

Philanthropy Committee Meeting Minutes

Oceano Hotel, Caplan's Suite #202

April 11, 2015, 4:00 pm

and continued at

Jared Hein's home, 11 am

May 8, 2015

Present at Oceano Hotel: Steve Caplan, Jared Hein, Debra Dobbins, Rich Fisher

Guests: Iren Jenny

Absent: Barbara Foster, Kirk Pumphrey

Scribe: Cheryl Caplan

Meeting was called to order at 4:15 pm and adjourned at 5 pm

Present at Jared Hein's home: Steve Caplan, Jared Hein, Debra Dobbins, Rich Fisher, Kirk Pumphrey, Barbara Foster

Guests: Lew Dobbins, Bob Mullarkey, Dan Foster

Scribe: Cheryl Caplan

Meeting was called to order at 11 am and adjourned at 3:15 pm

1. Welcome Committee and Barbara Foster, 1st VP and guests

At the April 11th meeting Committee members were unable to get back to the hotel in time to get do anything more than listening to Iren Jenny's report (see New Business).

On May 8, 2015 Steve welcomed the Committee and Barbara Foster to her first meeting as 1st VP. Steve noted where we left off from the April 11th meeting.

2. Approval of Minutes of December 19, 2014 meeting

Motion: Rich moved to approve the December 19, 2014 minutes

Second: Jared seconded the motion

Discussion: none

Vote: unanimously approved

Financial report – Jared

Steve noted that we probably won't be having a booth at the Concours this year due to their request for a higher fee than in the past. He noted that this means the Chapter's budget will be \$2500 short and we need to consider how to balance the budget without the net revenue from the Concours. There was discussion about the booth at the Concours being denied due to TYCF asking for \$2500 - \$3000 for the booth. Rich Fisher noted that in the past we have not paid more than \$250 which was the cost that TYCF pays to rent the tents and booth tables, etc. Discussion followed and it was agreed that Bob Mullarkey and Jared Hein will speak with TYCF regarding our needs and speak to them about the history between TYCF and ACBS to be sure

they understand our position and why we are not going to pay more than we have in the past for a booth.

- Review Year End P & L – Jared presented this information at the April 11th meeting and made an extensive presentation at the Board meeting the following morning. A copy of the entire document follows these minutes as Addendum A.
- Review various reports - Jared reported that he recently met with Morgan Stanley regarding our Endowment portfolio. Nick Rogers and Jim Stephenson reported that the mix within the portfolio is good, and don't think we should be more aggressive. They feel the risk isn't worth it as only \$80k is in the account. Discussion followed that agreed with Jared and Morgan Stanley's recommendation. Jared noted he keeps around \$35k in cash (not invested) for managing our events. There were questions to clarify who decides and where funds are placed in the Endowment accounts. Steve reminded us that these decisions are specified in the Philanthropy Committee Charter. Specific fund raising scenarios were discussed and clarified the Charter guidelines.
- Determine what is important going forward – Steve presented information regarding a Tahoe Maritime Museum / ACBS partnership idea. The Museum's Executive Director and Board President have spoken with Steve about making the Museum a place where ACBS members are welcome and where we can hold meetings, etc. In return, the Museum would like to tap into the ACBS membership as the ED did when she worked at the Antique Boat Museum in Clayton NY. Steve will introduce Bob Mullarkey and Barbara Foster to Lori Nadolski, TMM ED so they can continue discussion on the subject.
- Determine how 5% load for events will be administered/evaluated – Steve reported that this is not up to the Philanthropy Committee to manage it. This is the responsibility of the President and committee chairs. Bob Mullarkey agreed and noted that he has been talking to event chairs. Evaluation will follow the completion of each event. It was clarified that excess funds that might be available after the year end can go into the Endowment. It will be available for the Chapter's use as the Board sees fit. These funds will grow the Permanently Restricted Endowment from the current \$80k to as yet undetermined amount designed to keep the organization financially healthy.

