

**SONOMA STATE ENTERPRISES, INC.
FINANCE COMMITTEE
September 28, 2023**

MEMBERS PRESENT: Mr. Clayton Trent, Mr. Neil Markley, Ms. Amanda Visser

MEMBERS ABSENT: Ms. Anastasia Tosouni

OTHERS PRESENT: None

I. Call to Order

The meeting was called to order at 1:03pm.

II. Approval of the April 24, 2003 Finance Committee Minutes

The minutes passed with no objections.

III. ACTION ITEM: 23/24 Budget

Mr. Markley gave a high-level summary of where the Organization ended last fiscal year and mentioned that the audit would be presented at the board meeting.

Mr. Markley reviewed the draft 2023/2024 budget in detail. There was line by line discussion and all the assumptions behind the budgeted numbers were discussed for reasonableness and accuracy. It was noted that expenses are budgeted to exceed revenues by about \$615 thousand. The budget assumes 650 first year students in housing, 5.6% increase in CPI and a 5% increase in compensation for full time staff. There just aren't enough students to cover the expenses this year. The campus CFO and campus president are aware and they both support the budget as currently proposed, they are confident that enrollment will increase next year.

The campus CFO has given assurances that 'if' the Organization has cash flow issues the campus will help.

Mr. Markley mentioned he met with the new VP for Student Enrollment to discuss the critical need for all the campus self supports to increase the number of first year students in residence. The new VP is very positive that the enrollment department is making great strides to increase this number next academic/fiscal year.

23/24 Budget was approved – it was added that management should work with the campus to come up with a plan for next fiscal year (24/25) should the enrollment

numbers not come to fruition. This plan should be presented to the Board during the December meeting.

IV. ACTION ITEM: Reserve Approval

Ms. Visser reviewed the history and purpose of the reserve policy. Ms. Visser reviewed the calculation with the committee. There was some discussion around the shortfall in the liquidity of the working capital reserve. This is a concerning trend.

Reserve Allocation approved

V. Other Non-Action Items

Next board meeting is tomorrow September 29th

Meeting was adjourned at 1:58pm.