PENCIL Full Governing Board Meeting

Wednesday, February 18, 2026

In-Person – 4 PM – Eakin Elementary School

Meeting Called to Order at 4 PM

Review of November 2025 Meeting Minutes

1st – John Doerge

2nd – Nicole Flynn

Motion to approve November 2025 meeting minutes unanimously approved.

Treasurer's Report

Balance Sheet

1. The large balance in Temporarily Restricted cash is due to the Reimagining Community Spaces (RCS-C) contributions we have received to date, and some other AR pledges and grants. Not yet reflected in Nov FS – We received approximately $1M in stock donation pledges related to the RCS. The donors of this initiative will follow up on the final donations.

2. PENCIL's investments are over $1.8 million. Up $100K since August 2025.

3. Strong unrestricted cash position of $600K

4. Similarly, our short-term liabilities are high (Temporarily Restricted) to reflect payments that will be paid for the Reimagining Community Spaces and for future multi-year grant expenditures. We are following up with MNPS so they can issue an invoice, and we can pass the funds through to them.

Statement of Revenue & Expenses

Revenue

5. Individual Giving – currently looks as if we are under budget for the month, yet over budget for the year, but this is due to timing. We received two major gift renewals early that we had budgeted for Oct-Dec.

6. <u>Board Giving</u> – Noted during board meeting on 2.18 that 2025 and 2026 had 100% participation.

7. <u>Foundation & Corp Gifts</u> – Also seems as if we are behind the monthly budgeted amount, & ahead for the year-to-date. But we are confident that we will be on target for the year.

8. <u>Special Events</u> – Though we are behind for the month and slightly behind on YTD, *we are confident we are on track for the year.*

9. <u>Board Designated Revenue</u> – This amount was voted upon by the Board in the <u>original FY26</u> Budget. It will be updated based on what was voted upon by the Board in August, once the FY25 Audit is completed (*<u>FY25 surplus moved into FY26, approx. $328K</u>* +).

10. <u>Earned Revenue</u> – Seems under budget due to timing.

Expenses

11. <u>Personnel</u> – we are currently under budget for the month and year due to the timing of hiring and staff elevations.

12. <u>Equipment</u> – Due to the timing of expenses, it seems we are currently over budget. We will likely be on target for the year.

13. <u>Professional Services</u> – We are currently under budget due to the timing of expenses and reducing our contract with Nashville Analytics for FY26. But we are also waiting for the FY25 Audit Expense and have only paid the first half of the Sage implementation.

14. <u>Program Expenses</u> – Most of the deviation is due to the timing of expenses and staying slightly under budget. Timing on purchases for STEM Kits for the Lending Library is going to be later than expected. But shipping costs have been low due to the partnership with Amazon Local Good, and Pack4Success and Pop-Up Shops expenses, which are spread evenly throughout the year, are looking lower than anticipated.

15. <u>Communications, Insurance, Staff Development & Community Events</u> - When creating the budget, we estimate the timing of certain expenses. So it may seem we are over or under budget in several lines, but we are under budget overall for our annual expenses anticipated at this point in the year.

16. Fees & Bank Charges are over budget for the YTD; however, that is due to revenue (donations) coming in, so there are credit card fees on those transactions.

17. **Overall** – At this point, we anticipate meeting our budgeted amount or coming in under our budgeted expenses for the entire year.

Capital Campaign

Kaitlyn/Christiane reported that the feasibility study is starting. Angie Adams, who currently serves as a consultant for PENCIL, is leading that effort. Everything is moving at the appropriate pace. Earl Swensson Associates (ESa) is providing pro bono services and is approaching 30 high-net-worth potential donors to raise $7.5 million. An update will be given at the May board meeting. The goal is to have 60-65% of the funds pledged before construction starts. Looking to break ground in September/October 2027.

Cultural Cohesion

Celebrated 100% board giving! Lunch & Learns will be a space for education stakeholders to come together quarterly to discuss important issues. A one-pager has been developed promoting the sessions. Jennifer Wade will host the first one in March.

Finance

Kenny reiterated some of Kfir's points made during the Treasurer's Report.

Marketing & PR

The messaging project is running slightly behind. The committee is reviewing the results and will work with Joel Wright and the Executive Committee to develop a messaging framework for positioning PENCIL. The messaging will be distributed to everyone in the coming weeks for feedback. Hope to have new messaging ready by A Little Night of Music.

Planning for ALNM is well underway—revenue Goal: $381K; Sponsorship Goal: $290K. Tickets go on sale March 2; 400 tickets MAX. The event is on April 29, and the Patron's Party is on April 22.

Strategy & Sustainability

Still working to determine the best dashboard metrics for the strategic plan. Currently developing a template to see what the data needs to be. Discussed convening with similar or complementary organizations before the end of the quarter.

CEO Thoughts

Christiane reviewed her maternity leave plan. Returns to work the week of A Little Night of Music. Announced the promotions of Susan Lagos to Chief Financial Officer, Joel Wright to Chief PENCIL Box Programs Officer, Halmat Qazi to Senior Partnership Manager, and Juan Williams to Impact for Success lead. For the open Chief of Philanthropy role, there is one last round of interviews, and an offer is close.