3. Discuss

- Terms of existing members – Steve reported the committee members terms as follows:

Steve Caplan – term is year to year based on President's recommendation and ratification by the Board of Directors

Jared Hein – as Board Treasurer, Jared is mandated to be on this committee

Kirk Pumphrey's term ends Dec 2016

Debra Dobbins' term ends Dec 2017

Rich Fisher's term ends Dec 2018

Motion: Debra moved to approve updated committee members terms

Second: Rich Fisher

Discussion: None

Vote: Unanimously approved

- Review Current Philanthropy Committee Charter –Kirk gave us a history as to how the Philanthropy Committee came to be created. He reminded us that the membership is our responsibility, not an individuals or individual group. Kirk will write an article about this for Western Wood. Steve proposed some minor changes to the Charter. Proposed changes will be sent to committee with these minutes for discussion at the next meeting.
- Discuss any additional changes needed such as possible inclusion creation of a Finance Committee/Audit Committee – Steve reported that he feels that we need a finance committee because the Philanthropy Committee isn't the place for dealing with the overall financial issues of the Chapter. The Philanthropy Committee is to be the oversight committee for the Endowment funds, fund raising and granting. Discussion followed and it was agreed that Bob Mullarkey as President would create a Finance Committee whose purpose would be to oversee the finances of the Chapter such as budgeting, oversight of the Philanthropy Committee and other financial questions and issues.

Steve reported that Terry Clapham as Constitution and By-Laws Committee Chair of the Board is suggesting that the Philanthropy Committee Charter be included in the Chapter's By-Laws. Discussion followed as to our comfort with putting the Philanthropy Committee Charter into the Board By-Laws. Kirk suggested we carefully consider how we go forward with this. After some discussion it was agreed that we would table the discussion and revisit it after talking with Terry Clapham.

- How are event fund-raising plans/execution to be monitored/administered by this committee – Events like Wood & Glory, Woodie Whoopies, etc are not following the Philanthropy Charter regarding execution and administration of fund raising at their events. The question arose: should this committee be involved in this? Discussion followed. It was agreed that it should be this Committee's responsibility to manage fund-raising. We will make changes to the Charter and speak with the event chairs to be sure they have an understanding of the need for following the Charter.

4. Auction Plans for Annual Meeting / Other Fund Raising

- Goals / Type of event - Iren Jenny, at the April 11th meeting reported her plans for an auction at annual meeting. She suggested we have 4 live auction items and 10 silent auction items. Debra Dobbins suggested we do 5 live auction items. This was OK with Iren. Steve suggested we do some boat items for the 10 silent auction items as they have always been popular and people pay more for them. Iren agreed. She said she will have 2 or 3 spotters. At the auction, Iren noted she will announce that per the Philanthropy Committee Charter, 50% of the auction funds will go into the Endowment and 50% will go for a pre-selected not-for-profit philanthropy. She noted that we are accepting grant requests at this time for one or more not-for-profits. Iren's goal is \$10k and she has several exciting items lined up already. Steve thanked Iren for the work she's already done and for her report.

