INFORMATIONAL ITEMS

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<td>Audit Committee Meeting</td>
<td>November 11, 2017</td>
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Attendees:
- Patty Anton, Chair (Anton Consulting)
- Dr. Kim Uyeda (LAUSD Medical)
- Dr. Robert Davies
- Michelle Thatcher (Capital Group)
- Idoya Urrutia (Capital Group)
- Jeremiah David (LA Education Partnership)
- Krystle Gupilan (L.A. Trust)
- Rosario Rico (L.A. Trust)
- Marisol (L.A. Trust)

Next Meeting Date, Time, and Location
Next meeting will be in November 2017. Deborah Ebrahemi will reach out to each committee member to understand availability and to arrange an ongoing meeting time for future meetings. Then for 2018 we will select a standing meeting time that will be held to throughout the year.

1. **Welcome** – completed introductions of attendees

2. **Re-cap of board retreat and suggestion to change committee name**
   - Gina Airey Consulting is reviewing infrastructure of The L.A. Trust
   - Discussed the importance of measuring the impact of how much the Wellness Centers could potentially decrease insurer costs and how Trust has a distinct competitive advantage in having access to LAUSD students. Recapped the interest expressed at the offsite that we try to do a joint project with an insurer such as LA Care to collect their claims data and to see if students who attend Wellness Centers actually submit fewer claims than students who do not attend Wellness Centers.
   - Recapped CA Budget & Policy Committee presentation delivered at the retreat.

3. **Re-cap on the priorities of the Operations Committee**
   - Reviewed priorities slide
   - Discussed a committee name change but most members said they favored the current name.

4. **Updates on key priorities of the Operations Committee**
• Awareness: Social Strategy Update -- Krystle gave an update on her work and how she is using the project launch framework. She also brought back insights from classes she is taking. Snapchat campaign set to launch in October. Next steps are to work with school admin and clinic staff to roll-out.

• Best Practices: Rosario and intern Marisol, explained how they created a single form for Minor Consent and are working to have all Wellness Centers use the same form.

• Data exchange -- encouraged committee members to attend the Data Exchange demo in the upcoming week; discussed the need to put certain data requirements into the MOU.

5. Benefits, challenges and costs of conducting screenings in schools

• California mandates school screenings for hearing, vision, and scoliosis.

• However, screenings for health issues such as sexually transmitted diseases has to be funded separately and totally orchestrated with the teacher, admin, clinic staff. Furthermore, case load increases as a result of screenings and it might be necessary for an increase in clinic staff a few weeks after the screening to handle case load

• After a good discussion of how screenings work and the orchestration and costs involved as presented by Dr. Uyeda, we came to the general consensus that taking on screening should not be part of the mission or purpose of the Operations Committee.

• Dr Uyeda pointed out that the Wellness Centers were seen as the appropriate option to identify and deliver care instead of focusing on health screenings.

Documents Reviewed at the Meeting

Operations Committee - 08.22.17
Consent Form 08.22.17.docx
**Audit Committee Members Present:** George Chacon, Randi Grifka, Joy Mayor for Luis Buendia  
**Staff Present:** Maryjane Puffer, teamCFO: Laura Yamanaka, Lily Yee, Rose Cholakian

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<tr>
<td>Introduction</td>
<td>Ms. Puffer explained that, based on policy, it is required for us to publicly bid out the audit after five years.</td>
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</table>
| Status      | An RFP was sent out and five proposals came in and lowest fees were with Vasquez and next closest bid was Stern Kory Sreden & Morgan. Cohn Reznick LLP provided a flat fee but is about $5K more. This might be feasible as they are new and would need more time. 

  teamCFO has worked with each of the auditors. Audit Committee discussed the cost and understand what it means to train new auditors and the time allocated.

  Committee agreed that new pair of eyes would be valuable. Committee would be willing to consider new auditors Cohn Reznick even though they are at higher cost: they provided a flat rate and reasonable hours to complete the process. All bidders had non-profit background. All bidders are guided by generally accepted audit principles.

  Independent Review is best practice accounting, so a new partner would be required if Vasquez was to be retained.

  Audit Committee unanimously recommended that Vasquez be retained for one additional year and would be required to bring a new partner so fresh perspective would be brought forward. Staff should see what Vasquez can do as to better pricing. 

