

Finance Committee Meeting

March 9, 2020

Attending: Tyler Gold, Lois O'Rourke, Jeff Kuchenbecker, Wade Huseth (chair), Wendy Johnson, Deb Simon, Rick Blum (staff – minutes):

The meeting began at 6:05 with a devotion from Lois O'Rourke from the book Mere Christianity from C.S. Lewis and being good carriers of Christ.

Financial Statement –

Wade explained that the financial dashboard is by and large the same format that has been used with a couple of tweaks. However, he was looking for feedback on the format, since we are looking at someone to develop an app for us that will do this automatically, instead of requiring Wade to spend a couple hours a month putting it together.

Wade explained that there were a couple of mistakes on the Dashboard, that the number in the Budget in Restricted Funds for 12/31/19 was wrong, and should have been 569 628, not \$710,543. That also effected the variance, which now is just \$302,000. On p.2. the Columbarium # for Cash: beginning of Period was \$550 higher in the 2019 Annual Report than it is listed now.

There were also some questions about donor restricted accounts. There was \$15,267 that moved from donor restricted to Capital since they were donor designated for projects that are now being paid for by Capital Campaign money. That money was added to the fund holding 15% of Capital money for improvements. There is also another \$16,000 that isn't accounted for, that we believe was money that bought items that ended up getting paid for by general account funds, and the money was never moved. Jeff said he and Linda Baaske tried to account for it 2 years ago. Wade says there is no malfeasance expected, but it just never got accounted for. He plans on explaining the issue to the board and letting the issue go.

There was also \$238,421 that was also not properly accounted for because of not factoring in depreciation.

Jeff asked if the deferred revenue from 2019 was put in as income. Wade says it was.

Wade would like to have quarterly reports on what's in the banking account. Rick said that seemed to be reasonable.

Lois asked whether we are following the cash guidelines, recommending us to have 3 months of savings for the budget. Wade reminded the committee that the board didn't want that to be a hard rule, but despite that, we're close to having 3 months in reserve.

Deb asked about whether we're doing ok so far in 2020. Rick thought they had seen some carryover from the Beyond campaign and that there had been some more giving at the beginning of 2020.

Wade says he would love to see prior year data against the present year, but it's going to be hard to do given the change to a fiscal year budget this year.

Deb wondered whether we needed to show on the dashboard that even though we have a deficit on the financial dashboard, we have it covered by using 2019 surplus and reserves. There was a lengthy discussion about whether we needed to do anything about it, and the committee decided you might want to add a sentence explaining how it's being taken care of, but that it's probably not worth changing the numbers.

Wade says he will try and kick around whether he can add previous year's data going forward.

Wade says he's going to wait one more meeting before creating the app to do it automatically.

Rick also explained that the church's checking account was compromised by a fraudulent check a couple of weeks ago, but Diane caught it when she was closing out February. Rick said because of this, we have a new checking account number and Oak Bank has been good to work with fixing the problem.

The committee asked Rick to ask Diane whether it would be possible to sign off on checks weekly. (UPDATE: we have become one of the first companies to use Pay Protect through Oak Bank as a result of this.)

Mortgage Reserve –

Wade asked whether we should look at lowering the amount of money in the line item of \$137,000 designated for mortgage, since following the re-amortization, we don't need \$137,000 to cover 6 month of mortgage payments. Rick mentioned that right now, the \$137,000 is tied up in a CD that matures in August, so it's probably something we should take up if/when we rollover the CD.

Charter Review –

Wade asked now that we got through the annual meeting, whether there was anything to review in the charter from last year.

Committee Membership –

Wade says it would be healthy to recruit one or two members to join Finance just to keep a rotation and get a fresh set of eyes on our finances. He thinks someone with non-profit experience would be helpful. Wade said would it be possible to search in Breeze? Rick said yes. Rick thought a targeted ask would be more successful.

Audit Committee –

Deb said the committee was approved back in April 2018, and they are permitted to do 3 consecutive one-year terms. Wade says we don't want everyone to leave all at once, and probably start a rotation. Wade wonders whether it would be better for non-finance committee members to be on the audit committee. Jeff mentioned that QBO offers an ability to download all the invoices for the checks that you write. Jeff would highly recommend starting to do that. Wade asked Deb, Lois and Wendy whether they were willing to do it for another year, and they all said yes, but Lois said she'd be willing to step down if someone else was found to join the audit committee.

Wade asked whether we should create a list of controls the audit committee reviews and pick 2 a year to review.

Agenda Topics –

Jeff asked whether everyone knows how to use QBO? That could be a topic for a future meeting.

Wade mentioned recruitment.

Wade also asked about how we are going to forecast revenue for the second half of the budget.

Wendy asked whether we wanted to have a meeting April 13, since a number of accountants (Wendy, Tyler, Jeff) might not be available that day. Wade said we'll plan to hold the meeting and see what happens over the next month.

We finished with the Lord's Prayer at 7:25 p.m.