- Other Fund Raising / Bob Mullarkey's proposal – Bob reported that after researching his fund raising/marketing idea, he is not going to propose it. There was discussion about each event that does fund raising making sure they get pictures and articles to local newspapers so we can promote our organization and show our community support for all of the communities we are in for our events. Steve suggested this should probably be added to our Endowment Policy so it has more weight and can more easily be understood.
5. Discussion as to possible goals for expansion of granting in the future
- Steve asked the questions: Once we grow the endowment to a larger dollar figure, we need to be prepared; how do we grow it; what are our short and mid-term goals; what do we want to do? After some discussion, Steve asked the Committee to think about Goal \$'s/ timeline / what type of grants / criteria. Rich volunteered to write a first draft for the Committee to start a dialog. The Committee members will prepare for this discussion at our next meeting.
6. Articles for Western Wood – this subject was tabled due to time
- Content?
 - Who will draft?
 - Do we want to send an article regarding our history/successes/plans for future to Rudder?
7. Kit boat update / future
- Bob Mullarkey reported that Lee Chase has offered to take the Tahoe Boy Scout troop's partially completed kit boat and have the local (Redwood City) Sea Scouts finish it. It would be then be sold with proceeds being dispersed per the kit boat program plan.
- SUP – Steve reported that because we are having trouble being successful with a kit boat program we may be able to partner with Tahoe Maritime Museum to build standup paddle boards with local kids in the Tahoe City area. The Musuem was successful in building 3 SUP's last summer with the South Lake Tahoe Boys and Girls Club. The Committee agreed this is a great idea.
 - Who chairs? / Separate from Philanthropy Committee – Steve suggested that by partnering with TMM, TMM staff would take the lead and our partnership would be funding and providing volunteers. We currently have monies left in the Endowment as Restricted funds for the Kit Boat Program. Once Lee Chase completes the kit boat from Tahoe City Boy Scouts, we will know how much we have left in that fund.

Motion: Steve moved that we put together a joint venture with TMM to build SUP's utilizing their staff and partial funding from us.

Second: Rich seconded the motion.

Discussion: Do we have the money to do this? It was suggested that we could direct annual fund auction proceeds go to this endeavor. After some discussion it was agreed that we need to do some more research and talk to TMM before specifying funding specifics. Steve will determine costs, figure out how much money we can direct to this effort, etc. and will report back at the next meeting.

Vote: Motion died.

8. New Business – Should we rename the Philanthropy Committee?

Bob Mullarkey and Barbara Foster indicated that they feel the Philanthropy Committee name is creating confusion within our membership. There was discussion and replacement names we suggested. Kirk suggested it be Sustainability Committee. Jared suggested Development Committee, Youth and Community Development Committee, Youth and Community Outreach, Continuity Committee. Barbara suggested Advancement Committee. Steve suggested ACBS Community Support Committee. Steve's suggestion seemed to be the best alternative.

The Committee did not vote as it was felt it was felt that they should think more about it before making the decision to change the name at all and then, if yes, does Community Support Committee best describe what we do. Finally, it was suggested that by moving the Philanthropy Committee Charter into the By-Laws, that may help with the confusion and a name change may not be necessary.

Next meeting: October, date, time and location TBD.

9. Meeting was adjourned at 3:15 pm

Respectfully submitted,

Cheryl Caplan, Scribe

ADDENDUM A:

ACBS Board members,

When I present the treasurers report at board meetings, I am always mindful of time and therefore make my report short. This appears to have left some members with questions.

Our Chapter operations are both variable and sizable and because the Chapter is a not for profit, meaning that we do not pay income taxes and that donors can get a tax deduction for contributions made to the Chapter, the accounting formats are different from the usual business format that many of you are familiar with. Because it's important that you as a Board member understand the financial operations of the chapter, I have decided to provide you with a copy of the 2014 financial statement and several analyses prior to the meeting so that you have time to review the information, gain an understanding of it, and come to the meeting with questions.

To help you get you mind around the numbers, I am providing a primer on not for profit accounting.

The Chapter's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). U.S. GAAP involves the application of the accrual method of accounting; consequently, revenues and gains are recognized when earned, and expenses and loses are recognized when incurred.

U.S.GAAP requires that the Chapter report information regarding its financial position and activities according to three classes of assets: *unrestricted*, *temporarily restricted*, and *permanently restricted*. Accordingly the net assets of the Chapter are classified and reported as described below;

Unrestricted: Those assets and activities which represent that portion of expendable funds that are available to support the Chapter's operations. A portion of these net assets may be designated by the Board for specific purpose. For example to function as endowment

Temporarily Restricted: Those net assets and activities which are donor-restricted for (a) support of specific activities; (b) investment for specific term; (c) use in a specific future period; or (d) the acquisition of long-lived assets. Unreleased endowment income is also held in the Temporarily Restricted asset group until such time as the earnings are appropriated by the Board for granting (See Below.).