  Meeting adjourned at 4:50 PM. | Motion to accept Vasquez for one year contract  
**M/S/P** Chacon/Grifka unanimous | Ms. Puffer to follow up with auditors who bid to let them know that we gave the contract to the best price bidder.  
Discuss best pricing with Vasquez and Associates. |
**BOARD OF DIRECTORS | Nominating Committee**  
**Monday, September 5, 2017**  
**5:00 p.m. – 6:30 p.m.**  
**MEETING MINUTES**

**Attendees:** Robert Davies, Will Grice  
**Staff Members:** Maryjane Puffer, Ruth Mercado

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<tr>
<td>Welcome</td>
<td>The meeting started at 5:02 p.m. Dr. Davies reviewed the June meeting minutes for approval.</td>
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<tr>
<td><strong>MOTION</strong></td>
<td>To approve the minutes of the June 5, 2017 committee meeting</td>
<td>Moved/Seconded/Passed (M/S/P) Mr. Grice/Ms. Puffer</td>
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| Anticipated Changes in Board | Mr. Grice to continue to pursue candidates.  
Ms. Puffer to follow up with KPMG. | |

Dr. Davies asked if Ms. Flores is still planning on staying another year. Ms. Puffer thinks that it is unlikely and that the Committee should find someone else. Mr. Grice said he had a candidate that received an out-of-state position and he will continue to pursue. Ms. Puffer met a principal at KPMG and will follow up.

Dr. Davies asked about the status of the staff in-house finance person. Ms. Puffer reported on the Gina Airey Organizational Assessment (Ms. Airey will be reporting at Executive Committee stating they are recommending in-house staff; teamCFO agrees that a full-time person is needed). It is hoped to have a full time Grant Accountant starting November 2017, with a transition time of about a month or so. Recruiting will start in October 2016. Dr. Davies thinks this might even save money, but the transition period will be vital, especially since the Board would be transitioning concurrently. He also asked about transitioning from Ms. Flores to the new Board person. Ms. Puffer thinks that she would be willing to provide information to a new treasurer.

- Dr. Kimberly Uyeda may continue as Board Member. Ms. Puffer said that she is interested to be an At-Large member. They have not floated her position at the LAUSD so she is working remotely and part-time in Los Angeles. Mr. Grice concurred that she would be an asset.
• Ms. Puffer said that there is no Policy expert on the Board either. The Committee is just Mr. George Chacon, because Ms. Laura Zavala has not been able to attend. Ms. Puffer can look for someone with Policy background, but feels that we need to focus on the strategic plans, and we can fulfill Policy better through partnerships than taking on our own policy initiative. Our Finance and Operations need to be stabilized as a priority.

• Ms. Puffer spoke to Jan Kern about returning to the Board: she was very flattered, but cannot commit the time at the moment – wants to wait and see. She will stay on the Fund Development Committee.

### New Board Member Candidates

- Mr. Brandon Burris
- Ms. Idoya Irritu

Ms. Puffer said that there was some discussion in the last minutes around finding a Communications person. Ms. Michelle Thatcher is with the Capital Group. She is currently on the Operations Committee and might be interested. Mr. Grice recalls meeting her. Ms. Patty Anton has worked with her closely.

New candidates are not on-boarded until after the December board meeting. Both Mr. Burris and Ms. Irritu have agreed to come onto the Board.

Dr. Davies said that before finalizing the commitment, they should look at the Draft Board Service Agreements, after Board approval.

### LAUSD Nominees: Bylaws Change

Currently, each LAUSD School Board Member nominates a member to the Board of the The L.A. Trust. Although some have been deeply committed, the reliance on five people for quorums, etc. has been problematic. The Committee discussed the possibility of keeping the appointees on, but as Advisory members only, without voting rights.

Ms. Puffer noted that Mr. Valencia was an LAUSD Board Appointee, and she has met with both new LAUSD Board members and Ref Rodriguez, and her parting comments to all three were we hope that they can appoint someone. Therefore the bylaws change needs more discussion.

Dr. Davies wanted to know the history as to why each LAUSD Board member would have a representative on the Board; if there was a mitigating reason in the past. Ms. Puffer...
believes that this was as a result of sharing resources across the District, so that the
money would be spent in the geographical areas.

Ms. Puffer thinks that, as long as we keep the LAUSD Board members in the loop, this
would work as well. Mr. Grice asked if Ms. Puffer believes that The L.A. Trust has the
relationships even without the representatives. She concurred.

Mr. Grice commented that this came from Dr. Slavkin’s observation that the
representatives are absent from many meetings, but maybe the approach would be to
talk to the representatives about attendance.

Ms. Puffer thinks that’s a conversation for the Executive Committee and Board. If we
want to change the bylaws, we should tell the LAUSD Board members over the course
over the next year, or ask that the representatives be totally committed: to have that
sort of conversation, which has already happened with Ref Rodriguez and the two new
LAUSD Board members.

