

Fort Wayne Rescue Mission Ministries Finance Committee Meeting Minutes October 26, 2017

Committee Members Present: Pastor Donovan Coley, Jeff Musick, Tim Kuhnen, Jeff Ostermann

Committee Members Absent: Jim Swift, Rudy Mahara, Ben Langel

Guests: Sam Schenkel, Christine Hootman (Baden), Amanda Garner (Baden) and Linda Wellman (Baden)

The meeting was called to order at 4:06PM. Meeting was opened with attendee introductions and Jeff Musick opened in prayer. All attendees read the Mission statement and Vision statement.

Amanda Garner walked through the draft of the audit statement. The main points included that the audit had an unmodified opinion with no material weaknesses, no issues with accounting policies and no disagreements with management. There were 3 disclosures that they determined to be "sensitive": Note 9 as it pertains to the line of credit for the Rescue Mission, Note 8 where it discusses fair value on investments and Note 13 which notes significant events. There were a few adjustments made as it pertains to booking of in-kind donations as well as an incorrect journal entry with the Foundation. Amanda and Christine both commented on the great work of Jeff Musick in preparing for the audit and it is their opinion that the Rescue Mission is in a good financial position.

Linda discussed the 990's for The Rescue Mission as well as the Foundation. There was discussion to insure that the information represented within the 990's were accurate given that those are public record. The entire committee reviewed the 990's and found them to be accurate.

It should be noted that during the review of the audited financials, Ostermann noted the increased printing expense that the Rescue Mission has had over the past couple of years. He encouraged management to look closer at those numbers and potentially look into way to bring printing in house through the acquisition of a printing press and potentially obtain even greater economies of scale by partnering with other rescue missions/non-profits that may have higher printing costs.

Pastor Donovan provided an update on the Capital Campaign to indicate that we are currently at cash and pledges received in excess of \$7.5MM. He also noted that he

recently attended a meeting regarding New Market Tax Credits and there is the potential for the Rescue Mission to receive close to \$7MM in additional funding through the Credits. Christine mentioned that there are a few people in their office that has experience with accounting for the New Market Tax Credits. Christine also mentioned that although the commitment from Baden, Gage & Schroeder in regards to their accounting fees are still good, that commitment was not aware of any additional requirements from their firms in regards to the New Market Tax Credits. She indicated that they would need to potentially discuss what impact the credits may have from an accounting perspective and the potential impact to our fees at a future date.

Attendees reviewed the most recent financial reports as presented by Musick. Through September, the Rescue Mission is currently on budget from a revenue basis and slightly below budget on expenses. That being said, this is the period that Musick indicated would be a cash crunch period. There is still the potential that there will be a need to temporarily utilize cash from the Foundation, however with the revenue on budget and expenses below budget, Jeff is hoping that we will be able to get through this period without reliance on cash from the Foundation.

Donovan closed the meeting in prayer. The meeting adjourned at 6:11pm.

Respectfully Submitted

A handwritten signature in black ink, appearing to read 'Tim Kuhnen', written in a cursive style.

Tim Kuhnen
Treasurer