Permanently Restricted: Those net assets and activities which are permanently donor-restricted for holdings of (a) assets donated with stipulation that they be used for a specific purpose. Be preserved, and not be sold; or (b) assets donated with the stipulation that they be invested to provide a permanent source of income. Prior to approximately 1977 Permanently Restricted Net Assets were known as Endowment. Although the title changed, the fact that funds held as Permanently Restricted must be designated or solicited as such by the donor and the principle must be maintained intact with only the earnings being available for use did not change. Under U.S. GAAP, the earnings on permanently restricted net assets are recorded in the Temporarily Net asset group until such time as they are released for grants by the Board. The release occurs on the Statement of Change in Net Assets as the last line in the Revenue and Support section on the line headed "Release of investment income".

You will also note that the names of the specific financial statements are different from for profit business statements. The *Statement of Financial Position* is the equivalent of what is titled the Balance

Sheet in a for profit entity. The *Statement of Changes in Net Assets* is what you know as the Statement of Income in a for profit entity. Further, you will note that each of these statements is broken down to show the respective portion of *Unrestricted, Temporarily Restricted and Permanently Restricted* net assets. In the case of the *Unrestricted* net assets, the information has been further broken down to give the reader additional information. You will also see that some of the line titles are different from those of a for profit financial statement. For example, the balance sheet for a for profit entity would show assets, liabilities and owner's equity (capital stock, retained earnings etc.). The Statement of Financial Position for a not for profit entity shows assets, liabilities, and net assets as opposed to owner's equity. While the for profit income statement would normally show headings such as income, cost of sales, gross profit, income before provision for taxes and net income, the Statement of Changes in Net Assets for a not for profit entity shows revenue and support, expenses, and excess of revenue and support over (under) expenses.

To add a little more meat to the presentation, the \$14,254 of *temporarily restricted* assets is comprised of \$13,133 of assets designated for the kit boat program and \$1,251 of unreleased endowment earnings. The \$26,939 of *Permanently Restricted* assets represents net assets in the amount of \$8,939 from donors and \$18,000 raised from past South Tahoe Wooden Boat Classic shows that was solicited with the intent that the principle would be maintained intact and only the income would be available to be spent.

The third statement, the Statement of Changes in Net Assets with Budget Comparison shows the detail for each of the events. You will further note that the total revenue, expense and change in net assets on this presentation ties to the corresponding numbers in the Statement of Changes in Net Assets.

The first of the analysis is a recap of the results of the South Tahoe Wooden Boat Classic from inception through 2014. From inception through December 31, 2014 the Show has enriched the Chapters Unrestricted Net Assets by \$1,941 and increased the Chapters Permanently Restricted Net Assets by \$18,000. That said, the Show's loss in 2013 has generated questions because of a misunderstanding in terminology. From inception through 2012 the Show had a cumulative net gain of \$10,795. When the loss was incurred in 2013 this brought the cumulative gain to a loss of \$1,848. The Show's results of \$3,789 in 2014 brought the net gain for the Show to a positive amount of \$1,941. In simpler terms, the Show since inception has been responsible for increasing Unrestricted Net Assets by \$1,941 and increasing Permanently Restricted Net Assets by \$18,000 to date.

The second analysis titled Grants and Donations Made recaps the donations made starting in 2007 and shows the source of the funds. It's important to note the grants made by the South Tahoe Wooden Boat Classic are from funds raised from commercial sponsors. The funds did not come from boat entries or fees charged for social events.

The last analysis entitled Reconciliation of investment Account Balance details the earnings on the Chapters investment account. Of the \$81,655 balance, \$40,462 is held in Unrestricted Net assets as Board Designated as Endowment, \$14,254 is held by the Temporarily Restricted net asset group and \$26,939 is held by the Permanently Restricted net asset group.

In short, the Chapters operations for the year ended December 31, 2014 resulted in an increase in the Chapters Net assets in the amount of \$6,497.

