

SAY San Diego, Inc.
Board of Directors' Meeting
4775 Viewridge Ave. San Diego, CA 92123
April 15, 2025
Minutes

Vision

Opportunity, equity, and well-being

Mission

SAY San Diego partners with youth, adults, families
and communities in reaching their fullest potential.

**Powerful
Impact Goals**

Child and Youth
Development

Youth, Adult and
Family Wellness

Community
Engagement

SAY San Diego's Strategic Priorities 2022-2025

- 1) Equity, Diversity and Inclusion:** We will ensure that equity, diversity and inclusion actions are visible and broadly inclusive, to produce structural, anti-racist changes within SAY San Diego, across our spheres of influence, and in the systems and communities where we work.
 - 2) Communications:** We will strengthen and support all staff, board members and partners to confidently talk about SAY San Diego's overall results and mission.
 - 3) Leveraging Resources:** We will improve our comprehensive approach to whole person and whole family care by implementing a SAY San Diego resource and referral hub.
 - 4) Sharing Expertise:** We will actively share staff expertise in healthy living and healthy relationships across our communities, partners and workforce.
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Board members present: Omar Baza, Theresa Carter, Tibyasa Matovu, Trisha Monteleon, Barbara Ryan, Janie Wardlow, Louie Nguyen, Dani Pena

Regrets: Carly Couture, Dave Kern, Sara Hyzer, Tibyasa Matovu

Staff present: Lisa Bridges, Jane Drover, Chris Jewell, Allie Lindsley, Joe Buehrle, Kevin O'Neill, Kelly Vales, Mary Baum, Carrie Rich

Guests: Bobby LaCour

Minutes taker: Allie Lindsley & Carrie Rich

Quorum Present? Yes, 8 of 11

PROCEEDINGS

The meeting was called to order at 4:00 pm by President, Theresa Carter

CONSENT ITEMS

Approved March Consent items include:

- Board Minutes March 2025
- Special Vote by email Minutes
- Mission Moment
- Financial Report
- Strategy and Development Report
- Grants/Fundraising Report
- 2025 Employee Anniversary Awards Save the Date

On a motion by Barbara and a second by Louie the April 2025 Consent Items were approved by unanimous consent with one change “correction of the attendance in the March 2025 BOD minutes”. (7 in favor, 0 oppose)

ACTION ITEMS:

Presentation of FY 23/24 Audit (Trisha Monteleon, Audit Committee, Bobby LaCour, Auditor)

Trisha Monteleon explained that they are talking about the audit that ended June 30, 2024. One thing different this year and already have some plans in place to prevent this in the future, is the audit committee did decide to allow SAY to file some of the financial statements by March 31. Normally we would have had this meeting and the vote to do that prior to filing but we still want to do this presentation today to make sure there's no other concerns. Had we missed the deadline, it would have put us into a higher risk category for next year's audit, which we didn't think made sense in the circumstances, especially with a clean audit.

Bobby LaCour shared that they are rendering an opinion on SAY's June 30, 2024 financial statements. The executive summary highlights what the most key, critical takeaway items are. They rendered an unqualified opinion on SAY's June 30, 2024 financial statements as of March 31, 2025. The unqualified opinion just means that they didn't qualify their opinion for any reason, meaning that this is a standard and clean opinion; the highest level they can provide of assurance.

Two things they must look at are **SAY's internal controls and risk assessment**.

For internal controls, they want to understand how we pay our bills, how we do our payroll, what it is like to receive money from the contracts we have in place, what are the procedures we need, etc. They are not providing an opinion on those internal controls, but if they find anything that they think would lead to an error in SAY's financial reporting, they bring it to our attention. Happy to report that they didn't identify any conditions considered to be a deficiency in SAY's internal controls.

For risk assessment, they go through a process of looking from multiple lenses, looking at SAY's financial statements and determining what areas have the greatest risk (i.e. where could the financial statements have an error or be more likely to have an error?) Based on that and the internal control assessments, they design their audit procedures that afford the opportunity to make sure those areas thought of as higher risk have been addressed and resolved.

Happy to report that those areas of high risk have been addressed and resolved to satisfaction.

