

**FINANCE & AUDIT COMMITTEE**  
**Meeting Minutes**  
February 19, 2018 at 5:00PM in Tollefson

Trustee Attendees: Carol Hoffman, Helen Stoll, Bobbie Moore, Phil Rockefeller, Marlene LeMire, Alan Crain, Lisa Hecker

Trustee Absent: Aaron Schielke

Staff Attendees: Lynette Ladenburg, Robin Schuman, Tammi Palodichuk, Heather Dartt, Diane Wasson, Kami DeHeer, Chris Vernon-Cole

- A. Carol Hoffman welcomed everyone and called the meeting to order at 5:05 p.m.
- B. Meeting minutes for January 22, 2018 were MSC by the committee with minor changes to the heading and date of next meeting.
- C. **January 2018 Financial Statement Review:**

Robin Schuman, Chief Financial Officer, discussed in detail the January 31, 2018 Financial Statements and highlighted the new format of the financials, including census and CFO reports to the committee and staff. She emphasized the cash position for the month increased to 69 days and the accounts receivable aging has improved substantially in the last several months. Overall, the Organization had a net income for the month of \$67,710 compared to budget of \$48,333. Net operating profit before management fees is as follows: Health Services \$65,046; Children's \$34,012; At Home \$9,312; and Ebenezer \$16,488. After management fee and including Lutheran Services equaled: Lutheran Services \$24,752; Health Services \$2,700; Children's \$20,718; At Home \$3,930 and Ebenezer \$15,610. All areas appear reasonable for the month ended January 31, 2018.

**Corporate Presentation:** Martha & Mary KIDS

Tammi Palodichuk and Heather Dartt presented January 2018 financial performance highlights, including census, revenue distribution by payor and discounts provided by Martha & Mary to clients. They continued to present the 2017 year-end review highlighting a positive net income before management fee and any audit adjustments of \$100,936 and after-management fee a loss of \$42,970. Representing a total positive change from 2016 of \$33,485. In addition, Tammi expressed there is a large demand for community childcare and waitlist throughout the county. At the February Board meeting, Tammi and Heather will provide a full presentation of the 2017-year and changes that have taken place within Martha & Mary KIDS.

#### **D. Investment Policy**

Alan Crain discussed the overall Investment Policy with the committee. He proposed the following replacement to Section E:

*The Committee will monitor the Funds' investment performance against the Funds stated investment objectives. At a frequency to be decided by the Committee, it will formally assess the Funds and the performance of its underlying investments. The Advisor or other consultants selected by the Committee may assist the board in selecting and evaluating investment managers, evaluating investment performance and establishing frequency of reports to the Committee.*

In addition, Mr. Crain suggested the committee complete an in-depth review of the terms used in the policy in the 2018-2019 committee year. After a thorough discussion of the Investment Policy, the committee made the following motion:

**MOTION:** The Finance Committee recommends approval of the Investment Policy with the recommended change to Section E and previous changes by the committee. The motion was **MSC**.

#### **E. Audit Update**

Robin reported that CliftonLarsonAllen arrived on February 19, 2018 to perform the annual audit of all corporations. The fieldwork should be complete by Friday, February 23, 2018. The audit team varies between 3 – 5 audit personnel on site daily. The staff has provided all requested information and is working well with the team.

#### **F. Other Business**

CliftonLarsonAllen will present the Audit on March 26, 2018 to the Finance and Audit Committee at 5:00 pm. All Board members and Senior Leadership are welcome to attend. CliftonLarsonAllen will provide time with board members only to discuss any questions or concerns.

Morgan Stanley Financial Performance Review rescheduled for April 23, 2018.

**Next Meeting:** Monday, March 26, 2018 at 5:00 p.m. Tollefson Conference Room  
**Respectively submitted by:** R. Schuman, CFO