

Memorandum for Enrichmond Board of Directors

As a volunteer, non-compensated board, we have dedicated the past year delving into the daily organizational practices/finances that put Enrichmond in its current situation. We have put in thousands of hours and personal funds in an effort to find an orderly process to restore the viability of the organization and Enrichmond's commitments.

It has become apparent through meetings, consultations and legal counsel that it is beyond the expertise and knowledge of the board members to find a realistic path, which would allow Enrichmond to distribute assets and establish a process to resolve debts.

The Board is providing an approximate timeline of activity since we became aware of the operational irregularities.

Timeline

November/December 2021

Board received an email from John Sydnor, Enrichmond Executive Director/Elizabeth (Beth) Captain, SBAY Inc., Enrichmond CPA. The 2021 Draft IRS 990 Form was attached to the email.

Enrichmond Board Members were asked via email to urgently vote to approve the 2021 Draft IRS 990 Form. The 2021 IRS 990 form was for an 18-month period January 1, 2020 - June 30, 2021 (Enrichmond changed fiscal year from January/December to July/June).

Board members submitted questions to the Executive Director, John Sydnor, but would not vote on the document without further review.

A representative of WellsColeman answered questions during a December conference call. The Board Members were advised that they could review the 2021 IRS 990 Form after approving. The Board Members did not vote on the document.

January 2022

1/24/2022

2021 Annual Financial Audit (January 2020-June 30, 2021)

Zoom Conference Call. Representatives from WellsColeman, Enrichmond Board Members, Enrichmond Executive Director, John Sydnor, Enrichmond Assistant Executive Director, James Mickle, Beth Captain SBAY Inc. Enrichmond CPA

During the 2021 Financial Audit, the board discovered discrepancies in the classification of income and use of funds. Immediately, the board began a deep dive to understand the presentation of the financials in the provided documents.

February 2022

While still awaiting answers from staff, board took action to curb expenses. Evaluated and canceled most consultant contracts executed solely by John Sydnor. Furloughed all but critical staff. Cut all but essential programs. Continued to request information to understand the bookkeeping and finances.

2/7/2022	Enrichmond Board Members requested specific items from John Sydnor/Beth Captain i.e. specific contracts signed by Executive Director, accounts payable, loans, assets along with detailed accounting/bookkeeping records.
2/15/2022	John Sydnor/Beth Captain encouraged Enrichmond Board Members to look at taking out a second SBA Loan as a way to survive. Board Members did not see this as a viable solution and did not approve this request.
Mid-February 2022	Report submitted to Enrichmond Board Members from John Sydnor/Beth Captain. The report advised a path forward for the organization including properties, assets, other funding sources and provided a 30-60-90 day plan to resolve cash flow issues. At this time, senior staff were still advising board that this was possible. First board member resignation submitted.
March 2022	John Sydnor reached out to the City of Richmond including the Mayor and City Council to reinstate non-departmental funding which had been paused during 2021 and 2022. Enrichmond 2023 Funding budgeted by the City of Richmond was also removed. Virginia Outdoors Foundation and the City of Richmond Parks and Recreation were advised of Enrichmond's situation also at this time.
March 14, 2022,	John Sydnor presented an Action Plan to Enrichmond Board Members.
April/May 2022	Board Members researched alternatives recommended in the action plan. The only viable solution put forth included additional short-term loans.
4/4/2022	Resignation letter submitted by Executive Director, John Sydnor, acknowledging that his final day of employment as April 22, 2022.
April/July 2022	Continued conversations between Enrichmond Board Members, the City of Richmond, and the Virginia Outdoors Foundation. Enrichmond Board Members were left with significant unpaid bills, requests for funds, and no funds to move forward. Majority of the Enrichmond Board Members resigned. All terms ended June 30, 2022. Board members paid liability insurance premiums out of personal funds so work could continue at cemeteries.
July 2022	Enrichmond Board Members were requested to reinstate for 30 days to meet Bylaws requirements for a minimum of 10 members. All voted to reinstate in attempt to find a path forward for dissolution, which would provide for disbursement of assets. Board Members voted to proceed with the dissolution of the Enrichmond Foundation. Beth Captain, Enrichmond CPA, resigned and became unavailable for questions

WellsColeman resigned as Auditor.

Kerry Hutcheson, Coyner and Coyner, agreed to help Board Members pro bono, in a very limited capacity, to identify properties held by the Enrichmond Foundation and Parity, LLC. Kerry Hutcheson recommended that the Board engage a lawyer to advise on dissolution options.

August 2022 Enrichmond Board Members contracted with the firm of Hirschler Fleischer for a limited scope of services to identify legal options for the dissolution of the Enrichmond Foundation. Board Members paid for this contract using personal funds.

Mid-September 2022 Enrichmond Board Members, Representatives from Hirschler Fleischer. Meeting to review legal options to dissolve the Enrichmond Foundation. Five options were presented by Andrew Sherrod.

Hirschler Fleischer attends meeting with legal counsel for City of Richmond Parks and Recreation to advise of status of the organization and request assistance. This ended the contractual scope with Hirschler Fleischer.

September/October/

November 2022 Board Members unsuccessfully pursued each of the legal options put forth by Hirschler Fleischer to dissolve the organization.

Discussions with: Creditors
 State of Virginia Attorney General's Office
 City of Richmond Attorney's Office
 City of Richmond Parks and Recreation
 Congressman McEachin's Office
 Potential Stewards

December 2022 After a year of seeking assistance and a path forward, it has become apparent that the situation is much too complicated for a volunteer board to resolve. From January to December, the board unsuccessfully sought to find a solution to dissolve, which would provide a path for distribution of assets to creditors and turn assets over to the City of Richmond per Enrichmond Bylaws.

The majority of the volunteer board submitted final resignations.

Historical documents, financial records, staff IT equipment and other stored items have been donated to the City of Richmond per Enrichmond Bylaws.