Accola Finance Committee
Tuesday, October 15, 2024
7:30 -9:00 a.m.
Zoom Virtual Meeting

DRAFT

In Attendance: Kevin Berg; Steve Kenney; Mary Lydon; Brian Mallaro; Mike Quinlan; Catherine Mary Rosengren, CSJ; Fr. Larry Snyder

Staff: Matt Halley; Tiffany Melnik; Ralph Scorpio; Lacy Sietsema

Special Guests: Kristin Schmidt (CLA); Amanda Sykora (CLA)

The CSJ Ministries Inc. Finance Committee convened on Tuesday, October 15, 2024 via Zoom. Chair Brian Mallaro called the meeting to order at 7:32 a.m.

Prayer: Ralph Scorpio led the prayer.

Approval of September Minutes
The September minutes were presented to the Finance Committee for review. Hearing no changes or corrections, Larry moved to approve the minutes and Steve seconded. All present members voted to approve the minutes.

Presentation of Year End Financials (CLA Draft) – DRAFT FINANCIAL STATEMENT
Brian reported that the financials show that Accola is in a good place. It provides tools and guidance for both Matt and the Finance Committee moving forward. The financials also show that there is work to do to make Accola more efficient.

Kristin Schmidt and Amanda Sykora from CliftonLarsonAllen (CLA) introduced themselves to the committee. They reviewed the financial statements for the year-end financials. These financials consolidate the Ministries Foundation and CSJ Ministries Inc. The financials show that assets increased and liabilities are consistent with previous years.

CLA reviewed the income statement. The Province transferred Learning In Style School, Wisdom Ways, and Sarah's… an Oasis for Women as of July 1, 2023. No assets transferred with these programs, with the exception of the Province's annual pledge of $1 million dollars. Estate gifts were generous throughout FY24. Investment income also increased.

Expenses were reviewed. Expenses are now broken down by how it relates to each program. Payroll has increased compared to the previous year. There was a discussion about legal and transition expenses and in-kind rent. CLA's notes regarding the investment portfolio and endowment were reviewed. Amanda encouraged committee members to reach out to her if they have any questions.

Audit Status Update & Findings To Date
Kristen reviewed the governance letter and highlighted new standards this year related to credit losses. She assured the committee that there were no disagreements with management and that CLA was able to obtain all the information needed for the audit.

CLA isn't required to test internal controls, but they do take into account processes and procedures currently in place. An adjustment was proposed to record the $4 million dollar pledge from the Province. Best practices were reviewed and it is suggested that there be more policies in place around IT and who has access to accounts. CLA went over journal reviews and bank reconciliations.

Matt explained that Tiffany Melnik is in the process of creating a new financial office. Amanda suggested that Matt should draft his own letter to address any deficiencies. Tiffany also works for CLA and to keep any findings independent, new auditors will be required next year.

The Finance Committee moved to accept the audit and will present it to the Board for approval.

Update of Accola Finance Department
Matt reported that Tiffany has been working with Accola for the past 2 months. He added that there are great opportunities for efficiency and accuracy. Tiffany is balancing her roles with CLA/the audit and her consultant role for Accola. A part-time bookkeeper has been hired to manage Quickbooks. The goal is for Accola to have its own in-house finance office up and running by the beginning of the year. The long-term plan is to define a CFO and Operations position.

Matt reported that US Bank is too big and complex for Accola. A community bank is needed to support a community organization. Sunrise Bank provided a great and competive proposal and Accola will now be banking with them. Accola will continue to use Fidelity for holdings and investments.

Discussion: Policies for Calculating & Distributing Funds from the Endowment
Tiffany reported that she is cleaning up investment policies and bringing all Accola activities into the new structure. She shared recommendations and reviewed the calculation method used to determine the amount of funds available for Accola and St. Mary's Health Clinics. There was a discussion about how Fidelity identifies unrestricted and restricted funds. Tiffany will follow up with Jim Reetz regarding her calculation method.

Executive Session: The Executive Session began at 8:53 a.m.

Adjournment: The meeting ended at 9:00 a.m.

Respectfully Submitted,

Lacy Sietsema, Accola