



Diocesan Board of Trustees Finance Committee Meeting- November 3, 2020

Attendees

James Pope - Chair	Takiya Cuyler – Senior Accountant
Rev. Frank Allen	Adam Watson – Partner BBD
Philip Anspach – Assistant Treasurer	Mark Dryden - BBD
Kirk Muller	Kim Grossman - BBD
Rev. Timothy Safford	Absent and Excused:
Patricia Smith	Albert Dandridge, Esq
Canon Douglas Horner	Eric Rabe
Rev. Canon Shawn Wamsley	

The committee opened at 2:00PM.

Annual Audit

Adam Watson, Co-Managing Partner of BBD LLP presented the draft audit report for 2019 (incomplete for lack of an actuarial report on post-retirement medical benefit costs). The audit opinion is subject (as in prior years) to qualification because the Diocese does not consolidate the financial statements of Episcopal Community Services or the Cathedral in accordance with GAAP. Otherwise the opinion states that the financial results of the Diocese and changes in net assets are fairly presented (a “clean opinion”).

Mr Watson presented a draft Management Letter, noting that in BBD LLP’s opinion a two-year commitment to provide financial support to the Church of the Advocate should have been accounted for in full in 2019. There were also recommendations on improving compliance with and recording of conflict of interest disclosures by Trustees, Officers and Committee members, and reconciliation of subsidiary receivable and payable ledgers with the General Ledger. Management will respond agreeing to address and correct the issues raised.

Rev. Frank Allen made a motion to accept the auditors’ report and recommend to the board to approve the draft audit as presented pending receipt of the actuarial report on liability for unfunded post-retirement medical benefits. Pat Smith seconded. The Committee approved unanimously.

2021 budget discussion

James Pope asked what plan would be presented to convention if the budget was not approved. Since the Diocesan Council and Standing Committee have already approved the budget to be presented to Convention, a revised budget would be presented in due course to Diocesan Council acting as the Convention between Conventions.

The committee discussed potential recommendations for reporting the Federal funds known as PPP loans, and whether income booked from forgiveness of the loans should be regarded as NOI. The recommendation *pro tem* is that PPP loan forgiveness should be regarded as an extraordinary item and therefore not part of NOI.

Financial Statements

James Pope discussed current status of payments from the parishes. We remain essentially on track with giving, and other revenues and expenses are tracking close to budget. There will likely be a need to write off certain cash advances made on behalf of parishes experiencing legal issues before the end of FY 2020.

The meeting was closed at 4:00PM.