note that mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, this analysis may not accurately reflect the current composition of the accounts included.

### Mutual Funds





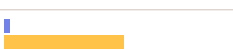

Security	Security Description	Data As Of	Security	Security Description	Data As Of
PHSZX	PGIM JENNISON	07/29/2022			

### Exchange Traded Funds

Security	Security Description	Data As Of	Security	Security Description	Data As Of
PAVE	GLOBAL X FUNDS SHS US	07/29/2022	IYH	ISHARES U.S. HEALTHCARE	07/29/2022
QQQ	INVESCO QQQ TR SER 1	07/29/2022	IYW	ISHARES U.S. TECHNOLOGY	07/29/2022
DGRO	ISH TR CORE DIVID GROWTH	07/29/2022	VOX	VANGUARD COMMUNICATION	07/29/2022
SHY	ISHARES 1-3 YEAR	No Date Reported	VCR	VANGUARD CONSUMER	07/29/2022
IEI	ISHARES 3-7 YEAR	No Date Reported	VIG	VANGUARD DIVIDEND	07/29/2022
IWR	ISHARES RUSSELL MIDCAP	07/29/2022	VYM	VANGUARD HIGH DVD YIELD	07/29/2022
DVY	ISHARES SELECT	07/29/2022	VIS	VANGUARD INDUSTRIAL ETF	07/29/2022
IGSB	ISHARES TR ISHARES 1-5	No Date Reported	VAW	VANGUARD MATERIALS ETF	07/29/2022
IGIB	ISHARES TR ISHARES 5-10	No Date Reported	BND	VANGUARD TOTAL BOND MKT	No Date Reported
IYK	ISHARES U.S. CONSUMER	07/29/2022	DGRW	WISDOMTREE U.S. QUALITY	07/29/2022
IYF	ISHARES U.S. FINANCIAL	07/29/2022	DTD	WISDOMTREE US TOTAL	07/29/2022

# Size and Style Analysis - Summary

As of Close of Business: 09/08/2022

Size And Style	Total Holdings(%)		Gap-Model vs. Current(%)			All Equity compared to Custom Model		
	0%	50%	Current(%)	Model(%)	Gap-Model vs. Current(%)	ML Holdings(\$)	Model(\$)	Gap-Model vs. Holdings(\$)
<b>Equity</b>								
Large Cap Growth			41.85	33.00	(8.85)	2,322,839	2,711,680	388,841
Large Cap Value			36.47	26.00	(10.47)	2,024,613	2,136,475	111,862
Small/Mid Cap Growth			5.37	8.00	2.63	298,282	657,377	359,095
Small/Mid Cap Value			14.56	8.00	(6.56)	808,255	657,377	(150,878)
International Equity			1.22	25.00	23.78	67,807	2,054,303	1,986,496
Equities Blend			0.52	0.00	(0.52)	28,928	0	(28,928)
<b>Total Equity Assets</b>						<b>5,550,723</b>		

\* Total represents the sum of all cash and cash equivalents including short positions with associated credit balances.

# Size and Style Analysis - Summary

As of Close of Business: 09/08/2022

## Date of Composition Information Obtained for Pooled Investments

If the accounts included in this analysis hold mutual funds, closed end funds, annuities, 529 portfolios, or external account proxies, the portfolio holdings reported by the fund as of the date identified below are reflected in the current portfolio analysis. Note that mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, this analysis may not accurately reflect the current composition of the accounts included.

### Mutual Funds

Security	Security Description	Data As Of	Security	Security Description	Data As Of
PHSZX	PGIM JENNISON	07/29/2022			

### Exchange Traded Funds

Security	Security Description	Data As Of	Security	Security Description	Data As Of
PAVE	GLOBAL X FUNDS SHS US	07/29/2022	IYH	ISHARES U.S. HEALTHCARE	07/29/2022
QQQ	INVESCO QQQ TR SER 1	07/29/2022	IYW	ISHARES U.S. TECHNOLOGY	07/29/2022
DGRO	ISH TR CORE DIVID GROWTH	07/29/2022	VOX	VANGUARD COMMUNICATION	07/29/2022
SHY	ISHARES 1-3 YEAR	07/29/2022	VCR	VANGUARD CONSUMER	07/29/2022
IEI	ISHARES 3-7 YEAR	07/29/2022	VIG	VANGUARD DIVIDEND	07/29/2022
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IGSB	ISHARES TR ISHARES 1-5	07/29/2022	VAW	VANGUARD MATERIALS ETF	07/29/2022
IGIB	ISHARES TR ISHARES 5-10	07/29/2022	BND	VANGUARD TOTAL BOND MKT	07/29/2022
IYK	ISHARES U.S. CONSUMER	07/29/2022	DGRW	WISDOMTREE U.S. QUALITY	07/29/2022
IYF	ISHARES U.S. FINANCIAL	07/29/2022	DTD	WISDOMTREE US TOTAL	07/29/2022