



**American Brain Foundation
Finance Committee Meeting
Finance Committee**

June 12, 2019

**9:00 a.m. EST/ 8:00 a.m. CST/ 7:00 a.m. MST/ 6:00 a.m. PST
Conference Call**

In attendance: Ralph Józefowicz, MD, Chair; James Essey, Martin Shenkman, CPA; Lisa Shulman, MD

Staff: Jane Ransom, ED; Timothy Engel, CFO; Lindsey Taveren, Natalie Baumgartner

Excused: Sharon Klein; Joseph Sirven, MD

The purpose of this meeting was to discuss the financial statements for the period ending 4/30/2019, the updated 2019 forecast, and the 2018 Audit. The minutes of the March 26, 2019 were approved unanimously. The Finance Committee Description was approved unanimously as the charter of this Committee.

a. Financial statements for period ending 4/30/2019: Ms. Taveren presented the financial statements and cashflow projection in summary:

i. The Foundation realized \$1.9 M in revenue, \$1.05M comes from a donor's estate.

Discussion:

1. The Foundation should continue to pursue estate gifts in the future. This will be a goal of the new Major Gifts Officer, Lisa Dahlberg.
 2. The Foundation is currently trying to determine how many estate gifts have been planned by previous development staff.
 3. In the future, the Foundation might try to use these financial windfalls to establish a steady and reliable source of revenue.
- ii. Without this estate donation, the Foundation is 16% under the YTD goal for unrestricted revenue (or \$183K), but some revenue goals are performing higher than anticipated.
1. The 10% fee on restricted grants has resulted in \$7K in unbudgeted revenue YTD.
 2. The AAN Member Dues Check Off donations are also performing well at 3% ahead of the 2018 donations.
 - a. The Foundation and AAN will decide if this amount should increase in the future from \$95 to \$125.
 3. The Annual Meeting registrations resulted in \$6K above budget
 4. Commitment to Cures will likely exceed revenue goals in registration, sponsorship, and donations, but the revenue for Commitment to Cures is not included in the overall revenue realized as of April 2019. Total revenue for Commitment to Cures

is estimated at \$410K, which exceeds the revenue budget by almost \$200K.

- a. Restricted fundraising for autism research, requested by one honoree, was not anticipated. As a result, we may fall short of our unrestricted revenue goal for the event.
 - b. Higher expenses were a result of utilizing the Union League.
 - c. In 2020, the Foundation will build on the winning strategies from this year's Commitment to Cures in 2020, such as having a local honoree, a local host committee chair, and a unique event venue.
 - d. The Foundation will also determine if an event planner, who also identifies sponsorship opportunities, might be beneficial to the staff and event.
5. The Foundation is showing a positive variance of \$537K, mostly because of the unanticipated bequest, but also because of new fundraising and marketing strategies.
- a. The Finance Committee would like staff to outline how we will raise an additional \$502,000 of unrestricted funds this year, per the latest forecast.
- iii. Operating expenses are running 17% under budget.

b. Audit Report 2018:

- i. During the Joint Audit Committee meeting in May, the committee approved the Foundation and AAN audit reports, agreed to recommend the individual reports to respective boards, and agreed to contract with Clifton Larson Allen for the 2019 Audit.
- ii. The Auditors pointed out two potential challenges for the future related to new FASB rules:
 1. Revenue Recognition
 2. Grants & Contributions

Mr. Engel and Ms. Taveren are confident that the Foundation is in compliance.
- iii. The Joint Audit Committee also discussed the liquidity of the Foundation. The Foundation's Reserve Policy positions the Foundation well to meet expenses and liabilities.
- iv. The Board will be asked to approve the 2018 Audit Report on June 23, 2019.

Meeting Adjourned: 8:43 a.m. CT