

**ArtStream**  
Board of Director's Meeting  
January 11, 2021

**APPROVED MINUTES**

**ROLL CALL**

In attendance at the meeting: Eleanor Allen; John Bogasky, Client Liaison; Mike Cooper, Chair; Cameron Elliot; Lisa Gaffney, Vice President; Maggie Haslam, Secretary; Sari Hornstein; Molly Myers, Treasurer; Irene Stephens; Jonathan Tepper; Sonia Trask; Vu Tran, Client Liaison; and Delia Zielinski, Teaching Artist Liaison.

**ArtStream staff in attendance:** Heller An Shapiro, Executive Director; and Lynn Taylor Moore, Director of Finance and Administration

**Not Able to Attend:** Kristen Chou, Paul Murray, Julie Reddig

**Guests:** Scott Rodgville and Jennifer Estrada, GorfineSchillerGardyn

**RECOGNITION OF OUTGOING BOARD MEMBER**

Mike Cooper thanked John Bogasky, Jr. for his service as Board Liaison from January 2020-January 2021: "On behalf of the board, I want to express our gratitude for your important contributions. Your willingness to participate and your ability to share your views directly with us allowed you to serve the board with distinction during a unique time." Sari Hornstein stated, "I'm very impressed with what you brought to the discussion." John shared "I like you guys." John will receive a plaque stating:

John Bogasky  
Board of Directors 2020-2021

Thank you for serving with distinction to help ArtStream manage during the Pandemic

Board members also thanked John Bogasky, Sr. for the valuable contributions he made during the year.

**PRESENTATION OF NEW BOARD MEMBER**

Mike Cooper welcomed Vu Tran as the new Client Liaison. "With your deep and wide experience, we can expect you to be a valuable member of the board and we welcome you to the board."

Vu has acted with ArtStream for four years. He takes classes and has participated in both the Silver Spring Inclusive Theatre Company and the Cabaret. He also volunteered regularly in the ArtStream office. Vu currently works as a cashier at Safeway.

In addition to ArtStream, Vu performed in the Potomac Community Resources, Inc. chorus. He enjoys half-marathons, cross country, track & field, soccer, and R&B music.

Vu has a black belt in Okinawan Goju-Ryu karate and is working toward fluency in American Sign Language (ASL) with the goal of being a sign-language interpreter. Vu provided the sign language interpretation for ArtStream's performance of the National Anthem at Orioles Park in July 2018. He participated in a Safeway Foundation check presentation event to promote ArtStream.

John Bogasky left the meeting.

Scott Rodgville and Jennifer Estrada entered the meeting.

### **FY20 AUDIT REVIEW**

Scott Rodgville and Jennifer Estrada of GorfineSchillerGardyn presented ArtStream's FY20 audit and management letter.

There are no internal control findings to report. This is the highest level of assurance for the board. Scott also thanked Lynn Taylor Moore for a very smooth transition and a positive relationship. Scott stated that their most valuable role is to serve as a resource to the Board and management team.

Total assets increased from \$403,005 in FY19 to \$586,515 in FY20. Net assets increased from \$321,868 in FY19 to \$530,816 in FY20. Total liabilities decreased from \$81,137 in FY19 to \$55,699 in FY20.

The largest increase occurred in individual contributions, which went from \$206,777 in FY19 to \$304,315 in FY20.

The SAS 114 letter (management letter) details recent accounting policy changes, including when and how income and grants are recorded. The FY19 and FY20 audits were adjusted based on the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08. This new standard changes the timing of when some revenue is recognized. The retroactive application of this standard resulted in an adjustment to the FY19 net assets in the amount of \$83,937 from the Maryland State Arts Council (MSAC) and Arts and Humanities Council of Montgomery County (AHCMC) grants received in July 2020. Because ArtStream's fiscal year ends in August, these grants, awarded in July each year for the following year, will now be recognized when they are awarded rather than in the next fiscal year. So, grants awarded in July 2020 will apply to income for FY20, not for FY21. Expenses allocated to MSAC and AHCMC will be shown without income for FY21 until the new grant awards are made in July 2021.

Board members reviewed the functional allocation of expenses and expressed concern regarding how expenses were allocated between management/general and programs. Salaries allocated to management and general increased by \$74,090 from FY19 to FY20. An explanation for some of the increase is higher than usual accrued vacation time, increased staff salaries with the addition of the Development Director, and Teaching Artist salaries that were paid out without contract class revenue to balance them. Lynn Taylor Moore and the auditors will review these allocations to confirm the items

contributing to the increase and determine if changes can be made to increase allocations to programs.

