

Joint Advance CTE/The Center to Advance CTE Board of Directors' Meeting
MINUTES
January 26, 2022
Zoom call

BOARD ATTENDEES: Sarah Heath, Laura Scheibe, Thalea Longhurst, Donna Lewelling, Victoria Crownover, Katie Graham, Tiara Booker-Dwyer, Luke Rhine, David Horseman, Colleen McCabe, Cathie Raymond, Nicole Smith, Alex Harris, Wendi Safstrom

NOT PRESENT: Marcie Mack

INVITED GUESTS: Trevor Williams, *GRF CPAs & Advisors*, Bert Swain, *Dembo Jones*

STAFF: Kimberly Green, Kate Kreamer, Krissy Haynes, Austin Estes, Tunisha Hobson, Tanya Powers

Welcome: Scheibe called the meeting to order at 3:41 p.m. ET, welcoming everyone to the meeting.

Scheibe asked for approval of minutes from November 9, 2021, as presented.

MOTION: To approve the Joint Advance CTE/The Center to Advance CTE minutes from November 9, 2021, as presented.
Graham; Raymond
MOTION APPROVED.

FY21 Audit: Scheibe introduced Trevor Williams, who is the organization's audit partner at GRF Advisors. Williams reviewed the fiscal year 2021 audit with the Board. The firm's opinion is that Advance CTE/The Center to Advance CTE's combined financial statements present fairly in all material respects. This is an unmodified and clean opinion, which is the best opinion an auditor can give.

The total assets of the organizations are up from the previous year. The biggest fluctuation occurred in the cash and cash equivalents. There was a \$1.2 million decrease due to more funds being received in fiscal year 2020. There was a \$2.5 million increase in investment funds for fiscal year 2021. Net assets increased about \$1.2 million. The organization's total liabilities and net assets total \$9,253,866.

Total revenues for fiscal year 2021 are comparable to fiscal year 2020. The main differences between the two years were an increase in investment income and decrease in grants and contracts for fiscal year 2021. The total expenses for fiscal year 2021 are up from the previous year. The biggest change was in the grants and contracts program. In fiscal year 2020, expenses were reduced due to the COVID-19 pandemic.

Williams highlighted Footnote 1, which reflects the newly adopted accounting standards for contract and grant revenue. Because of the adoption, there was a restatement to bring revenue that is treated differently due to the change in line with the new standards. For grants and contracts treated as contributions, the Organizations had approximately \$5,350,000 and \$5,080,000 in unrecognized conditional awards as of June 30, 2021 and 2020, respectively.

Williams also highlighted a new accounting pronouncement that has not yet been adopted. The FASB issued 2019-01, which changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the combined statements of. Financial position and disclosing key information about leasing arrangements. During 2020, the FASB issued a delayed implementation date by one year and is effective for nonpublic entities beginning December 15, 2021.

Williams said the organizations have a healthy reserve, which is about three years of operating expenses. Williams also noted that there were no audit adjustment entries.

Scheibe congratulated Green and the staff for maintaining strong fiscal responsibility over the organizations.

Scheibe asked for approval of the FY21 audit.

**MOTION: To approve the FY21 audit, as presented.
McCabe; Crownover.
MOTION APPROVED.**

FY21 990s Review: Swain reviewed the 990 for both Advance CTE and The Center to Advance CTE. The 990s are completed only after the audit is complete and are in line with the audited financial statements.

Swain highlighted page 2, which is a narrative of what the organization has accomplished during the fiscal year. Since they are public documents, the wording is important for the public to understand what was accomplished throughout the year.

Scheibe asked for approval of the FY21 990s.

**MOTION: To approve the FY21 Advance CTE/The Center to Advance CTE 990s, as presented.
Lewelling; Graham.
MOTION APPROVED.**

Scheibe noted the next Advance CTE/The Center to Advance CTE Board of Directors meeting on February 25, 2022, 2:00 p.m. ET and the Board Equity training on March 18, 2022, 2:00–5:00 p.m. ET.

Scheibe adjourned the meeting at 4:04 p.m. ET.