



Community Foundation *of the* Dan River Region

541 Loyal St · Danville, VA 24541 · 434.793.0884 · www.cfdr.org

Finance Committee Meeting Minutes

November 20, 2023

12:00 PM; In-person and Virtual Meeting

Present: Jennifer Hiltwine, Scott Barnes, Vince Kania, Jr., Bill Riddle, Lisa Johnson-Knight, Kunal Patel, Kendra Floyd, Seth Lynn, Carole Holland and Kathy Milam

Absent: Kerri Burchett and Nina Beth Thornton

Welcome: Jennifer Hiltwine, Vice-Chairperson, welcomed everyone and called the meeting to order at 12:00 PM.

Minutes: Minutes from the August 28 and September 25, 2023 meetings were presented. On a Kania/Johnson-Knight motion, the minutes were approved by all.

Financial Report: Vince remarked on the September 30, 2023 Financial Statements. They show \$2 M in losses, but the stock market is up 5% today. With the \$4 M gift received in July, we are having a banner year. Expenses are in line. We hired a new employee with administrative funding in place to pay her salary and benefits. No questions were asked of Vince.

Investment Analysis and Discussion: Seth Lynn, DAHAB Consultant, shared his perspective on The Foundation's 3Q 2023 investments performance. He followed bullet points, which he prepared and shared ahead of the meeting. He said there were third quarter challenges in the market. Our investments fell 3.6%. It was a tough quarter for everybody. While a recession did not happen, interest rates went up big time. He said large stocks continue to do better. He said there is pre-holiday good news: in the last ten days, the market has been in a nice recovery across the board. He said a lot of foundations use hedge funds, but we do not. In view of a long horizon to meet our 8.5% goal, it is better that we are invested in equities. Seth reminded the committee that we have a plan, a structure that is highly liquid; we have a few active managers and a large component of investments in index funds. He said he is pleased with our structure. He said we have many holdings and many different managers.

He singled out Boyd Watterson, a real estate alternative that is doing well. It is fund that does sale/leaseback on government buildings.

Old Business: Scott said the audit review pointed out that we have a lot of money in AMNB earning only 1.20%. After consideration, a decision was made to move \$2.1 M, currently in an AMNB business money market account, into a new Investment Management Account (IMA) with AMNB's Wealth Management Division earning about 5%.

Cash Availability: Kendra said the \$1.3 M in the AMNB Endowed Flow Thru account is needed for approximately \$835,000 in grants to be paid out at year end 2023. We have enough to cover our needs, so no cash needs to be moved.

The AMNB Endowed Flow Thru account is where endowed gifts sit. Scott commented that we need to find ways to move additional money into the new IMA account earning 5%.

Kendra said she has a viable rebalance process suggestion to discuss with staff following today's meeting. A move will be made away from monthly rebalancing to quarterly rebalancing.

Insurance Review: Jennifer said that insurance renewal information had been placed on the Board Portal. On a Patel/Riddle motion, all approved renewing the Cincinnati Insurance Co. Commercial Crime policy and the Affinity Nonprofits Insurance Director's and Officer's policy.

Kathy mentioned that she would like a more thorough insurance review such as was provided by Gene Hayes in the past. Bill Riddle agreed to talk with Robert Jones at Bankers Insurance about reviewing our coverage.

990 Review: The 990 was reviewed by the Board. It is complete and has been submitted.

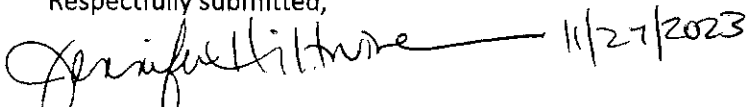
Audit Planning: Jennifer asked if everyone is happy with HHN & Co. doing our next audit and 990, or if we should issue an RFQ. Vince recommended we stay put. Their costs are very reasonable. The committee asked Kathy to obtain a letter of engagement for next year from HHN/Stephen Gay.

Policy Review: The committee reviewed the Financial Policy and Procedure. On a Riddle/Johnson-Knight motion all approved the changes to the policy.

It was agreed that the next meeting date will be changed to February 19.

With no further business, the meeting adjourned at 1:00 p.m.

Respectfully submitted,

 11/27/2023
Jennifer Hiltwine
Vice-Chairperson

CFDRR Allocations	Approved August 28, 2023	Target
Large Cap Equity		25%
Mid Cap Equity		20%
Small Cap Equity		10%
International Equity		20%
Emerging Markets		5%
Private Equity		5%
Real Estate		5%
Fixed Income		10%