Mr. Grice thinks that Nominating Committee is not the right group to decide this. This
should go to Executive Committee and Board.

Executive Slate

Dr. Davies feels comfortable with Mr. Burris, Ms. Irritu, Ms. Thatcher and Dr. Uyeda.
He asked if there was a person who could move into Treasurer position. Ms. Puffer said
that Mr. Burris is prohibited from serving on the Finance Committee, per Merrill Lynch.
Ms. Irritu has a finance background. There is no one on the current slate who has the
finance expertise.

Mr. Rene Gonzalez might be willing to step down as President and let Ms. Anton take
over. It is possible that he might be interested in the Treasurer position. However, if
there were another Board member who was an accountant, that would be helpful.

Dr. Davies recalled that Laura Yamanaka (teamCFO) used to give the report to the Board;
could the Grants Accountant give the presentation? The Treasurer would be involved
but not to such an extent. Mr. Grice said that the Treasurer would just approve. Mr.
Grice would be happy to help interview the Grants Accountant. Mr. Grice would be
willing to try to step in as Treasurer for a while, and Ms. Puffer is very grateful, but
acknowledges how stretched he is, and thinks that Mr. Gonzalez would be willing to take
on the role.

- President: Ms. Anton
- Vice Chair: Dr. Davies

Robinson and Mr. Rene Gonzalez on
LAUSD Board member liaisons.

Ms. Puffer will liaise with Ms. Kern, Ms.
Robinson and Mr. Gonzalez to help
facilitate this discussion at the next Board
meeting.
- Secretary: Ms. Puffer suggested Hal Slavkin to fill that role, who comes to the meetings as Fund Development Chair anyway.
- Treasurer: Mr. Gonzalez

<table>
<thead>
<tr>
<th>Board Service Agreement</th>
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<tr>
<td>Mr. Robert Schuchard prepared the related exhibit for the Committee pursuant to items brought up at the Board Retreat in August. Dr. Davies asked if the Board is required to approve this, based on Committee recommendations.</td>
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<tr>
<td>Dr. Davies understands that the worksheet is something that the Board member would use for themselves and that the agreement is what is signed and returned. The worksheet looks like a self-rating tool, and it incorporates the Board goals. Ms. Puffer and Ms. Grice concur that members signs both forms, that they are two distinct stand-alone documents.</td>
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<tr>
<td>➢ Committee recommendations would be sent to the Board for the September meeting for their approval, in the Consent Agenda.</td>
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<tr>
<td>➢ Confidentiality / Conflict of Interest need to be renewed each year, so at the December meeting, they should be included in the pre-meeting package. The members sign and return all four documents at the December meeting.</td>
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Ms. Puffer mentioned that some other organizations call the Nominating Committee “the Governance Committee.” If there are bylaw changes, this change might want to be included, as it implies the committee with more authority and strategic direction of the Board. Dr. Davies thinks that there may be value in having an attorney on the Committee.

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<tr>
<td>To take Board Service Agreement and Board Commitment Worksheet to the Board</td>
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| Adjournment |
| The meeting was adjourned at 6:23 p.m. |

| Next Meeting |
| Monday, November 27 from 5:00-6:00 pm |
**Board Members Present:** Brenda Flores, Bob Schuchard, Luis Buendia  **Absent:** Jane Stanton  
**Staff Present:** Maryjane Puffer, Rose Cholakian, Ruth Mercado

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<tr>
<td>Welcome</td>
<td>Ms. Flores welcomed the Committee and reviewed the agenda. The meeting started at 4:07 p.m. The June minutes had previously been approved via email.</td>
<td>Ms. Flores</td>
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| Fixed Asset and Capitalization Policy | Mr. Schuchard asked on what basis the amount of $5k threshold was decided. Ms. Flores said that most organizations use $5k. Years ago it used to be $1k. Therefore, if this policy is adopted, any item purchased for under $5k will be expensed and not capitalized. Ms. Puffer said that there are very few items that The L.A. Trust buys that are over $5k, and this policy would get us in line with other not-for-profits. Ms. Flores added that the auditors will not have a problem with this as it is standard.  

Mr. Buendia explained that the deciding factor is the materiality of purchase: if it provides future benefits, then it needs to be capitalized, matching costs to future years. However, anything over $5k should be booked as an asset and depreciated. He added that it costs too much to keep track of everything over $1k. As long as it’s in the policy, that’s what the auditors look to.  

