

**TSC Alliance**  
**Audit Committee Meeting Minutes**  
**March 30, 2022**

*Approved on June 27, 2022*

**In attendance**

**Audit Committee Members:** Steven Goldstein (Chair), David Coit, Tara Zimmerman

**Staff:** Rich Gollub, Kari Rosbeck, Cynthia Arcuri

**Guests:** Susan Colladay, RSM Audit Partner, Geoff Sebastianelli, RSM Assurance Manager, Lisa Heller, RSM Senior Tax Manager

**Welcome**

Steven Goldstein welcomed everyone and convened the meeting at 3:02 pm. Steven confirmed a quorum of Committee members was present and introduced the RSM audit and tax team.

**Presentation of Audit Committee Report, Consolidated Financial Statements and Conclusions**

Susan Colladay walked the committee through the Report to Audit Committee. There were no new accounting standards to implement this year. The auditor report changed format due to new auditing standards and the audit opinion moved from the second page to the first page of the report. Estimates are included in audit committee report and there were no issues note along with no audit adjustments, uncorrected misstatements (passed adjustments), nor issues and disagreements with management along the way. Susan stated there were no internal control matters or deficiencies noted during the audit, and they had no comments for best practices for the organization to implement. Dave Coit and Steven Goldstein congratulated the team on a clean audit.

Steven asked Susan to go through the new lease standard implemented in 2020. The net P&L impact of this new standard was not very different than previous reporting method. This standard is not required until December 2022, so the TSC Alliance was a very early implementer.

Steven asked for Susan's opinion on retaining the income in the entity and whether we have enough/not enough in our reserves. Susan shared a quick way to determine this would be to divide Net Assets by annual expenses and the goal would be to get to a 50% ratio. Many organizations have about 3 months in reserves, but the TSC Alliance has approximately 1.5 years of annual operating expenses within the consolidated net assets. ( $\$10,600,000$  net assets /  $\$7,000,000$  annual expenses = 1.5 years). Susan stated the organization is in a very healthy condition right now as the organization can cover its operating expenses for over a year with the current net assets.

**Presentation of the 2021 Forms 990 and Related Returns of the TSC Alliance and the TSC Alliance Endowment Fund**

Lisa Heller complimented Rich Gollub and Cynthia Arcuri on doing a great job gathering the tax information for the 990s. Lisa reviewed the 990 for the NTSA dba TSC Alliance and reminded the committee that the 990 is open to public inspection either by contacting the organization directly, contacting the IRS, or other websites such as GuideStar and Charity Navigator. Lisa complimented the TSC Alliance on its great use of the program narratives in the 990s.

Lisa highlighted Part VI of the 990 – another very important part of the return. This section explains how the organization is governed and policies. Not all the items listed in this section are required but are recommended best practices. Lisa stated that the organization is well governed, day to day management is strong, and strong policies are in place that shows the organization is well run.

Lisa continued to review the return and provided comments on the following sections:

Part VII – difference from last year’s returns, this year the salaries are listed first in descending order of compensation received. Lisa feels our salaries are well earned for this size organization, and the organization is not overpaying anyone carelessly.

Part VIII – Financial statements that reconcile to audit returns. Different format from financial statements but all amounts will total the same. Statement of Functional Expenses – shows the total going to program expenses. Lisa feels the organization has an appropriate amount of expenses going to program, and management expenses are necessary to keep the organization going.

Schedule B – Schedule of Contributors – not open to public inspection, so only people seeing the names and addresses are internal people at the organization, RSM, and IRS. The IRS does not actually do anything with this information, just collects it.

California has a new rule with Form 199 – no longer required to give names and addresses to California (just came out last month).

Schedule C – Political and Lobbying expenditures – the organization spent a lot less than the “bad” threshold for lobbying and complies and within expectations.

Schedule F – International activities

Schedule I – grants made to US organizations

Schedule J – additional information regarding the compensation information

Schedule M – non-cash contributions over \$25k – mostly stocks

Schedule O – nice long narratives describing most of the program information

Schedule R – related organizations – Endowment Fund listed as supporting organization

David asked Lisa how many NPOs put 990 on their website – Lisa said not many, but it helps with the transparency rating on Charity Navigator

Steven thanked Lisa and asked if there was anything unusual on the Endowment 990 to discuss. Lisa mentioned name change was included on PY return, no new rules, no new tax laws, no unrelated business income.

RSM dropped off call. Steven commented RSM does a fantastic job on the financial statement audit and 990. Steven complimented the team.

### **Vote to Approve the Audited Consolidated Financial Statements and Tax Returns**

*Steven Goldstein moved to accept the 2021 Consolidated Audited Financial Statements, the separate 2021 Form 990 tax returns for the TSC Alliance and TSC Endowment Fund, and California return for the TSC Alliance. David Coit seconded the motion. Motion approved without dissent.*

### **Approval of the Audit Committee Minutes from the October 7, 2021 Meeting**

*Tara Zimmerman moved to accept minutes. David Coit seconded the motion. The minutes were approved without dissent.*

### **Executive Session**

No executive session held. Steven will present at April 8 Joint Finance & Executive Committee meeting.

### **Next Meeting Date and Other Business**

Q2 Meeting – will schedule for June – Cynthia will send out a few different dates and times

Q3 Meeting – will schedule for July or September – Cynthia will send out a few different dates and times possibly after staff retreat in August

Q4 Meeting - 10/20/22

Steven thanked Rich for all his hard work and dedication to the organization. A lot of the success of the organization is due to Rich as well. Rich made everyone's jobs easier and helped to mitigate risk for the organization.

Kari mentioned last year was an exceptional year and working towards another exceptional year. Rich will also be providing 8 hours per month to help Cynthia for the rest of 2022 to make sure the transition goes smoothly. Comedy for a Cure already at \$371k (goal was \$300k)

*There being no further business, Goldstein moved to adjourn the meeting at 3:58 p.m. ET and Tara seconded the motion. With no objections, the meeting was adjourned.*

Respectfully submitted,  
Cynthia Arcuri  
CFO