



## ST. PAUL OF THE CROSS RETREAT CENTER

### Audit & Finance Committee Meeting Minutes Monday, November 23, 2020

Present: Greg Soule                      Matt Greenough  
             Sandra Arnould                Geni Giannotti

The meeting was held via ZOOM and opened with prayer.

The Committee was provided with a financial packet of both September and October 2020 prior to the meeting.

There was general discussion concerning the Retreat Center financial position both in absolute terms and in relation to this fiscal year's budget. Highlights from the balance sheet, income statement, and a review of AP + AR include:

- The Retreat Center maintains a strong cash position with 200K+ on deposit in the operating account at First Midwest.
- The Operating Reserve on deposit with the province is over 1.1mm. Although this is welcome news, in the context of the impact of COVID19 and the State of Michigan directives, there is still much uncertainty.
- The prepaid account on the balance sheet is higher than usual due to an overage with Ovation and a timing issue with a 7K insurance invoice. The prepaid account will resolve itself with the November financials
- Deferred revenue for future hosted events has not seen the decline due to refunds that was anticipated. Many groups want to reschedule. Roz is working with each group to accommodate what we can, especially with COVID and state mandated restrictions.
- Overall donations are strong – even excluding the extraordinary one time donation earlier in the fiscal year (200K) – donations are only 8K below budget. The Committee acknowledged the work of the Team – and of our benefactors – for maintaining a donation stream in these difficult times.
- COVID is having an impact on retreat attendance – even with reduced numbers and a significantly revised set of procedures. Retreatants may still be reluctant to come on site. A Women's retreat was recently cancelled due to low attendance.
- The Committee acknowledged Management's controls on expenses – currently at 85K below budget.
- AP and AR were both reviewed and are in good order. Most AP from October has been paid. All October AR is paid. The AOD priest retreat from November 3<sup>rd</sup> for 8K is the only significant item outstanding.

Management led the Committee through a review of the Endowment Fund.

- There is currently 85K available for operations from the Endowment Fund.
  - There was discussion as to whether to take some profits from the strong equity market performance. However, because the Retreat Center is in good shape in terms of working capital, Management is deferring and letting the fund benefit from continued investment in the overall provincial portfolio. Management does expect to take money from the Endowment Fund in February and April of 2021 (20K each time)
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Discussion continued as the Committee reviewed the Cash Forecast.

- Starting November with 200K+ in First Midwest
- Overall income and expense holding steady.
- Management will transfer 75K from the Operating Reserve fund to pay for HVAC controls project. This was an anticipated expenditure and will be using restricted funds set aside from a single donor in 2019.
- Cash is very contingent on whether we can resume retreats. The State of Michigan is currently under a “3 week pause” but that “pause” could be extended into late December or January. Even with reduced counts at weekend retreats, this income is critical to the overall financial health of the Center.

The Committee turned to a discussion and review of the draft financials from Gordon Advisors for FY20. There was some discussion concerning the Notes. Greg Soule has a few suggestions. Management expects a wrap up within the next several weeks. The audit went well, especially considering the “virtual” aspects of the field work.

Management updated the Committee on fundraising activities.

- Christmas Appeal - the Retreat Center is ahead of where it was at this same time last year.
- Golf Outing – final numbers – 53K in revenue against 3K in expense
- Curb Side Pot Roast to Go – sold 280 meals generating \$6,400 against \$2,156 in expense. This was an amazing event in building community and engagement with our supporters and benefactors. The staff is commended for the execution of this event as it was on the afternoon of Marcia’s funeral. Good job staff!

There was a brief update on CAPEX projects including upcoming training for staff on using the new HVAC controls.

Greg Soule reported out that there are currently no items needing follow up or review from this Committee as it relates to the Monitoring Report process under Policy Governance. Greg acknowledged the excellent work by Management in handling the financial affairs of St Paul.

With that, the meeting closed in prayer.

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**NEXT MEETING – JANUARY 25 – 4PM**

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