**MOTION to approve**                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Ms. Flores        | M/S/P  |
| Investment Policy          | Over course of year or so, the Board has had questions around where The L.A. Trust is investing, and has asked for options, so that more money is in FDIC-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Ms. Flores/Mr. Schuchard |        |
insured reserves. Currently, there is one CD at ProAmerica for $200k, which ends in November 2017.

Ms. Puffer reported that she met with Chase, Bank of America and Wells Fargo, the latter being the only viable option.

Ms. Flores spoke to cash flow vs. reserves and said that just because there are net assets on the books, the unrestricted is only $524k at 6/30/17 and that is not cash flow, just a snapshot of a cumulative profit. To invest, one needs to know the cash flow requirements, because once you invest, there is a penalty for early withdrawal. More study needs to be done on cash flow over 6, 12 or 24 months before any investment policy is made. Mr. Buendia concurred and suggested that The L.A. Trust needs a benchmark. He went on to explain the LAUSD investment policy.

Ms. Puffer suggested adding another $50k in the CD to be FDIC compliant, once the CD renews in November 2017. The Committee concurred.

After some discussion, the Committee recommends that it does not recommend an investment policy until such time as cash flow is not high enough to justify investment vs. time and expense. The Committee will ask management to identify when they have enough funds held for investment that are not going to be required for at least a 6-month or 12-month period. Once that sum gets to $0.5 million or $1 million, then the Committee will look at a policy. Otherwise, the work of monitoring will be too expensive.

Committee to report to Board on 9/28/17.

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<tr>
<th>Quarter 4 Financials</th>
<th>Ms. Flores reviewed the Q4 financial statements.</th>
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<tr>
<td>Balance Sheet</td>
<td>There were no major differences between this year and last year other than Accounts Receivables decreased due to the timing of the payroll issues. All grants have been encumbered. First 5 has sunsetting, so that decrease in activity also reflects fewer liabilities also.</td>
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<td>In the equities section, most are temporarily restricted net assets, grants awarded prior to June, where the money is shown as revenue, but The L.A.</td>
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Ms. Flores
Trust is going to perform the work in the future. Unrestricted net assets are cumulative earnings that are free to be used for any activity that the Board approves.

Mr. Schuchard asked about the $525k unrestricted net assets. Ms. Puffer suggested that $40k could be set aside for Board-approved staff allocations, and perhaps organizational design to hire new people. The organization would hope to recoup those funds by the end of the year through contracts and grants. Any disbursements to staff would come after the audit, in December. In terms of new staff, based on organization design needs, the cost could be $160k.

Statement of Activities

The government contract decrease is the ending of the First 5 contract. The Kaiser grant came in from $250k over two years and the new grant is $500k and an additional DentaQuest grant of $160k. “Special Event” was new this year: last year, it had been captured in G&A. Ms. Puffer added that more funds were coming in from the Summer Solstice after year end close.

For the profit of $185k for the year, Ms. Flores advised the Committee to refer to Temporarily Restricted Net Assets Rollforward page, specifically the yellow columns: Revenue are all of new grants vs. expenses of these awards, as well as the grants that were awarded in prior years; the difference between those two numbers is approximately $63k. $63k will go into temporarily restricted; therefore $122k is unrestricted.

Details of revenue and expenses are on the following two pages in the Profit & Loss.

The P&L compares the full year to the budget. There was a discussion around the fact that some of the Foundations funds were Corporate, hence the under-spent to that extent. Ms. Puffer said she might have miscoded that in the 2016-17 budget. The Committee suggested that Ms. Puffer add a footnote.

Expenses are pretty close to budget. The actual net income is less than the budget net income because we didn’t recognize as much income as we budgeted.

Ms. Flores went over the Temporarily Restricted Net Asset Rollforward page. There was no discussion.
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<th>MOTION: Committee to approve financials for Board Review.</th>
<th>M/S/P Mr. Schuchard/Mr. Buendia</th>
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<tr>
<td><strong>Audit Update</strong></td>
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<tr>
<td>Vasquez and Associates have been selected to perform the audit and prepare the tax returns for one more year. Approval by the Board required.</td>
<td>Ms. Puffer</td>
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<td>Staff to bring to Board meeting.</td>
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<tr>
<td>Mr. Schuchard asked if The L.A. Trust was planning on having an internal accountant and Ms. Puffer said that she is in the process of recruiting.</td>
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<td>The meeting concluded at 5:03 p.m.</td>
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The next meeting is scheduled for: **Monday, December 11, 2017**
EXECUTIVE COMMITTEE
Friday, September 22, 2017
8:30 am-10:00 am
MINUTES

