

FINANCE & INVESTMENTS COMMITTEE MEETINGDate: Monday, April 21st, 2025

Time: 2:00pm – 3:00pm

Location: <https://csudh.zoom.us/j/83542889430>**MEETING MINUTES**

Members Present: Chair Jeremy Brown, Brad Beverage, Rama Malladi, Ph.D., Jeanine Cornell

Staff Present: Tranitra Avery, Markis Lazarre, Cherisse Ross

I. Roll Call

- This meeting was held via Zoom virtual platform. Members and guests could be heard clearly. Quorum met.

II. Call to Order

- Meeting called to order by Chair Jeremy Brown at 2:06 PM

III. Approval of Previous Meeting Minutes

- Brad Beverage moved and Rama Malladi seconded the motion. All in favor.

IV. Approval of Agenda

- Tranitra Avery moved for an amendment to the add "Approval of Agenda" to the Meeting Minutes items.

V. Public Comments

- No public comments.

VI. Finance and Accounting Review – Cherisse Ross

- Statement of Operations as of February 25th, 2025
 - i. Cherisse's presentation focused on the Statement of Operations, showing year-to-date financials (as of February 25th) which revealed lower-than-budgeted revenue, particularly in commercial services (due to film revenue shortfall). Variances were explained, highlighting market fluctuations impacting administration, lower-than-anticipated commercial enterprise revenue (linked to film), and lower-than-expected maintenance expenses (due to preventative maintenance). Aramark commission expenses were higher than budgeted. She presented preliminary March numbers showing improvement but cautioned about upcoming expenses impacting year-end projections. She emphasized difficulties in accurately reflecting accruals due to the university's accounting practices and challenges in tracking expenses from various departments and external entities. Finally, she noted a negative balance in grants and contracts due to delays in revenue collection from OSRP.

- Statement of Financial Position as of February 25th, 2025
 - i. No discussion.
- Accounts Receivable Aging Report as of April 13th, 2025
 - i. The Aging Report wasn't explicitly discussed, but the conversation heavily implied its relevance. The meeting centered on financial statements as of February 25th, revealing discrepancies and highlighting the difficulty in accurately reflecting accruals due to the university's accounting practices and challenges in tracking expenses across departments and external entities. The discussion included concerns about delayed revenue collection from OSRP (Office of Sponsored Research Programs), resulting in a negative balance in the grants and contracts section. The lack of complete information hampered accurate financial reporting and year-end projections, suggesting a need for improved communication and data visibility—impliedly highlighting the need for an updated and accurate aging report to better manage receivables and understand outstanding balances.
- Investment Portfolio Review as of March 31st, 2025
 - i. No discussion.

VII. FY 2025-2026 Operating Budget Strategy Discussion

- Brad mentions the operating budget strategy addresses a projected **\$1.4 million deficit**, driven largely by **lower-than-budgeted revenue** in commercial services—particularly from film-related income—and **unreimbursed expenses** associated with OSRP, an organization that does not pre-pay. Additional variances stem from **market fluctuations, higher-than-expected Aramark commission expenses**, and **delayed revenue collection in grants and contracts**, contributing to a negative balance in that area. While preliminary March numbers show slight improvement, upcoming expenses will impact year-end projections.
- The committee plans to present a **simplified financial summary** to the full board, while a smaller committee will analyze the details, including **fixed vs. variable costs** in Divisions 10 and 40. Key strategies include **clarifying the Aramark agreement, revisiting the OSRP contract, enhancing visibility into grants and contracts**, and **improving coordination across departments** to address university accrual practices. A long-term focus is developing a **clear distribution policy for future dining profits**, expected to materialize in **2026** after recovery of prior losses. The overarching goal is to **establish a transparent narrative** around the deficit and outline actionable solutions ahead of the next board meeting.

VIII. Adjournment

- The meeting was adjourned following a motion by Brad, seconded by Rama, with thanks to all attendees. Meeting end time: 3:58pm.