

FINANCE & AUDIT COMMITTEE
Meeting Minutes
March 26, 2018 at 5:00PM in Tollefson

Trustee Attendees: Carol Hoffman, Helen Stoll, Bobbie Moore, Phil Rockefeller, Marlene LeMire, Alan Crain, Aaron Schielke, Mary Polenski, Don Lachta

Trustee Absent: Lisa Hecker

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

Guest Attendees: Dan Frein, Martin Yanushev, Kurt Bennion – CliftonLarsonAllen (CLA)

- A. Carol Hoffman welcomed everyone and called the meeting to order at 5:10 p.m.
- B. Presentation of 2017 Financial Audit by CliftonLarsonAllen:

Dan Frein, CPA, Principal at CliftonLarsonAllen presented the audited statements to the Finance Committee, Trustees and Senior Leadership. He covered the required governance communication, internal control recommendations, financial graphs and ratios, accounting standards and industry trends and regulatory changes. Dan informed the committee that all three audits (Lutheran Services, Children Services and Health Services HUD Project) received a clean opinion. He complemented the staff on the progress made in 2017 and provided feedback on the status of the financial data.

In addition, the representatives from CLA discussed in detail the Goodwill account recorded on the financials of At Home from the purchase of the businesses in 2009, 2010 and 2012. After thorough discussion regarding goodwill requirements, current standards and the meaning of the impairment of the asset, the committee agreed to management's decision to deem the entire balance impaired. The committee, staff and auditor continued to discuss the value of the intercompany payable from At Home to Lutheran Services. Based on prior performance and ability to pay the intercompany debt, the committee made the following motion:

Recommend forgiveness of the intercompany debt from At Home to Lutheran Services as of 1/1/2017. The motion was MSC.

After final review and questions regarding the audited financials, the committee made the following motion:

To adopt the Audited Financial Statements for Martha & Mary Lutheran Services, Martha & Mary Children Services and Martha & Mary Health Services HUD Project No. 127-43137 as presented by CliftonLarsonAllen for the years ended December 31, 2017 and 2016. The motion was MSC.

C. February 2018 Financial Statement Review:

Robin Schuman discussed in detail the financial statements for February. She noted that cash has continued to increase over the past year; therefore, we have revised our goal of cash on hand from 60 to 90-days. Cash increased in February up to 72-days (an increase of 3-days over January). Overall, the Organization experienced a net loss for the month of \$6,787 compared to a budget of \$(144,944.19). Within this loss was \$24,142 of loss on investments or change in market. Committee discussed and all agreed to change investment earnings/loss to non-operating in the financials. Finance team will work on this reporting change for March financials. Financial Statements for all entities appeared reasonable and accepted by the committee.

D. Other Business

No other business discussed.

Adjourned at 6:40 p.m.

Next Meeting: Monday, April 23, 2018 at 5:00 p.m. Tollefson Conference Room