For single audit, there are specific compliance requirements that the federal government puts out as part of the audit procedures. Their tests did not disclose any instances of noncompliance findings.

The audit process is an additive process. They must work with the management team. Kudos to Jane and her team for the work they put forth to get us to the place of providing an opinion on SAY's audited financial statements.

Bobby has been on SAY's account since 2018 or 2019. There is no specific timeline for auditor rotation in nonprofits.

Low risk of fraudulent invoicing providing outbound payment to vendors. The controls SAY has in place for our single audit is fairly similar throughout the organization; it's fairly universal in terms of procedures. Our controls are strong.

We put the audit out to tender three years ago and just completed our third year of the contract. It was decided by the audit committee to extend Aldrich one year but do plan to put the audit out for bid next year.

*On a motion by **Tricia** and a second by **Louie** the **Audit Report as presented** was approved by unanimous consent. (8 in favor, 0 opposed)*

DISCUSSION ITEMS:

Executive Team Updates–

Child & Youth Development (Chris) – *Win:* We've been invited to operate two new summer programs at new locations starting this summer. One at Sunset View Elementary (Point Loma area), and one at the Doyle Recreation Center (University City area). *Challenge:* Waiting anxiously on the May revise coming from the Governor's office. It is going to drive if there's going to be more money going into Primetime, which in theory, could eat into our revenue-generating fee-based program. Margin compression is possibly on the horizon.

Community Engagement (Kevin) – *Challenge:* First 5 has revenue dropping over the years because less people are paying into the Prop 10 tobacco tax. We've been aware that they would be reducing revenue for years but it's finally hitting this year with our First 5 First Steps program which is currently funded out of two funding streams. One is the CalWORKS Home Visiting Program, and the other is out of First 5. The First 5 portion is going to be reduced by 49% for the new coming year. With this, we're probably going to have to lay off at least three, up to six, staff members. Fortunately, we haven't hired and trained new staff so that will mitigate some of the negative impact. *Win:* Last week's event was a great. The win for Kevin was seeing old acquaintances and people that are familiar with the organization, raving about how great SAY is. It's nice to hear this from our partners in the community and how much they appreciate the work we do.

Finance (Jane) – *Win:* The Audit. Special thanks to Tricia and Sara for supporting Jane throughout the process. *Challenge:* Continues to be we're entering budget period. We have our wage equity to consider and a lot to consider. Our annual budget may be delayed going to the board for approval, given the moving parts. This might be a year where the budget may not balance. Recognizing there is stress on both the revenue side and stress in terms of compensation needs.

There is a lot of uncertainty so it's just a little tenuous for us right now. This is not atypical for this time of year, but definitely more exaggerated this year so we will do the best we can.

People & Culture (Lisa) – *Win*: Had a fabulous time Thursday and really enjoyed talking with so many supporters and hearing all the really great things. Being in HR and focusing on internal things, to be thrust into that, I thought is was really, very cool. It was a win because it brought me back very energized to the workforce. *Challenge*: Pay rate analysis. The good thing is that there are some positions where the shortfall doesn't seem to be too far off. But then, there are others that the gap is big and that's not good.

Question from Theresa: How are we trending in terms of retention?

Answer from Lisa: We look at why people exit. One reason is the pay gap that we're looking at. But I'm a firm believer that if the culture is there, where we acknowledge people for who they are and not just what they produce, that they feel known, seen, and heard, then they're going to remain planted. So it's my job to try and amplify that. One thing we're working on is the employee referral program that's gotten a new facelift. We're hoping this brings people as well as drive retention.

Grants & Fundraising (Mary) – *Win*: We have secured some strong external grant writers to help us during times of high volume. In the last month, since the last Board meeting, we submitted 26 grants in the month of March and into the start of April and only had one external grant writer helping with just two of those. We have 14 pending right now, totaling \$1.7 million. We were awarded four, which was around \$54,000. We had eight declined, which was around \$449,000. *Challenge*: Resource and Development. It's an opportunity kind of challenge that Play 4 SAY is launching, and we have a bold goal of \$200,000 this year. We would love the Board's support in reaching out to more corporate partners and having each member contribute at least five names to our team to start building up the prospects, getting closer to the \$200K goal this year. We're here to accept referrals, names, and contacts; we'll do the heavy lifting.

