



Finance Committee Overview


Agenda

- I. Audit Status
- II. Current year budget track
- III. Five year model
- IV. Capital Expenditures/Acquisitions
- V. Capital Improvements
- VI. Insurance premia and policy renewals
- VII. Master Plan investment budgeting process

Audit Status

- The FY 2021 audit is close to completion. We are pending an update from the auditor.
- We are working on the FY 2022 audit and it's expected to be started in December.
- The FC will work with the Audit and Risk Committee and the EC to review the cost and service by our current auditors.

Current Year Budget Track

- \$2,000,000 Davis Matching Grant not in play for FYE 23
- FYE 23 budget nevertheless predicts a slight surplus.
- Surplus likely to become a slight deficit over the course of the year. A small deficit should be considered a success given all factors, including solid raises and the impact of inflation.
- Thrifty budgeting across departments, reduction in capital spending, increase in full pay students, and higher endowment draw all factors 

Five Year Projection

	T1	T2	T3	T4	T5
	2022-2023	FYE'24	FYE'25	FYE'26	FYE'27
GROSS REVENUE	\$13,035,360	\$13,232,341	\$13,410,533	\$13,534,670	\$13,833,450
GROSS EXPENSES	\$12,979,377	\$13,325,074	\$13,601,026	\$13,927,657	\$14,315,286
Profit/(Loss)	\$55,983	-\$92,733	-\$190,493	-\$392,987	-\$481,837

- Five year projection anticipates deficits, though much lower than previously projected.
- Levers to address deficit: tuition increases, scholarship impact ratio (includes number of full pays), student body size/number of employees, endowment draw, campaign
- We are working with Kimi to refine the five-year model and assumptions.

Capital Expenditures

- Some of the “savings” to balance the budget came from the capital improvement budget
- This is deferred investments and not savings. It will have to be made up.
- We have made headway with major improvements for the last several years, but the MP is the solution at this juncture.
- We will have to continue to budget and make these investments, and/or budget for and implement the Master Plan.
- First steps:
 - Consolidate administration in castle
 - Review water infrastructure (leaks/usage)
 - Develop Field as showpiece of Sustainability

Insurance

- We expect all claims related to the fire to be met, including loss of income claims.
- We expect/anticipate insurance cancellations next year, when it becomes possible, or increased premia.
- Kimi will actively review our options as one of many urgent projects.