

**West Shore Unitarian Universalist Church
Board of Trustees Meeting
Thursday, December 2, 2021, 6:30-9 p.m.
Motions and Minutes
Approved January 27, 2022 6:45 p.m.**

Present

TRUSTEES:

Gary Kustis
Sarah Soper
David Drickhamer
Lois Riemer
Kathy Kosiorek
Brian Gardner
Suzanne Rusnak
Liz Nolan
Daniel Ang, ex-officio (via phone)

STAFF:

Rev. Anthony Makar
Suehana Kieres
Caprice Wright
Meghan Ross

FINANCE COMMITTEE:

Jen Wynn - chair

PRESENTERS:

Hilary Beatrez, CPA

MOTIONS:

Motion made for approval of October 28, 2021 minutes with final proofreading from Kathy, and edits from Jen, made by Liz, Lois seconds - all in favor, none opposed

Motion to accept the revised Child Care Center Working Budget dated November 10, 2021 made by Sarah, seconded by Kathy - all in favor, none opposed

Motion to accept \$20,000 designated gift from Thomas Smith for R-025 Solar Project fund, with unused monies remaining after 10 years to be placed in R-191 Building Maintenance fund, made by David Drickhamer, seconded by Lois - all in favor, none opposed

Motion to accept \$26,950 bequest from Liane Bliss to be set aside for sound improvement to be invested in General Assets, with the excess to be moved to the Quasi-endowment, made by Gary, seconded by Lois - all in favor, none opposed

MINUTES:

Hilary Beatrez is present as our accounting advisor

1. Consent agenda - Liz motions, Lois seconds - all in favor, none opposed

Motion made for approval of October 28, 2021 minutes with final proofreading from Kathy, and edits from Jen, made by Liz, Lois seconds - all in favor, none opposed

2. DRE+E report, Meghan

- Adding Preschool class, will be splitting K-6 into K-3 and 4-6
- Family friendly events planned, ornament making and early Jan. art projects with Jerry Devis
- 76% of Giving tree kids assigned
- Working on Christmas Eve service with instrumental contributions from kids and a shared story
- Not many random visitors, Dorothy and Diane are keeping connected
- Day Trippers going well - varies between 6 to 8, planning trip to Stan Hywet requiring advanced sign-up
- New ALL listings coming out for new year early in January

3. Child Care Center report, Caprice

- 2 new kids, 3rd coming in w/ foster aunt
- Waffles and Pancake are Elves on the Shelves
- No family events planned due to increasing COVID numbers
- Changed holiday bonus structure - now requested gift list for each teacher that parents can choose to pick up from Center's bulletin board
- Annual Training Meeting before Thanksgiving - run by Suehana
 - Talked about structure between church and child care center - Council system
 - Covered 7 principles and their relationships with each other and children
 - Definitions of justice, culture - proper conduct
 - Issues from survey - communication, lack of appreciation, exhaustion - and how to resolve, how to get there
 - Fairly successful overall
- Hiring is continuing to be hard - one new hire starting next Monday
- Waiting on Playground - planning dropoff soon, manufacturing firm is going to install it (weighs 650lbs)

4. Introduction of Hilary to BOT

- Hilary has been with the church for 22 years
 - Hired by Roy Prentiss in 1999
 - Currently, annual financial statement review, annual agreed-upon procedures to supplement, Second career: started in restaurant management, became accountant

- Wife is also CPA, co-CFO for firm
- He performs a High level review and NOT an audit - 2 differences: independent verification of assets AND auditor is required to document understanding of internal control structure and effects on reporting
- Hilary explained the Reviewed Financial Statements for the fiscal year ended June 30, 2021 and dated October 16, 2021. Motion was tabled to accept this document until BOT has more time to review.
- Church has strong balance sheet - lots of assets, very liquid
- 2 ways assets get restricted: by donor or by BOT
- Notes section is required by financial reporting standards
- Questions:
 - Anthony - first audit in 1998 by Cohen, committed to 2 year review, 1 year audit for 2 cycles - most recent audit was in 2004/2005 - Hilary's firm does not do audits - audit standards are heavy → but it's been a long time! What is Hilary's sense of that?
 - Conflicted - can get effective coverage w/ agreed-upon procedures plus annual review; does same for other clients; can contract for independent verification of assets;
 - Generally, organizations do an audit every year or a review every year. He is seeing more organizations alternate
 - Hilary believes that the Church has not done audit because the current review he performs is peer reviewed and high quality; Hilary's firm is not in audit business, would need to establish relationship with a different firm
 - Auditor provides an opinion on whether the financial statements are fairly stated. If auditor finds deficiencies, has to bring to governance structure
 - Audit report vs. review report: neither are required by the Church's bank holding the mortgage
 - Suehana: Hilary had to spend excessive time w/ auditors, and felt that he was able to do a similar amount of coverage w/o losing anything; can spend more money on Hilary's time if we need better or more thorough review/assessment/reporting
 - Under agreed-upon procedures method, Hilary can't do anything that can't be replicated by someone else and obtain the same result; under consulting, less stringent requirements
 - No state law for audits for churches, but banks at their discretion will require them for audits vs. reviews
 - Nonprofits are what Hilary does exclusively, small non-profits as specialization - 75 individual tax clients (1/3 are ministers)
 - Taxable income: if a mortgage existed on Northview House, would trigger that
 - Child care center is nonprofit, core activity of church → some child care centers are for-profit
 - Gary: Recommendations?
 - Hilary - auditor discussion should take place without him present

