



Finance Committee Report
Prepared by: Ray Henning, Chair
Date Submitted: November 21, 2017

Meetings:

Date: October 17, 2017

Participants: Ray Henning, Tom Wolf, J. Eric Smith.

Topics and actions: : Reviewed the August CCT statement and September, 2017 financial statements. Appleton Fund has reached \$100,000 goal; scholarship to be offered in 2018. Barborinas Fund close to \$100,000 goal. Endowment has exceeded \$4 Million. Plan to award two Kimmel Grants and one Duling Grant on December 5 totaling \$45,000. Next Sonoma State payment is due first quarter 2018. Next Fellowship payment is due late summer 2018. New awards for Fellowship and Arboriculture Education Grants are on hold until endowed. Davey is interested in funding arboriculture education. Appeals were sent to Illinois constituents for the Lawrence Hall Scholarship Fund and to Wisconsin constituents for the Skiera Fund. Board will vote on October 18 to ratify the Tree and Soil Research Fund for Landscape Architecture. Appeal letters will go out to 40 industry leaders.

Dipika Vyas has accepted an offer as contract bookkeeper. She will start November 1 and have one month training with Laura Flamion.

Date: November 21, 2017

Participants: Ray Henning, Rick Joyce, Terry McGonegle, Bill Schleizer, J. Eric Smith, Tom Wolf

Topics and actions: Reviewed the September CCT statement and October 2017 financial statements. Market performance continues to be good this year; earnings on endowment at CCT are doing well. Financials are about the same as last month and are overall favorable year to date. The meeting went into Executive Session and the draft 2018 budget was reviewed. The Committee agreed to review the budget and reconvene on November 29, 2017 for a final review and vote on the 2018 budget.

Accomplishments: The Finance Committee has provided overall direction and oversight of the finances of the TREE Fund to insure the integrity of our resources. We have provided a financial plan which is supportive of our strategic plan; ensured the availability of sufficient liquid cash to support operations; prepared financial reports which are accurate, comprehensive and informative and maintained a reserve equal to 30% of annual estimated operating budget. In addition the Finance Committee has; assisted with the development of joint financial strategic plans with the Audit Committee, reviewed the monthly CCT and financial statements and have continued meeting monthly.

Objectives for the next 3 months: Maintain the financial integrity of the TREE Fund by monitoring the monthly financial statements and assisting with preparation of the 2018 budget. Upon approval implementation of the Strategic plan items.

Next Meeting Date: November 29, 2017

**The TREE Fund
Balance Sheet
As of October 31, 2017
Oct 31, 17**

ASSETS

Current Assets

Checking/Savings

1003 - Petty cash 204.27

1006 - Wintrust 175,621.42

Total Checking/Savings 175,825.69

Accounts Receivable

1510 - Pledge Receivables 170,650.00

Total Accounts Receivable 170,650.00

Other Current Assets

Prepaid expenses

1490 - Prepaid Rent 2,150.00

1493 - Prepaid Other 1,155.54

Total Prepaid expenses 3,305.54

Investments held at CCT

CCT - Permanently Restricted

1520.99 - General Endowment Fund 172,524.67

1520.61 - Bartlett Fund 46,921.56

1520.91 - Bob Skiera Memorial Fund 371,849.73

1520.92 - OH Chapter ISA End. Fund 142,800.70

1520.30 - Safe Arborist Techniques Fund 281,384.07

1520.94 - Collier Fund 174,421.25

1520.41 - Barborinas Fund 91,223.62

1520.51 - Frank Gamma Arbor. Ed. Fund 151,973.83

1520.13 - John White Fund 70,779.18

1520.22 - Dr. Mark McClure Research Fund 129,658.13

1520.81 - Larry R Hall Memorial Fund 54,546.61

1520.12 - John Wright Memorial Schol Fund 29,884.30

1520.71 - Utility Arborist Research Fund 1,092,609.20

1520.95 - Bonnie Appleton Memorial Fund 98,386.60

1520.11 - John & Evelyn Duling End Fund 560,908.49

1520.21 - Robert Felix Memorial Fund 670,990.74

Total CCT - Permanently Restricted 4,140,862.68 ¹

Total Investments held at CCT 4,140,862.68

Total Other Current Assets 4,144,168.22

Total Current Assets 4,490,643.91

Fixed Assets

1600 - Fixed Assets 3,678.00

Total Fixed Assets 3,678.00

TOTAL ASSETS 4,494,321.91

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 - Accounts Payable 65,463.34

The TREE Fund Balance Sheet

As of October 31, 2017

	Oct 31, 17	
2050 - Grants Payable	332,280.60	
Total Accounts Payable	397,743.94	
Other Current Liabilities		
2450 - Accrued PTO	18,707.12	
Total Other Current Liabilities	18,707.12	
Total Current Liabilities	416,451.06	
Total Liabilities	416,451.06	
Equity		
3200 - Unrestricted-Operating		
3200.01 - Prior Period Adjustments	67,965.50	2
3200 - Unrestricted-Operating - Other	110,718.69	
Total 3200 - Unrestricted-Operating	178,684.19	
3600 - Temporarily Restricted	210,668.75	3
3800 - Permanently Restricted	3,919,113.31	4
3900 - Retained Earnings	-288,552.54	
Net Income	60,457.14	
Total Equity	4,080,370.85	
TOTAL LIABILITIES & EQUITY	4,496,821.91	

