

Treasurer's Commentary re: 2020

2020 can be labeled as the Year of TCF Stabilizing. Through much hard work, we ended the year with a positive net income, growth in revenue, healthy financial standing, rebuilding of reserves, and strong program support transitioned to a virtual environment during the pandemic. 2020 also marked a strengthening of fiscal practices for TCF. As Treasurer, I would like to provide a few brief observations on the state and financial health of TCF Inc.

Past

As I reported at the TCF Annual Meeting in August of 2020, the organization was annually spending more than the revenue it was taking in. Without annual revenue to support the level of spending or appropriate operational reserves to provide for unexpected fluctuations, TCF Inc. had cash flow challenges and was not adequately able to meet its financial obligations. In 2019, TCF Inc. contracted with the Satori Group to analyze and provide leadership for evaluation and restructuring.

Present

The Satori Group created and led the implementation of a Stabilization Plan to address these TCF Inc. challenges. Results of the study and Plan were presented to the membership at TCF's July, 2019, National Conference in Philadelphia. For financial stabilization, the Plan was a combination of reducing expenses, modernizing processes through technology, and increasing revenue generation. The expense reduction steps included, but were not limited to, establishing a national virtual office (closing the physical office in Illinois), reducing and reallocating staff responsibilities, negotiating terminated office leases, and subcontracting certain national office activity such as the TCF store and merchandise inventory. Increased revenue activity included a short-term, interest-free loan from TCF Foundation while TCF stabilized, along with expanded fundraising projects throughout the fiscal year. The Plan also included several operational changes to improve accountability.

Since 2019, beginning with the leadership of The Satori Group and continuing with our CEO Shari O'Loughlin and our national staff, TCF initiated and successfully completed the components of the Stabilization Plan. Expanded revenue outreach such as '51 for the Future', strict adherence to budget and expense reduction measures, financial contributions from TCF Foundation, and improved oversight of expenses and financial records has resulted in an end-of-year positive net income and a positive balance sheet in 2020. I am a strong believer in the adage, 'cash is king,' when it comes to the financial health of a nonprofit. TCF currently has a much stronger balance sheet and cash flow position, which is over \$300,000 than a year ago. This is critical for rebuilding reserves that are necessary for a national nonprofit organization of TCF's service size and scope.

Over the past year and a half, we worked closely with our auditors to improve our financial processes, recordkeeping, and overall financial picture. A special thank you to CEO Shari O'Loughlin, Andy McNiell of the Satori Group, and long-time volunteer Dale Dullabaun, who were all instrumental in working with the auditors.

Future

TCF Inc. has turned a corner. The financial health of a nonprofit is always a bit of an uncertainty. As with any organization, TCF Inc. is dependent on the economy, donors, and other economic and non-economic factors. Yet, we now have in place the components and processes to make sure TCF Inc. is positioned to take advantage of future revenue opportunities and operate most effectively. You can be proud of the high caliber of the TCF Inc. executive leadership team, led by our CEO Shari O'Loughlin. A Finance Committee, a joint committee of TCF Board and TCF Foundation, meets monthly to review and provide oversight for the financial records and financial operations of TCF Inc. Your Board of Directors remains diligent and sensitive to assure the future financial health of TCF Inc.

Thank you for your time,

David A. Dieterle, PhD

Treasurer, TCF Inc.