**Attendees:** Rene Gonzalez, Brenda Flores, Robert Davies, Patty Anton,
**Absent:** Erika Torres, Maria Castro, Harold Slavkin
**Staff:** Maryjane Puffer, Ruth Mercado
**Other:** Gina Airey
Checkers Hilton, Downtown Los Angeles

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<tbody>
<tr>
<td>Welcome</td>
<td>The meeting was called to order at 8:44 am. Mr. Gonzalez went over the agenda and overview of the meeting.</td>
<td>Mr. Gonzalez</td>
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<tr>
<td>Minutes</td>
<td>The minutes from June 9, 2017 were approved by email. Mr. Gonzalez asked that staff ensure validation of appropriate process.</td>
<td>Mr. Gonzalez</td>
<td>Staff to investigate approval by email in g-mail.</td>
</tr>
<tr>
<td>2018 Board Calendar</td>
<td>Ms. Mercado distributed the draft calendar of Board and Committee meetings for 2018, indicating that they will go in the Consent Agenda packet.</td>
<td>Ms. Mercado</td>
<td>For consent agenda. Staff to add Tooth Fairy and bus tour dates.</td>
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</table>
| Staffing Updates     | It has been difficult trying to find a Communications Manager. Ms. Fletcher is working in another corporate position, but is still working limited part-time on Champions for Change through October. The L.A. Trust has hired a part-time Communications Consultant on a monthly retainer, to work on Tooth Fairy, the newsletter and on combing through the website for inconsistencies.  
                        | Mr. Gonzalez suggested that the consultant stay focused and be clear on goals, and believes that there should be one annual theme to drive home.                                                               | Ms. Puffer        |                                                                       |
                        | Staff from the Keck Foundation suggested looking to Dwight Stuart Foundation because of their great youth communications.                                                                                       |                   |                                                                       |
Contracts and Grants Fund Development, and a Staff Accountant position are still pending. Ms. Puffer met a consultant for Fund Development who has a qualified team. Ms. Puffer and Ms. Airey are meeting with her this afternoon.

Ms. Anton asked about Sharing Brings Hope, the LAUSD Consolidated Charitable Campaign, and if it would be a good idea to approach creative agencies for pro bono work to do a mailer, a “Did you know?” piece. Mr. Gonzalez concurred and added that there are larger groups we could be targeting (UTLA, Administrators’ Association) who are on the higher end of the salary scale.

Ms. Puffer reported on the hiring of Mr. Hani Tajsar, the new Oral Health Program Manager, replacing Ms. Walsh, who has moved onto the National DentaQuest Liaison position.

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<th>Organization Structure</th>
<th>Ms. Anton to research creative agencies.</th>
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Ms. Airey referred to the slide deck provided. The project was to assess and refine the structure in order to make The L.A. Trust more effective and sustainable. Consultants interviewed all staff and had in-depth meetings with Ms. Puffer, and the other directors. Ms. Airey pointed out that the strategic plan was put in place when there were only three staff members, so much has changed. At the Board retreat in August, there were conversations around a sustainable model. See attached slides.

- At the top of Slide #4 is the ultimate outcome, aligning with LAUSD’s goals. The orange blocks are split between LAUSD collective impact on the left and The L.A. Trust engaging communities on the right.
- The blue boxes are the collective impact: driving what is happening.
- Organization charts are not ready to be shared at this time.
- Slide #5 refers to capabilities being “capacity” + “abilities.”
- Slide #6 breaks up the capabilities into different strategies.

Ms. Anton commented that there are different reasons for the gaps on Slide #7. Some is funding, some is lack of staff. Mr. Gonzalez asked about the measure of the gaps: whether they are “wants” or necessities without which the organization is at risk. Ms. Airey concurred that the gaps are subjective, but based on all staff interviews.

Mr. Gonzalez said that everything needs to be weighed against the strategic plan and if something only aligns with one goal, it might need to be cut. Ms. Anton was encouraging of cutting such programs.
Ms. Anton would like to meet with Ms. Puffer regarding the Career Pathways program and its purpose. Mr. Gonzalez confirmed that The L.A. Trust would be the co-facilitator in partnering – not running the program.

The organization chart is not ready yet and would not be until after the Board meeting.

| LAUSD Liaisons | Dr. Davies acknowledged the history of the LAUSD Board appointees and how they were fundamental to the foundation of The L.A. Trust but as the organization becomes more independent, the appointees may not serve the same purpose. Dr. Davies suggested that reference to Ms. Airey’s model for determining which strategic, programmatic and enabling capabilities does the LA Trust need to enhance organizational effectiveness, impact and sustainability toward meeting current and anticipated needs, can help in assessing the role of LAUSD liaisons. Discussion included that since most have not been able to attend Committee or Board meetings, they become a liability in terms of reaching quorum, and do not report back to their School Board members, of whom three do not have representation.

