Finance Committee Notes 10.7.25

Present: Eric Andrews, Tyler Hoff, Lisa Ogletree, Conrad Person, Emily Sandusky, Susan Hoskins (notes)

Guests: Joe Pavlics, Soena Sahni (auditors)

1. Distributable Amount for 2025: Joe walked the committee through the relevant parts of the 990 (page 8, part X, XI) which indicate a minimum amount (5% net value of assets, average monthly fair values for the year) of 684,817 and qualifying distribution amount of 707,939. The $707,939 represents the actual grants and the administrative costs allocated to the charitable purpose of the organization. As long as FFA grants more than the minimum, there are no concerns. If FFA grants less, it can be made up in the following year. Page 9 notes the excess distributions of past years (amounts above the minimum) which can be applied to an underage.
   Joe advised that a target of $560-575,000 would be reasonable assuming that investment returns were similar to 2024. Can go higher if needed.

2. Audit: There were few questions. We have made a multi-year commitment to Ziegler which we have no control over. Joe will correct a typo on page 11, Susan will check a JPM transfer in July (was for operating). The committee approved taking the audit to the full board for acceptance.

3. 990 PF: Joe clarified a few questions about what was included on specific lines. There are no tax payments due at this time and the overpayment was rolled forward into 2025. It was agreed that Beth should sign the return this year as the current President, but that the board list would include those on the board in December 2024, and that it was ok to use “known as” names rather than legal names. The committee approved taking the 990PF to the full board for acceptance and filing. Joe will send password-free versions for posting after approval.

4. Joe and Soena were thanked for their work and attending the meeting.

5. There was interest in having an education session on how to read a 990.

6. Budget: This is a draft budget, based on prior years and the first part of 2025. Susan will update it once final year-end numbers are available in January. Susan will check into and update some of the figures before the board meeting, after entering the Q3 investment data into QB.

7. Investments: Eric presented his understanding of the accounts after reviewing the Q3/current statements and speaking with Amelia Wolf at JPM. The accounts are doing very well. The goal continues to be a 60:40 balance, and currently stands at 58:42. The main account 3007 rose from $7,895,752 in January to $8,375,997 on Sept 30, an 11.43% return. The equity account 1001 returned 15% (877,138 to 1,004,644) and the bond account 2009 7.5% (622,673 to 656,930) . He noted that JPM is much more enthusiastic about technology and AI while Friends Fiduciary is more cautious and not as heavily invested in the Big 7 tech companies.

   We are awaiting Q3 statements from Friends Fiduciary. Q2 indicated a 6.79% return. Eric may reach out to Richard Kent for more details.

   The committee agreed to again make the grant to NYYM from the Fiduciary account.