Board members also requested a review of the expenses for classes and contracted services, which seem to have been inadvertently switched. (NOTE: This was subsequently corrected.)

Scott Rodgville and Jennifer Estrada left the meeting.

### **MINUTES RATIFICATION**

A motion was made to approve the minutes from the November 9, 2020 meeting with a correction to the sentence on page one that read “As of September 30, 3030, cash in the checking/savings accounts totals \$303,597.” This sentence will be corrected to state “As of September 30, 2020, cash in the checking/savings accounts totals \$303,597.” The motion carried without dissent.

### **FY21 Q1 BUDGET UPDATE**

Molly Myers introduced the FY21 Q1 budget update. She stated how wonderful it is to work with Lynn Taylor Moore, who has “all the answers and does a great job.”

At three months into FY21, total income is \$313,174 (47% of annual FY21 budget).

Total expenses are \$157,279 (24% of annual FY21 budget).

Invested funds at 11/30/20 total \$200,611.76. Current value at 1/4/21 is \$206,875.76.

Lynn reported minor adjustments to the balance sheet that were made after it was sent to the Board last week as she continues to check on items. Cash and cash equivalents total \$702,046.75, which is an adjustment from the \$701,584.75 shown on the balance sheet. Cash in the checking/savings accounts totals \$515,684, which is an adjustment from the \$516,288.84 shown on the balance sheet. She is also working to establish a tracking system to report on the investments on a monthly basis.

One-time emergency grants received this quarter total \$114,703. Additional grants received totaled \$31,335.

Performing company revenue is lower in Q1 because of the installment payments, and because there are fewer students. Currently there are 90 actors, compared to 104 in FY20 Q1.

The only unanticipated expense was an increase in requests for tuition assistance. An emergency grant from the MD Nonprofit Recovery Initiative (NORI) (\$3,900 allocated to scholarships) and the Trawick Foundation grant (\$7,335) are covering this increase so far.

## **TEACHING ARTIST TASK FORCE UPDATE**

Delia Zielinski reported that the Teaching Artist Task Force is composed of 12 Teaching Artists. Their first meeting was held December 17, 2020. A second meeting was held January 9, 2021. Task Force members each receive an \$80 stipend per meeting. Delia feels Teaching Artist morale is really high and they are optimistic about the future because of all that they have been through and the way everyone stepped up to meet the challenge.

Delia shared a brief summary of the discussion at the January 9, 2021 meeting, noting that many of these things are easily fixable:

Being online has both benefits, and challenges. ITC and CAB Directors have to deal with the video process along with actor tech challenges.

Teaching Artists would like more tech training and support.

Teaching Artists would like more staff communication regarding class planning.

Teaching Artists recognize the challenges staff face in managing a large variety of partners and class models. They appreciate being able to participate with new partners across geographic lines.

There is a plan to devote one Task Force meeting to improving or redesigning the ITCs and meeting the tech challenges.

Teaching Artists are looking forward to working with new Program Manager Leah Robinson.

Mike suggested that the Task Force inform the board about any needed resources to develop these concepts so that we don't miss an opportunity that is important to ArtStream and better serving our students. The Task Force is encouraged to focus on the original goals, including exploration of new program models, researching what other organizations are doing, and reaching new students. Delia reported the Task Force is drawing from the members' experience and hasn't done any outside research yet. There was discussion of Special Olympics work on social media, which could be a good model for outreach. The Task Force is focused on how to keep ArtStreamers developing new skills, interested in the classroom activities, and growing. In addition to the above, the Task Force will also suggest programs to help ArtStreamers develop new skills and interests, as well as strategies for attracting new students to ArtStream.

Maggie Haslam praised the Task Force's idea for Teaching Artists to do a social media takeover during tech week. Accessing or tagging different communities (such as the Down Syndrome community) on social media might also be useful. Vu Tran reported that he is on Instagram, Facebook and Twitter. He occasionally visits Tik Tok.

Jonathan Tepper asked about the procedure for implementing changes. The Task Force's ideas will be developed into proposals to be brought to the Board at the March 22, 2021 meeting. The proposals will include cost estimates. Delia feels that being able to get together on "ArtStream time" to work on this is valuable for the Teaching Artists.