Ms. Puffer suggested that the Board should discuss a bylaws change to make the appointees non-voting members, but that first she should meet with the School Board members and invite them to a meeting.

Mr. Gonzalez suggested asking the School Board President to appoint one person to represent all seven members or to invite their chiefs of staff to quarterly or semi-annual Board meetings to keep them apprised of events.

It was decided that Ms. Puffer should meet with the School Board members before any bylaws change goes into effect, and before The L.A. Trust Board votes on it. |

| Core Policy Review | Ms. Puffer explained that the Core Policies have to be reviewed by the Board every year per the annual calendar. The only one she feels needs reexamining is the Executive Director Discretionary Spending, which needs some rewording. It was decided that this should go to the Finance Committee in December 2017, but be included on the Consent Agenda with a note to the effect that it will be revisited. |

| Committee Reports | Nominating Committee

Dr. Davies reported that it has been suggested that the Nominating Committee move towards a governance model and that the expectations of board members are growing. Mr. Schuchard agreed to put together two documents (Director Agreement and Board Commitment Worksheet), which Dr. Davies circulated, which are being put into the Consent Agenda for Board. If approved, they would be given to potential new Board members, and all existing and new directors would be asked to sign them for |

| | Staff to set up meeting re: Career Pathways. |

| | Staff to set up appointments with School Board members. |

| | Staff to include in Board agenda without a motion. |

| | Ms. Flores to revisit Discretionary Spending policy in December 2017 Finance Committee Meeting. |

| | Agreements to be shared with all Board members and incoming slate of members. |
The L.A. Trust to file.

- There has been some work done on the slate of officers, but Secretary and Treasury positions have to be decided. Dr. Davies feels that having a staff accountant would make the Treasurer job less strenuous as they would have more input at the Finance Committee. It was noted that Mr. Grice has said he could step in as Treasurer if need be.
- We are still trying to recruit a non-profit accountant for the Board. Ms. Flores said that the person does not have to have NFP experience, since we don't have government grants.
- Three candidates interested in coming on board. All have met with Ms. Puffer and at least one other Board member.
- Ms. Lasso and Ms. Diaz Sayles resigned due to work and family obligations.

Finance Committee:

- Balance sheet shows no significant changes. First 5 has been mentioned for a number of quarters as sun-setting. This shows income for full year of $185k
- Summary Statement of Activities: Revenue is mostly same.
- $185k has two components – refer to the back sheet – current year, new grants total (yellow columns) into revenue and column – net positive of $63k – income for 12 months of $815k. Of that, $63k is temporarily restricted money. Activities from current year show a net profit of approximately $120k. Absent any final adjustments for audit, The L.A. Trust ended up with an operating profit in unrestricted dollars.
- Bonuses would be based on work 2016-17 and even if they approved after the June closing, would be recorded in that year. Net will be less than $185k.
- Salary changes are accounted for differently, in the current year. Ms. Puffer said that there is a 3% increase in budget for staff. Staff did not get raises last year, however, all but two staff received salary adjustments up.

**Motion** to move to present the 2016-17 Q4 financials to the Board.

Ms. Flores spoke about the recent discussion around an investment policy and that the Committee had decided to let the $200k CD sunset in November and reinvest with an additional $50k added, to keep within the FDIC-insured rate. She continued that the size of The L.A. Trust and the amount of available money does not require an investment policy and would cost more than the interest we might get. Ms. Anton asked about more aggressive investments, but The L.A. Trust is not

| Ms. Flores |
| Ms. Flores |
| Ms. Flores |
| Ms. Flores |
| Ms. Flores |
| Ms. Flores |

Salary increase recommendations to be prepared for December meeting.

M/S/P
Anton/Gonzalez
in a position to take the risk.

The other item, not discussed in Committee, but in email is indirect cost rates. It’s a percentage that comes from total administrative expense and, based on how the organization operates, without paying rent, it cannot usually go above 10% or 15%. Salaries are the biggest expense. One option would be to record In Kind rent from the LAUSD. Since there is no Federal grant, federally negotiated rates do not come into play.

The L.A. Trust usually claims 10-15% indirect in grants.