Notes to the financial statement:

- 1 Transfers to permanently restricted net assets not yet reflected on CCT financial statement \$41,587.18
September 2017 transfer \$29,848.64
October 2017 transfer \$11,738.54
- 2 Transfers from temporary restricted net assets following review of audit workpapers to clean up assets released from purpose restrictions
- 3 Temporarily restricted net assets to be released upon satisfaction of restrictions
\$53,000 PG&E/UAA residual funds for West Coast Research on Sonoma plots.
\$50,000 UAA funds held for first 2018 grant
\$5,903.75 Fran Ward Scholarship Fund
\$64,755 CCT distributions not yet received
\$37,010 surplus non-endowed UAR-C funds from prior years.
- 4 Permanently restricted net assets do not include fund transfers not yet reflected on CCT financial statement or net investment income and unrealized gains/losses.

The TREE Fund
Profit & Loss Budget vs. Actual
January through October 2017

PROFIT AND LOSS STATEMENT WITH YEAR END FORECAST, OCTOBER 31 2017

	Jan - Oct 17	Budget	Over Budget	% of Budget	Annual Budget	YE Forecast	Notes
Ordinary Income/Expense							
Income							
4001.00 ·Annual Oper Campaign Unrestrict	117,352	147,600	(30,248)	79.51%	184,500	185,000	YE Appeal +~\$40K, Partners +~\$25 K
4100.00 ·Other Income	894	8,200	(7,306)	10.9%	10,000	3,000	Store launch late -\$7
4700.00 ·Sponsored Grants/Scholarship	535,751	472,150	63,601	113.47%	665,000	600,000	YE Forecast reduced to reflect Duke Energy grant not received
4900.00 ·Special Events	479,421	671,300	(191,879)	71.42%	685,000	515,000	Bartlett -\$85K, Bandit -\$25K, Shifts to Restricted -\$40K, Tour Host -\$20K
Total Income	1,133,418	1,299,250	(165,832)	87.24%	1,544,500	1,303,000	
Gross Profit	1,133,418	1,299,250	(165,832)	87.24%	1,544,500	1,303,000	
Expense							
6010.00 ·Board & Liason Expense	3,636	7,000	(3,364)	51.94%	14,000	12,000	Less for May meeting than budget
6020.00 ·Grants and Contracts	175,990	227,500	(51,510)	77.36%	350,000	241,000	Directed +\$25K, Duling +\$25K, Kimmel +\$20K
6050.00 ·Occupancy & Equipment Expense	23,259	21,840	1,419	106.5%	28,000	28,000	Rent slightly up, storage unit eliminated
6100.00 ·Office Expense	30,730	41,272	(10,542)	74.46%	46,900	35,000	Conserving supplies, using credit points, etc.
6150.00 ·Personnel Expenses	257,869	262,796	(4,927)	98.13%	312,853	305,000	+DiCarlo PTO payout/severance, offset by unexpected position vacancies
6200.00 ·Professional Fees	132,583	145,985	(13,402)	90.82%	150,500	145,000	Less for Book-keeping
6300.00 ·Service Fees	6,127	8,500	(2,373)	72.09%	10,000	10,000	Based on YTD usage levels; slight increase since September
6900.01 ·Special Event	246,483	230,000	16,483	107.17%	230,000	257,000	Tour director montly payments still due, all else done
7000.00 ·Technology Expense	14,172	15,800	(1,628)	89.7%	20,000	22,000	Increased since September for one-time fees on new platforms
7100.00 ·Travel & Meetings	25,993	25,800	193	100.75%	30,000	28,000	Slight increase since September to reflect actual expenses
Total Expense	916,843	986,493	(69,650)	92.94%	1,192,253	1,083,000	
Net Ordinary Income	216,575	312,757	(96,182)	69.25%	352,247	220,000	
Other Income/Expense							
Other Income							
5999 ·Transfers From CCT	213,386	225,000	(11,614)	94.84%	225,000	214,000	Actual payout less than budget estimate
Total Other Income	213,386	225,000	(11,614)	94.84%	225,000	214,000	
Other Expense							
8999 ·Transfers To CCT	369,504	401,150	(31,646)	92.11%	565,000	450,000	YE forecast reduced to reflect Duke, UARF, and timing of transfers
Total Other Expense	369,504	401,150	(31,646)	92.11%	565,000	450,000	
Net Other Income	(156,118)	(176,150)	20,032	88.63%	(340,000)	(236,000)	
Net Income	60,457	136,607	(76,150)	44.26%	12,247	(16,000)	