

FINANCE COMMITTEE

FY2020 – SECOND Quarter Report (Jan. to Mar. 2020)

The Formation of the Finance Committee was approved by Official BC Action on 7/19/95.

Purpose: The Finance Committee is a working Sub-Committee of the Oneida Business Committee and is responsible for recommending financial decisions related to policies, organizational expenditures and budgets; while supporting the mission, values, and strategic goals of the Oneida Nation.

Who We Serve: The Finance Committee works with all departments within the Nation to ensure expenditures of any substantial amount are procured in the most cost effective and fair manner as established by the Purchasing Procurement Manual. The FC also serves Oneida Community groups, local charitable organizations, and Oneida members through Finance Committee Donations and the Community Fund.

Finance Committee Members: FC Members include two BC Council Members Jennifer Webster and Daniel Guzman King; the Treasurer, Patricia King who chairs the meetings; Chief Financial Officer, Larry Barton who acts as the Vice-Chair; Gaming General Manager, Louise Cornelius; Purchasing Director, Patrick Stensloff. Chad Fuss, Asst. GGM & RaLinda Ninham-Lamberies, Assist. CFO act as alternates for the GGM & CFO. The Community Elder position became vacant in this quarter.

Meetings: FC meetings are held twice a month, on a Monday one week prior to the regularly scheduled BC meetings. Meetings take place at the Norbert Hill Center, BC Executive Conference Room at 9:00 A.M. In the Second Quarter the Finance Committee held five meetings on: Dec. 30, 2019 (For Jan), Jan. 13, 2020, Feb. 2nd & 17th; and Mar. 2, 2020. The second meeting in Mar. on the 16th was canceled.

Goals: The three identified goals of the Finance Committee remain the same as last year. Activities in the Fourth Quarter that support these goals are as follows:

- 1. Continue to develop endowments for the Nation in the areas of Language, Land, and Health to sustain funding for these important areas for future generations;***
- 2. Demonstrate consistent community commitment by providing Donations to Not-for-Profits, Veteran's groups, and charitable organizations; and by offering Community Funds/Products to the Oneida membership and Oneida community groups; and***
- 3. Continue to support and improve all processes, procedures, laws, budgets, and resolutions that pertain to responsible financial oversight for the Nation.***

- Organizational Activities

In the Second Quarter the Finance Committee Reviewed Twenty (20) budget spending requests from the organization for a total of \$3,348,125.39. The requests were mainly for Capital Expenditures from both Gaming and the School System; FY20 Blanket Purchase Orders and Independent/Services Contracts. The FC also reviewed Eighteen (18) Informational requests that included: FC Reports/Updates; Endowment Development Updates, Investment Information, and Slot Lease and Slot Parts information.

- Investment Updates

The updates provided by the CFO were for the period ending (P.E.) Dec. 31, 2019. Investment updates are provided each quarter to update the Finance Committee of the performances of each investment manager utilizing the investment strategies outlined by the FC and the Oneida Nation. The Oneida Nation has an investment policy that is conservative in nature, as do the investment managers we have so much of the impending volatility that is anticipated should be weathered to some degree. Following is an abbreviated summary for p.e. 12/31/19 (taken from the 2/17/20 FC Minutes)

Northern Trust:

The CFO described the overall investment portfolio of the Oneida Nation noting that it is mixed with stocks, bonds, and Treasury Bills for balance in an ever-changing marketplace; stocks fluctuate more and are tied to direct worldwide activities and political strategies; bonds are incumbent to temper the risk and T-bills create cash fluidity to cover the Nation's weekly expenses as well as yearly expenses such as payroll and per capita. He highlighted several money managers that have exceeded their indices and overall the quarter was a quiet one with modest gains. The next few months we'll see more fluctuations due in part to the presidential elections and the current pandemic out of China; there is an educated opinion from market experts who anticipate the next year we will see an economic recession.

Four Fires

The CFO noted the asset still has a solid performance due in large part to the location (Washington, D.C.) and also due the completion of the building remodeling/updates. Overall the investment dollars by the Oneida Nation has been recouped and we have received modest returns. The risks to keep in mind as moving forward is the number of other rooms moving into the D.C. area and the changing lodging preferences to a younger business class who are more readily using the Air B&B venues; and anticipating the managing partner to again refinance the property in the next year as their strategy is to pull as much capital as they can for their other investments/properties.

- Donations

The Finance Committee Reviews Donation Requests at their second meeting of each month. The Donation Line allocation for fiscal year 2019 was \$50,000.00. Per the Finance Committee Donation criteria all requests approved represent the following categories: 1. Oneida Community Causes; 2. Local Groups (charitable); and 3. Nation Groups (Indian Affiliated).

In the Second Quarter there were two Donation Requests approved for a total of \$5,000.00. The requests were for a local church and to a tribally owned group that focuses on sports for youth. The balance at the end of the Second Quarter is \$21,000.00.

- Community Fund

The Finance Committee has designated that they review Community Fund (CF) requests at their first meeting of each month. The Fiscal year 2020 funding from the previous years' earnings was \$52,552.38. The FY 2019 Product amount was \$5,000.00 which approximates to 517.59 Cases.

In the Second Quarter the FC reviewed and approved Sixty-Three (63) CF funding requests for a total spend of \$25,580.00; after adjustments. The CF balance at the end of the Second Quarter was \$8,630.38. The majority of the requests, fifty-six were for youth related activities and seven requests were for adult related activities. All activities were designated under the Self-Development category.

The FC also reviewed and approved Three CF Product requests in the Second Quarter for a total case amount of 59 for a Q2 spend total of \$551.61. The balance for product at the end of the Second Quarter is \$3,824.57 or approximately 395.91 Cases. Product requests were for Oneida Community Events and Fundraisers.