<table>
<thead>
<tr>
<th>Development Committee</th>
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<td>• Did not meet.</td>
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<th>Policy Committee</th>
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<tr>
<td>• The Committee only has one regularly attending Board member.</td>
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<td>• The L.A. Trust is attending to the strategic plan in developing Student Advisors and promoting the Kindergarten Mandate.</td>
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<td>• The L.A. Trust does not have the bandwidth for staff or money to hire policy staff, but continues to be active in supporting the California State Alliance and writing letters or support.</td>
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<td>• Ms. Anton brought up the interns’ meeting with legislators and asked what agenda was presented. Ms. Puffer stated that we follow the State Alliance agenda.</td>
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<td>• Mr. Gonzalez suggested that someone report to the Board on the State policy items.</td>
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<tr>
<th>Finalize Board Agenda</th>
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<td>Board agenda presented and approved.</td>
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<tr>
<td>Ms. Anton requested that Ms. Gupilan present at the December Board meeting. Ms. Puffer concurred but added that Ms. Airey’s second presentation will also be on that day, as well as the Nominating slate. It will also be the joint Youth Advisory Board meeting. One possibility would be for Ms. Gupilan to present to Executive Committee if full Board agenda is too packed.</td>
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<th>Adjourn</th>
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<td>The meeting adjourned at 10:36 a.m.</td>
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The next meeting is scheduled for: Friday, December 11, 2017
EXECUTIVE COMMITTEE

Wednesday, October 11, 2017
5:30 – 6:30 p.m.

MINUTES

Attendees: Rene Gonzalez, Harold Slavkin, Robert Davies, Patty Anton, Brenda Flores
Absent: Erika Torres, Maria Castro
Staff: Maryjane Puffer, Ruth Mercado
Bridge Line: Conference Call

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<thead>
<tr>
<th>AGENDA ITEM</th>
<th>ACTION(S) TAKEN</th>
<th>RESPONSIBLE PARTY</th>
<th>ACTION</th>
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<tbody>
<tr>
<td>Welcome</td>
<td>The meeting was called to order at 5:33 p.m.</td>
<td>Mr. Gonzalez</td>
<td></td>
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<tr>
<td>Wageworks</td>
<td>During a routine internal audit of the flexible spending account (WageWorks), it was discovered that, although employees were enrolled in the program, and had been drawing on funds, nothing had been taken out of their paychecks since the inception of the program in July 2016. Since the tax/calendar years of 2016 has closed, it was decided that employees would reimburse The L.A. Trust for 50% of the missing funds, representing the time period of January 1, 2017 to June 30, 2017, to be taken out of their paychecks before the end of the calendar year 2017, as paying back the 2016 amounts would entail restating the employee’s W-2 for that year and requiring them to redo their taxes along with revising The L.A. Trust’s fiscal year end totals. This leaves a total of $3,270 to be absorbed, since one employee has since left The L.A. Trust and there is no way to recoup that loss. Ms. Puffer recommended that to absorb these costs into grants, where possible. Executive Committee would like clarity on how the error occurred and will schedule a call with finance, Wage Works, HR and</td>
<td>Ms. Puffer</td>
<td>Staff to set up teleconference to finalize Wage Works solution.</td>
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| **Holiday Office Closure** | For the past four years, the office has been closed for the last two weeks of December as approved by the board. Staff has had to allocate three or four days of vacation each year depending on the holiday and received additional vacation time. Closure between Christmas and New Year in line with the District.  

Ms. Flores asked how many holidays there are for the year. There are 11 holidays. This would bring the number of holidays up to 15. Ms. Anton believes that staff deserves this consideration and supports the decision to allow extra days off.  

A motion to support office closure and approve 4 vacation days was made and there were no objections. | Ms. Puffer |

| **Clarification on projected new staffing and budget** | At the September 2017 Board meeting, Ms. Puffer distributed a spreadsheet and rounded the salaries; Ms. Puffer had rounded up $100k instead of $96k in accounting fees, and of those $14K was for the auditor. Ms. Puffer wanted to acknowledge that this was not clear but this was an estimate.  

Per approval of the Executive Committee call, Nancy Vega was hired as the Contracts and Grants Manager and starts on October 16, at $80k. Michele Broadnax will serve as the Fund Development consultant is working ten hours a week at $75 per hour, which is very reasonable considering her extensive background, and Amanda Yang will serve as the Grant Writer working up to 35 hours a week at $25 per hour, which is also very reasonable.  

The last position in that group is the Finance Director, and teamCFO is going to help interview, but Ms. Puffer is not sure that this will be a $100k position.  

