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Finance and Facilities Committee Board of Directors October 6, 2020 MINUTES

The meeting was called to order & began at 8:00 a.m. Via Zoom

MEMBERS PRESENT: Chris Johnson, Taylor Marino, Michaela Kefi, Andrew Michael, Linda Robeson, Paul Cooper, Anne Bannon, Dennis Graul, Adrian Johnson.

GUEST(S) PRESENT: Karen Hoffman from K.L. Hoffman & Co. P.C.

STAFF PRESENT: Pat Cronin, Mary Francioli, Philip Saracino, Stacey Brown

AGENDA OVERVIEW:

1. Welcome
2. FY 20 Draft Audit presentation
3. Approving of May 2020 Minutes
4. Financial Reports
 - YTD Operating Results- Sept 30, 2020
 - Statement of Financial Position Sept 30, 2020
 - Cash position – Sept 30, 2020
 - Portfolio Review @ 8/31/20
5. Building Updates
6. Announcements

RECORDER:

Philip Saracino

Philip Saracino

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ITEM #1 – WELCOME

SUMMARY OF DISCUSSION: Chris and Pat welcomed the committee and Pat gave a quick summary of the pivot and transition of program services during the pandemic.

ITEM #2 – FY 20 AUDIT DRAFT PRESENTED BY K.L. Hoffman & Co. P.C.

SUMMARY OF DISCUSSION:

The FY 20 standard audit presentation began with the reviewing of the auditor's reports. In summary, the auditors gave our financial statements a clean or unmodified opinion. They then highlighted some of the major variances from FY 19. The biggest shift was the decrease to Contributions Receivable as donors paid down a good portion of their 3year pledge. Also, the PPP loan is reflected as a liability although we fully expect this to be forgiven. Overall, the organization experienced a small loss on operations (\$30,000) after you strip out the effect of timing of donor designations.

The organization's financial position remains on very solid footing and it maintains ample cash reserves for operations for the coming year. For the year, program expenses equaled 76% while admin was 13% and Fund raising 11% of total expenditures.

The auditors also reviewed the notes to the financials. No management letter will be issued. As a result of TFT receiving over \$750,000 in Federal Grant funds a new more invasive audit was completed for FY 20 (Uniform Guidance). Since the government has not finalized the reporting requirements, it was not presented today but all fieldwork in preparation for it has been completed. To date no compliance or internal control issues have been reported. As soon as it is completed it will be shared with the committee.

The committee approved the FY 20 audit as presented.

ITEM # 3 - APPROVAL OF MAY 2020 MINUTES

SUMMARY OF DISCUSSION: The committee approved minutes from the May 2020 meeting.

ITEM # 4 - FINANCE REPORT.

SUMMARY OF DISCUSSION: The following items were discussed:

YTD Performance and FY 20 projections: At September 30, the organization experienced a \$336,000 operating loss. However, when we add back \$155,000 of restricted funds that can be released the remaining loss is not unusual for the first quarter of the fiscal year. Our revenues tend to be seasonalized towards the 4th quarter of the fiscal year.

The committee then reviewed a Statement of Financial Position that outlines the organization's Assets and Liabilities through 9/30/20. It shows the continued strength of the organization's finances. The organization had almost \$5.7 million dollars in current assets versus only \$903,000 in current liabilities. As a result of unexpected cash inflows (UHC Foundation 95K) the organization also remains liquid with 144 days in operating cash at the end of the quarter and furthermore do not anticipate any cash flow issues for the coming fiscal year.

The committee also reviewed the Investment Portfolio's balances, allocations and performance through 8/31/20. FYTD the entire portfolio is up 5.9%. However, at the CYTD, 1 Yr, 3 YR and 5 YR time periods the portfolio's performance is underperforming a passively managed portfolio that mimics out Investment policy target. The portfolio's value was almost \$3.2 at the end of August.

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ITEM #5 – Building Update

SUMMARY OF DISCUSSION: In late summer, the Management Team began the process of preparing the building for a return to work. A plexiglass shield was installed at the front desk. Hand sanitizer units were ordered for installation outside of elevator doors. Due to public schools not returning as expected we will continue in the remote environment for the foreseeable future.

ITEM #6 – Announcements

SUMMARY OF DISCUSSION: Mary gave a brief overview of the Lace Up event occurring in October.