## **RESERVE POLICY PROPOSAL REVIEW**

Molly Myers reported that the Reserve Policy Update Task Force formed at the November 9, 2020 meeting reviewed the prior Reserve Policy along with guidelines and sample reserve policies.

The new Reserve Policy is focused on two funds.

1. The Operating reserve fund is the designated unrestricted fund. This fund is set aside to stabilize the organization's finances by providing a cushion against unexpected events, losses of income, unbudgeted expenses, and temporary shortfall of operating funds. The target minimum operating reserve fund is equal to four months of average recurring operating expenses, or \$160,000-\$175,000.
2. The Opportunity Reserve Fund provides for major unbudgeted expenditures, new programs, current program improvements and facilities. The investment portfolio serves as the Opportunity Fund.

ArtStream currently has invested funds in the amount of \$200,612 and \$140,600 in the Capital One savings account. Heller An Shapiro noted that thanks to the emergency grant revenues received, we were able to preserve the funds set aside in the Capital One savings account in FY20. Mike Cooper stated that the Board has a fiduciary obligation to determine how ArtStream's money is best used and to establish transparent procedures and documentation to ensure that our funds are used to benefit ArtStream's future.

A motion was made to approve the recommendation to establish an Operating Reserve Fund and an Opportunity Reserve Fund. The motion carried without dissent.

A motion was made to establish a Finance Committee. The motion carried without dissent.

The Finance Committee shall have at least three (3) members including the Treasurer. The Finance Committee shall coordinate the Board's financial oversight responsibilities by recommending policy to the Board, overseeing staff interpretation of policy, and monitoring the implementation of financial policies. The Finance Committee shall oversee the investments and budget. The Finance Committee shall review and present the annual budget proposal to the Board. The Finance Committee shall meet no less than twice a year.

Board members recommended the Finance Committee meet prior to each Board meeting. As noted in the Bylaws, the Finance Committee can include non-board members.

A recommendation regarding authority and procedures to use any of the reserve funds included discussion of a desire for the full Board to review any request for funds. The use of the funds was resolved as follows:

The Executive Director will submit a request to use any reserve fund to the Board Finance Committee for presentation to the Board of Directors. The request will include analysis of the reason for the use of the funds and the plan for repayment of the Operating Reserve Fund and re-funding of the Opportunity Reserve Fund.

A motion was made to approve this recommendation. The motion carried pending final review of the language.

A motion was made to approve the Reporting and Monitoring proposals as follows:

**A. Reporting and monitoring**

Proposal: The Executive Director is responsible for ensuring that the reserve funds are maintained and used only as adopted in this policy. The Executive Director shall ensure that the reserve funds are designated and noted in the financial statements.

**B. Review of the reserve policy and investment policy**

Proposal: The Finance Committee will review the reserve policy annually and the investment policy twice a year and report to the full board.

The motion carried without dissent.

Discussion: The use of the Opportunity Reserve fund should be considered an investment into new or expanded programs or new revenue opportunities. The Opportunity Reserve Fund should not require repayment through earned income. It is a way to invest in the future or create a program that would generate new income. ArtStream could also solicit donations for this fund to support a new vision. It is important to maintain funds in this account to take advantage of strategic initiatives but not to be restrained by how or when it will be paid back.

**FY21 Q1 DASHBOARD**

There is a 26% increase in the number of students in tuition classes and a 44% increase in the number of tuition classes in FY21 Q1 compared to FY 20 Q1. Students in partner classes decreased by 110% and the number of partner classes decreased by 25% in Q1.

There is strong support from current donors, but there is a drop of 153% in the number of donors giving during FY21 Q1 compared to FY20 Q1. Only two new donors came in during FY21 Q1 compared to 14 in FY20 Q1. This drop is likely to have occurred because the online Gala did not bring in new donors.

Grant dollars are up by 54% in FY21 Q1 over FY20 Q1, due to the emergency COVID grants received, and the work that our new Development Director, Mimi Hess is doing.

**FY20-22 STRATEGIC PLAN PROGRESS REPORT**

This report was not discussed.

**NEW BUSINESS**

**NEXT MEETING**

The next meeting of the Board of Directors will be **Monday, March 22, 7-9 p.m.**

The meeting was adjourned at 9:05 p.m.

Respectfully submitted,  
Maggie Haslam

**2021 MEETING DATES**

All meetings are scheduled from 7-9 p.m.

Monday, March 22, 2021

Monday, June 28, 2021

Monday, September 20, 2021

Monday, November 15, 2021