The total funds functioning as Permanently Restricted, or endowment to use the old term, at December 31, 2014 is \$78,190 consisting of the Board Designated of \$50,000, \$1,251 of unreleased endowment earnings held in Temporarily Restricted and Permanently Restricted net assets of \$26,939.

Jared Hein, Treasurer

April 2015

**ANTIQU & CLASSIC BOAT SOCIETY
NORTHERN CALIF/TAHOE CHAPTER
Statement of Financial Position**

December 31, 2014								
Unrestricted								
	Chapter	STWBC	Board Desinated to Function as Endowmnt	Total	Temporarily Restricted	Permanently Restricted	Total	Year ended December 31, 2013
Assets:								
Cash:								
Checking	\$ 21,416	\$ -	\$ -	\$ 21,416	\$ -	\$ -	\$ 21,416	\$ 28,464
Savings	1,312			1,312			1,312	1,312
Accounts receivable:								1,825
Membership	6,050			6,050			6,050	
Western Wood	400			400			400	
Prepaid cost and deposits	3,355			3,355			3,355	2,976
Prepaid grants			2,950	2,950			2,950	
Investments			40,462	40,462	14,254	26,939	81,655	75,870
Inventory:								
Ships Store	5,721			5,721			5,721	1,728
Kit Boat Program	8,287			8,287			8,287	8,287
Due from (to)	(8,529)	1,941	6,588	-			-	P
Equipment, net of accumulated depreciation of \$5,770	1,400			1,400			1,400	1,763
Total assets	\$ 39,412	\$ 1,941	\$ 50,000	\$ 91,353	\$ 14,254	\$ 26,939	\$ 132,546	\$ 122,225
Liabilities:								
Accounts payable	\$ 6,049	\$ -	\$ -	\$ 6,049	\$ -	\$ -	\$ 6,049	\$ 1,400
Deferred revenue :				-			-	
Membership				-			-	1,425
Western Wood Advertising	600			600			600	
Total liabilities	6,649	-	-	6,649	-	-	6,649	2,825
Net assets:								
Unrestricted:								
Available for operations	32,763			32,763			32,763	27,955
Board designated:				-			-	
As endowment			50,000	50,000			50,000	47,414
STWBC		1,941		1,941			1,941	(1,848)
Temporarily restricted				-	14,254		14,254	18,940
Permanently restricted				-		26,939	26,939	26,939
Total net assets	32,763	1,941	50,000	84,704	14,254	26,939	125,897	119,400
Total liabilities and net assets	\$ 39,412	\$ 1,941	\$ 50,000	\$ 91,353	\$ 14,254	\$ 26,939	\$ 132,546	\$ 122,225