There were no questions. | Ms. Puffer |
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<tr>
<th>3% COLA</th>
<th>Although all staff except two had salary adjustments as a result of a salary survey, there has not been a cost of living adjustment ever for The L.A. Trust staff. 3% was allocated in the budget. The L.A. Trust is revising the fringe benefits rate from 26% to 21%, so even though the increase was budgeted, it will be offset by the decrease in fringe benefits. Ms. Puffer requested that the increase be effective next pay period for all except staff that have not served at The L.A. Trust for a minimum of one year. The increase does not include Ms. Puffer, who has a contract with the Board. Motion to approve the COLA was unanimous.</th>
<th>Ms. Puffer</th>
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<tr>
<td>Executive Director's Contract</td>
<td>Ms. Puffer shared that her contract had lapsed with The L.A. Trust and technically ended on June 30, 2017. She has emailed Janet Grumer from Davies Wright Tremaine to see if she could draw up a renewed contract, suggesting that three years would be reasonable, as before, and stating her current salary, which she believes should be amended based on last year’s market survey. Ms. Grumer is out but Ms. Puffer suggested that perhaps Mr. Schuchard could step in. Ms. Anton asked why Ms. Puffer is on contract and not a regular employee. Ms. Flores said that this is standard in for-profit companies as well, as it protects both parties and Mr. Gonzalez said that the senior executives at the LAUSD also have contracts. Mr. Gonzalez had a question about the salary, as the contract amendment signed in August 2016 had a different amount. Ms. Puffer said that the contract was not amended when the market survey went into effect, although the recommendations of the survey were implemented. Mr. Gonzalez suggests that the existing contracts go to Mr. Schuchard and he can draft a three-year contract to the Executive Committee. Mr. Schuchard will then work directly with the Executive Committee.</td>
<td>Ms. Puffer</td>
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<tr>
<td>CLOSED Executive Session Executive Director’s Salary and Bonus</td>
<td>Executive Committee to discuss Ms. Puffer’s salary and potential contract bonus.</td>
<td>Mr. Gonzalez</td>
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<td>Allocation</td>
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<tr>
<td><strong>Adjourn</strong></td>
<td>The meeting adjourned after the executive session, which started at 6:24 p.m.</td>
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The next meeting is scheduled for: **Friday, December 11, 2017**
## MINUTES

**Audit Committee Members Present:** Randi Grifka, Joy Mayor for Luis Buendia  
**Absent:** George Chacon  
**Staff Present:** Maryjane Puffer, teamCFO: Lily Yee, Laura Yamanaka  
**Auditors:** Linda Narciso, Jonathan Agot

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<tr>
<th>AGENDA ITEM</th>
<th>DISCUSSION</th>
<th>ACTION ITEM</th>
<th>FOLLOW-UP</th>
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<tr>
<td>Introduction</td>
<td>Ms. Puffer welcomed the attendees</td>
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<tr>
<td><strong>MOTION</strong></td>
<td><strong>Approval of August 2017 minutes</strong></td>
<td>M/S/P Grifka/Puffer/All</td>
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| Review Audit | Ms. Narciso and Mr. Agot presented the audit: (please refer to PowerPoint)  
- introduced the audit team  
- went over scope of engagement  
- went over audit strategy: looking for reasonable assurance that financial statements are accurate, with internal control evaluation and testing, substantive testing, etc.  
**Summary of results**  
- 2017 audit – they will be issuing an unmodified opinion – which means that financial statements are fairly stated.  
- Management needs to accept responsibility for this opinion.  
Mr. Agot continued on page 8 of the PowerPoint:  
- Cash and cash equivalents  
- Grants receivable  
- Accounts payable and accrued expenses  
- Net assets – both temporary restricted and unrestricted  
- Expense allocation  
No material exceptions were noted. | | |
Page 10 shows a summary of statements of financial position.
- Overall assets did not increase significantly and liabilities did not change significantly.
- There was a 38% increase in net cash and a decrease of 47% in accounts payable and accrued expenses, both a function of timing.
- The Program Services decline from $2.7 million to $2.2 million is in direct proportion to Contributions Received.

Ms. Puffer asked if Vasquez & Associates had received all validation letters from funders. Mr. Agot responded that only 3 or 4 had been returned, but tests were conducted for those from whom we have not received letters.

Ms. Narciso continued on slides 13 and 14: Required Communications by Auditors.
- Vasquez will be issuing a separate letter addressed to Board of Directors
- The books are all in order and can be relied upon to make management decisions
- Management needs to provide Vasquez with a signed management representation letter.

There were no questions.

Ms. Puffer thanked everyone and recognized teamCFO for their contribution to the process.

**MOTION**

To accept audit as presented

M/S/P
Grifka/Mayor/All