

Palmer Memorial Episcopal Church
Finance Committee Meeting
Minutes of June 13, 2019

A. Opening

1. Attendance: Jessica Evans, Fritz Glover, Dave Maxey, Tara McConathy, Dick Sylvan, Dick Viebig, Kirk Waldron, Larry Wood.
2. Dick V. opened the meeting with a prayer at 5:30 p.m.
3. The minutes of the May 2019 meeting of the Finance Committee were reviewed and moved for approval by Fritz G., seconded by Dave M. and approved by all.

B. Financial Reports

1. Dick S. led the committee in a discussion of the May financial statements.
2. Larry W. asked why the building insurance line looks over and Kirk W. responded that it is a timing issue that happens every year.
3. Kirk discussed the custodial line and why it looks over. It is a problem we can't solve. So many groups use the custodians and even if they pay a rental fee, it doesn't necessarily get credited back to the custodial expense line.
4. Larry W. moved to approve submission of the May financial statements to the Vestry and Dave M. seconded the motion. The motion was approved by the committee.

C. Other Discussion Items

1. The Auditors were present and gave their annual report to the finance committee.
 - a) They started with noting that improvements continue with controls. They were happy to see that. Then they wanted to share an "oops" and that is that there is an account with the Endowment (Brokerage) that is not included in this report. It only came to their attention today. They wanted to propose that those investments be added to this report so we can have everything in one report. And by continuing to tighten controls, we can avoid things like this in the future.
 - b) Fritz G. asked if the Endowment is allowed to accept Donor Advised Funds (DAF). They confirmed that yes, both the Endowment and the church can accept DAFs.
 - c) Dick S. noted that the FC has virtually no review of the Endowment and was wondering if that is something the committee can discuss at a future meeting. Mimi added that the vestry of the church appoints the trustees of the endowment, but that the endowment is in fact a separate 501C3. Blazek & Vetterling perform an audit of the church and Endowment annually, so that there are people looking at the books.
 - i. Could we have someone from the endowment look at the general ledger and reconcile? Can we have some way that the income to the endowment contributions can be tracked? Dave M. asked if the auditors can give us a letter that outlines the issue and the steps needed to correct the issue so that we can take that to the endowment board and make sure it gets implemented.
 - ii. Dick S. and Dave M. proposed that the Finance Committee starts reviewing the Endowment Financials that Jessica prepares each month.
 - d) The "corrected misstatements" are the same adjustments they make every year. They noted the fact that we don't recognize our property as an asset, but we do as an expense; this is not a new statement.

- e) Mimi and Dick S. discussed page 5 of the audit financials and how it would be helpful to do a better comparison of how we show it vs. how you show it (a reconciliation).
 - f) Mimi pointed out that there is a new statement of “functional expenses” on page 7 and that we will have this every year going forward.
 - g) This concluded the 2018 Financial Audit Report. An updated report will be send out once the endowment brokerage account is added.
2. Fritz G. asked if there are any rules on how the Endowment functions. Tara M. responded that she believes there are some written guidelines and will look for a copy and try to send to the group. Dick S. agreed that there are definitely reasons we should be more involved with oversight of how it is accounted for. If Jessica E. can provide us financials, that is a great start.
 3. Dick S. reminded the group that there is no meeting in July.

D. Closing

1. Dick S. closed with a prayer

Submitted by Tara McConathy