

**Casa de Esperanza  
Board of Directors' Retreat  
February 5, 2010**

**Minutes**

**Members Present:** Athena Adkins, Rick Johnson, Karen Smith and Miguel Ramos.

**Staff Present:** Patti Tototzintle, Amy Sánchez and Nancy Cicero

**Guest:** Julia Perilla, Director of Casa de Esperanza's National Latin@ Research Center on Family and Social Change

**I. Gathering Together; Coffee and Continental Breakfast**

Athena called the meeting to order.

**II. Welcome and Introductions  
Review Goals and Agenda**

Athena welcomed everyone and reviewed the agenda.

**III. FY10 Financial Audit Presentation**

Chris Brinkman, from Tubman, and Lance Brock, from the auditing firm, Mahoney Ulbrich Christiansen Russ, joined the meeting to review the FY10 audit documents. He walked the group through *Financial Statements with Supplemental Information*, noting items of interest.

- Lance noted the paragraph at the bottom of page 10, indicating that Casa de Esperanza had spent \$37,088 of donor restricted funds on general operations. A similar situation had occurred in FY09. This is usually a timing issue that can happen, unfortunately when it happens at the end of the year it is noted in the audit. It will be important to , it has not affected our funding. He stressed that this practice must not occur in FY11, or it will be noted on page 14 of the audit.
- Discussion followed about the need for Casa de Esperanza to change its accounting model to GAAP, which is in process. Patti explained that we will be creating financial statements for board review that will mirror the *Statement of Financial Position* on page 2 of the audit.
- Lance said that the monthly reports that were generated by our previous finance manager did not provide the information needed to manage the budget well. Amy explained that some funds had been double-booked so that the budget shortfall is larger than anticipated. Referring to page 3 of the audit, Lance also explained that issues arise when revenue is recognized during one fiscal year but not received until the next fiscal year (as happens with multi-year grants).

Lance then reviewed the management letter.

- He directed the group's attention to page 4, "Lack of Segregation of Duties," and indicated that this statement will probably appear in every audit. It is an understandable situation for an organization the size of Casa de Esperanza.
- He stressed that notes should be taken at finance committee meetings.

**Motion made by Rick Johnson and seconded by Karen Smith to approve the audit.  
Motion carried.**

#### **IV. Current Financial Update**

Patti distributed the financial statements, dated November 30, 2010. (There was a problem with the accounting system that made it impossible to generate December or January financials for the retreat.)

- Rick asked for a quick and easy way to see the “restricted/unrestricted” status on monthly financials. Patti said she would look into putting the status on the dashboard indicators document.
- Patti said that it was her goal to have the February financial statements for the March board meeting. She also said that the board would get regular fund development reports as well as the monthly statements (foundation/corporation funding updates).
- The line of credit has not been tapped since November.
- We are “trending well.” At the end of November, the “change in net assets” was \$1331 for unrestricted funds and \$90,424 for temporarily restricted. The total, \$91,755, can be compared with (-\$335,486) on page 3 of the audit.
- Patti explained that Tubman and Chris Brinkman are “transitioning out” of working with us, and Casa de Esperanza needs a finance person on site. Until we can hire someone, we have contracted with MAP, who has provided Chuck Hoistad to work with us. We may need him for several months, and he has the expertise we need.

Patti distributed the cash flow document, dated 2/4/11, which shows that the line of credit is secure through the end of June.

- Patti pointed out that the document uses conservative numbers. Income from grants reflects only revenue that is approved, except for the May entry for Minneapolis Foundation (\$50,000).
- Chris commented on the amazing improvement since she started working with Casa de Esperanza last summer. She added that the new financial statements will provide good information and will be more reflective of the agency’s financial condition.
- Patti responded to questions about when we anticipated bringing the staff salaries back to 100%. She responded that it may be the end of June, but she is hoping it would happen sooner. She will provide the status at the March board meeting.

#### **V. Research Overview and National Highlights**

Amy referred to *Highlights from 2010*, the packet provided to everyone. She expressed her pride in all that has been accomplished and said that the “explosion” in the national work is remarkable.

Julia Perilla presented an overview of the research that Casa de Esperanza is doing and the opportunities at the national level. She explained that our approach to research is different from the norm because we see research as a tool for social change and are working to give the information back to communities to use in their work. Discussion followed. Overall, board members were pleased about the information shared and the opportunity to spend some time with Julia to better understand the positive impact of our national work and reputation.

## VI. Strategic Plan: Update and Direction

Patti distributed *Strategic Plan Update, January 2011*. The document presents a high level summary of our accomplishments during the past year regarding the strategic plan. The document is organized according to the operational vision articulated in the strategic plan.

Amy reviewed *Strategic Plan, Implementation Plan, FY 2011-2013*, which outlines key activities for the future. Discussion included:

- Athena asked Amy to send the board information regarding any policy positions that Casa de Esperanza takes at the local or national level. She said that the policy area is a good place for board and other volunteers to engage with the organization's work. Athena said that she is interested and willing to work on it.
- Rick asked about working with Latin@s in the military. Foreclosures are up 37% among the military. Amy said that she can talk with Battered Women's Justice Project (BWJP), who work with the military, to see if there are ways we can collaborate. Rick commented that the Department of Defense has funds.
- Athena asked that staff issue formal invitations to board members to attend our institutes. She also suggested reformatting the board briefings to include the invitations and other engagement opportunities.
- The group discussed the possibility of developing a national fellowship program in honor of Lupe Serrano, which could be a funding and capacity-building opportunity. Amy explained that the original thought had been to bring in a cohort of four to ten people for mutual learning. Athena suggested looking at the local human rights fellowship, which places fellows in organizations around the Twin Cities.
- Athena asked about the status of the reserve fund. Amy explained that the budget calls for us to have \$10,000 in the reserve fund at the end of the fiscal year. Athena suggested that we do a specific ask to board members to donate to the reserve fund in addition to the annual contribution. Discussion turned to a fundraiser; Athena said that she would ask Miguel Ramos to send her available dates for an event at Target Field. (Home Runs for Hope is scheduled for June 29.) Amy pointed out that everyone must be thinking about how to bring money in.

Discussion of the Board-related goal—*Casa de Esperanza's Board of Directors provides visionary leadership that enhances organizational credibility, visibility, and sustainability*—was tabled until the March meeting.

## VII. Board Development

Athena explained that a slate of nominations is usually presented at the May board meeting, but because we now only have six members, it seems wise to vote on some nominations now. She presented four individuals.

- Marisol Matos-Maull works in finance for IBM in Hartford, CT. She could start on the board in March or May.
- Elva Lima is in community relations at Verizon Wireless in New Jersey. She could start immediately.
- Sonia Davila-Williams is in the department of social work at Metro State University and was on the Casa de Esperanza board in the 90s. She could start immediately.
- Ofelia López works for the state of Minnesota's department of education and is a former board member. She could start on the board in July (possibly sooner).

Discussion followed.

**Motion made by Karen Smith and seconded by Rick Johnson to approve the slate of candidates with the following start dates:**

**Elva Lima and Sonia Davila-Williams—as soon as possible**

**Marisol and Ofelia—dates to be determined no later than July 2011.**

**Motion carried.**

Rick suggested cultivating a relationship with the National Council of La Raza (NCLR) to recruit national board members. Rick and Patti will follow up with NCLR about possible board members.

Karen and Amy will look into NCLR fellowships and joint funding opportunities with universities and NCLR.

**VIII. Closing Comment**

Board members expressed their support for Patti and Amy's leadership after a challenging year.

Athena adjourned the meeting.