- If we do audit with outside firm, should not use Hilary in the future b/c will trigger questions from bank or other outside viewers
- First year audit is more expensive, keep documentation from one to the next can be helpful
- Update on Employee Retention Credit work - takes a long time - Hilary has had one out for 9 months still waiting
- Agreed-upon Procedures - in process from June
- Hilary helped w/ PPP loan forgiveness for 2nd loan, currently under review by SBA

5. Finance Report, Jen and Suehana

- a. Dashboard view: Nothing concerning at this time
- b. Approved budget based on 600k pledge amnt, currently at 570k
- c. PPP loan forgiveness for 2nd loan, currently under review by SBA
- d. Task force to deal w/ Child Care Center in process?
- e. Other thoughts from Jen: what would a more in-depth process assessment from Hilary include? Could ask, might be worth a conversation
- f. Revised Child Care Center budget:
 - Related to mission: affordability as a significant consideration re: to both wages/benefits and to tuition pricing
 - Spending on advertising, can't find more teachers so can't bring in more kids
 - Struggle w/ work ethic? Appreciation = an extra day off -- negotiation, hard w/o enough staff
 - Sometimes personality issue, support needed to get help for dealing with conflict in collegial way
 - Question: parents aware of non-profit status? Word-of-mouth referral is common
 - not associated w/ particular philosophy like Montessori or Goddard

Motion to accept the revised Child Care Center Working Budget dated November 10, 2021 made by Sarah, seconded by Kathy - all in favor, none opposed

- g. Motion tabled for reviewing Finance Committee structure document
 - Newest member recruited for committee not allowed to participate due to federal employment status - looking for replacement
- h. Educational session conducted for BOT members with Finance Committee chair and committee members on Nov. 2 to ensure that the Trustees have an "adequate understanding of the congregation's financial status and goals", in compliance with the Perpetual Agenda for Governance.

Motion to accept \$20,000 designated gift from Thomas Smith for R-025 Solar Project fund, with unused monies remaining after 10 years to be placed in R-191 Building Maintenance fund, made by David Drickhamer, seconded by Lois - all in favor, none opposed

- i. Anticipated maintenance/adding future panels - issue with absent monitor.
- j. Just received \$26,950 from Liane Bliss - to be set aside for additional expenses to move sound room to Suehana's old office, with remainder to quasi-endowment
 - Have received \$10k from another donor to same purpose, this money will ensure adequate funds for project
 - Current issues with sound system:
 - Speakers are directed to middle of sanctuary, were recently replaced during remodel but not to full coverage of sanctuary
 - Quote: \$5,000 for speakers alone
 - Daniel: No money allocated in last capital campaign for sound system - BOT and Tim Smith went to get 50k for additional monies. Part was done, but health issues with contractors prevented full implementation - sound board should be portable
 - Need to add to system, but shouldn't need to completely throw everything away to start over
 - Plan for funds is to move to investment in general assets, transfer to D account

Motion to accept \$26950 bequest from Liane Bliss to be set aside for sound improvement to be invested in General Assets, with the excess to be moved to the Quasi-endowment, made by Gary, seconded by Lois - all in favor, none opposed

6. Minister's Report, Rev. Anthony

- a) 8th principle learning community: Wants to get slightly broader buy-in before taking it to the next level
- b) Congregational survey available at <https://forms.gle/qGLLoXHrZWJP2GR96> , in combination with End of Year campaign coming up.
 - i) Request for BOT presence after service for publicity in Rotunda: Gary and Liz volunteered for upcoming Sunday
- c) Ministerial intern planned to start 2023 fall - need to gather additional monies for salary first
- d) New website launching Dec 9
- e) Christmas Services - 3 different ones, including a jazz service
 - Staff will be making decisions soon about requirements for proof of vaccination/negative COVID test, max capacity for Sanctuary

7. Wrap-up

- Reminder: Jubilee merch available in Rotunda this Sunday
- Thank-you to Lois for snacks/wine

8. Closing reading #6 from Singing the Living Tradition