Strategy & Development (Joe) – *Win*: Big shout out to Theresa for hosting the event and opening up your beautiful home; really going above and beyond with your generosity and hospitality. Thanks to Mary and team that showed up and helped out a lot behind the scenes as well. *Challenge*: Overall in the short term, a lot of our known risks are lower, and if anything, there's been a lost opportunity in some grants that we were hoping to come out, were either postponed or canceled. But the reality of the challenge is the unknown. Our team is keeping a good pulse on what we do know, and we've met with all of our program managers and directors. There's a lot we don't know, and we want you to know that we don't know but we're on it.

Youth, Adult Family Wellness (Kelly) – *Win*: Positions that are usually challenging to hire for, have had a flood of resumes. We've had five or six positions filled on the first go-around, which is very unusual. *Challenge*: Some of our normal outreach efforts are not resulting in referrals or people accepting referrals as they normally would.

Update on Schedule – Budget, Staff Retreat, Board Retreat, Strategic Plan (Louie)

The budget typically gets presented in June for approval by the Board, but because of the moving parts, namely, the cut in First 5 and the salary compensation survey, it will likely be late this year. The short of it is our staff is underpaid and if we were to right-size to get everyone back to where they ought to be paid, the payment would probably cost anywhere between \$2 to \$2.5 million dollars. We can't do that in one lump sum; will probably stagger step to get there. Need to think strategically about how to get there. This is going to cause some delays in the work that we're doing around the budget.

Putting a fine point on Mary's ask of the Board members to provide corporate sponsorship prospect introductions for Play 4 Say, that's our margin. It's how we make money on Play 4 SAY; everything else covers the cost. It's the corporate donations where the profit comes from. So, five introductions per board member comes out to 50. I (Louie) have provided 50 introductions already and on top of that, the team will probably need to find another 150 new donor prospects to get us to the right pipeline. All that is to say, everyone needs to chip in for us to start closing this gap.

Lots of work that needs to go into this budget, both in terms of getting it approved, hopefully not too long after June, and also asking everyone's help to be a part of that.

Staff retreat is going to happen in July, Board retreat in September. Staff retreat is when we're going to launch a deep-dive into the strategic plan; it will be a multi-month effort. Joe and Louie to drive this.

Finance Committee Report (Jane) – Because of the way the calendar fell, the Finance committee didn't meet until yesterday so the Minutes were not included in the bigger packet. For a good part of the meeting, we met with our investment advisors and Louie brought a wealth of knowledge to that conversation to ensure we have the highest returns possible in a lower risk fashion for those reserves. On the financial statement side of things, because we had some early market gains in the first half of the financial year, we are maintaining a slight net excess of \$134,000; this is above our projected; our budget has us projected at a slight loss through February. The early market gains have kept us in the black and then cash remains strong. We have very few short-term liabilities. We don't owe a lot outside of our routine payments. We're solid considering the uncertainty in this arena right now with the new administration.

Louie – Met with the Creative Planning team who is running our reserve. I think we are in a good place in the reserve.

Question from Theresa: I know we were up to a high of almost \$6 million when the market was really solid. Where are we now?

Answer from Jane: Took a quick look yesterday (4/14/25) and we had sustained about \$100K loss. We're at about \$5.4 million, so we're still above that \$5 million. I think Louie, in cooperation with Creative Planning, can maximize those funds that we have.

Additional input from Louie: The two low-hanging fruit we can utilize are, one, really focusing on fees and making sure that we are in low-cost ETFs, low cost mutual funds, and two, is making

sure that our cash is invested in high-yielding money markets. As we make other changes to our IPS, we'll make additional changes to the portfolio.

The board meeting was adjourned at 4:51 pm by Theresa Carter, President. The board met for a closed session. Closed session notes are filed and available at board member request.

Next meeting: May 20, 2025 virtual on Zoom

Trisha Monteleon, Secretary

Date