ACBS Northern California Lake Tahoe Chapter Grant and Donations Made										
	2014	2013	2012	2011	2010	2009	2008	2007	2007	Total
Grants from sponsorships at STWBC Show: (1)										
Thunder Bird Preservation Society	\$ 1,000.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 1,667.00	\$ 2,500.00			\$ 15,167.00
Tahoe Heritage Foundation	1,000.00	2,500.00	2,500.00	2,500.00			2,500.00			11,000.00
Kiwanis Clubs of South Lake Tahoe	1,500.00	2,500.00	2,500.00	2,500.00	2,500.00					11,500.00
Sea Scout Ship Challenger 145	1,000.00	2,500.00	1,500.00							5,000.00
Sierra State Park Foundation	1,000.00	2,500.00	2,500.00							6,000.00
Boys & Girls Club of South Lake Tahoe	1,000.00	2,500.00		2,500.00	2,500.00	1,667.00	2,500.00			12,667.00
Tahoe Maritime Museum				2,500.00						2,500.00
Tahoe Tallac Association						1,667.00	2,500.00			4,167.00
South Tahoe Fire Department					2,500.00					2,500.00
Total from STWBC	6,500.00	15,000.00	11,500.00	12,500.00	10,000.00	5,001.00	10,000.00	-	-	70,501.00
Grants from Endowment earnings: (2)										
Sea Scout Ship Phoenix, Clear Lake	750.00					500.00				1,250.00
Tahoe Maritime Museum	750.00			1,000.00	1,500.00	500.00				3,750.00
Tahoe Heritage Foundation				1,000.00						1,000.00
Thunder Bird Lodge Preservation Society	750.00			1,000.00	1,500.00	500.00				3,750.00
Sea Scout Ship Challenger 145, Redwood City	750.00			1,000.00	1,000.00					2,750.00
Lake Tahoe Historical Society					500.00					500.00
Sacramento Delta Youth Maritime Assoc					500.00					500.00
	3,000.00	-	-	4,000.00	5,000.00	1,500.00	-	-	-	13,500.00
Grants made from Wood & Glory raffle:										
Sea Scout Ship Phoenix, Clear Lake	2,500.00	1,500.00				800.00		619.00	1,000.00	6,419.00
People Services, Clear Lake	1,500.00									1,500.00
	4,000.00	1,500.00	-	-	-	800.00	-	619.00	1,000.00	7,919.00
Grant made from Bass Lake Show:										
Bass Lake Lyons Club	500.00	275.00	575.00	575.00	575.00	525.00	438.00	440.00	450.00	4,353.00
Total all sources	\$ 14,000.00	\$ 16,775.00	\$ 12,075.00	\$ 17,075.00	\$ 15,575.00	\$ 7,826.00	\$ 10,438.00	\$ 1,059.00	\$ 1,450.00	\$ 96,273.00
(1) The source of funds for making these grants comes solely from corporate sponsors of the show.										
(2) Annually the Philanthropy Committee solicits grant request from organizations. The committee meets to evaluate each grant request. Based on the investment earnings from the Board Designated										
Endowment and the Permanently Restricted Funds the Philanthropy Committee makes recommendations to the Chapters Board as to the grantees and the dollar amount to be granted to each recipient.										
After the ACBS Board votes on the Philanthropy Committee's recommendations, the funds are disbursed.										
The process for submitting a grant request is detailed on the Chapters web site. Any ACBS member can encourage a not for profit entity meeting the granting criteria to submit a grant request.										

The Antique and Classic Boat Society						
Northern California Lake Tahoe Chapter						
Reconciliation of Investment Account Balance						
					Unrealized	
			Balance		(Loss)	Income
Initial investment, May 2, 2007			\$ 50,000.00		\$ -	\$ -
2007 Activity						
	Dividend income		1,857.00			1,857.00
	Unrealized loss		(128.00)		-128.00	
Balance December 31, 2007			51,729.00			
2008 Activity						
	Dividend income		939.00			939.00
	Unrealized loss		(16,909.00)		-16,909.00	
Balance December 31, 2008			35,759.00			
2009 Activity						
	Additional Investment		15,250.00			
	Dividend income		943.00			943.00
	Unrealized gain		5,890.00		5,890.00	
Balance December 31, 2009			57,842.00			
2010 Activity						
	Dividend income		1,042.00			1,042.00
	Unrealized gain		11,141.00		11,141.00	
Balance December 31, 2010			70,025.00			
2011 Activity						
	Dividend income		1,501.00			1,501.00
	Unrealized loss		(1,599.00)		-1,599.00	
Balance December 31, 2011			69,927.00			
2012 Activity						
	Additional Investment		7,500.00			
	Dividend income		1,671.81			1,671.81
	Unrealized gain		8,702.23		8,702.23	
Balance December 31, 2012			87,801.04			
Activity Jan to Aug 2013						
	Dividend income		995.43			995.43
	Unrealized gain		6,609.49		6,609.49	
	Withdrawal		(24,700.00)			
Balance August 31, 2013			70,705.96			
Activity Sept to Dec 2013						
	Dividends		2,007.21			2,007.21
	Unrealized gain		3,157.20		3,157.20	
Balance December 31, 2013			\$ 75,870.37			

