

Financial Records Review Committee Annual Report

2022-2023 Church Year

Financial Records Review Committee (FRRC) Members: Frank Grossman & Rob Bate

Our bylaws require annual financial record reviews of the Church, Winter Garden with White Wing School, and the Nashua Cemetery Association. The reviews verify that the fiscal records and financial transactions of each component are transparent, orderly, and consistent.

The Committee conducted separate reviews for the UU Church (Ericka LaValley, Church Administrator), Children's Winter Garden with White Wing School (Chris Clanin, Director & Kim Coumas, office manager), and Nashua Cemetery Association (Kevin Murray, Treasurer).

UU Church of Nashua

Attendees; Ericka LaValley (Church Administrator), Frank Grossman, Rob Bate

We met in person with Ericka at the church offices. Nothing major had changed with the processes that the church uses for either income or payment in the last year. A few more things have been automated for payments, like insurance. There is still careful reconciliation of the automated payments by both the bookkeeper and Ericka.

The biggest changes have been getting ready for the capital campaign. The church has opened an interest bearing money market account at TD bank to hold the money. They have also established a Merrill Lynch brokerage account to be able to take stocks as payment for the campaign. And they have reviewed the Giving acceptance and management policy.

With a few banks in the news lately that have failed, we asked about the church's endowment. It is being held at Bank of America. While the endowment is over the \$250,000 FDIC insured deposits, the feeling is this is one of the largest banks in America and large banks have not seen any recent problems.

Overall there is a good process from the budgeting that involves the minister and the board. Daily processing involves the office manager, bookkeeper, and minister. This all runs through QuickBooks and gets applied back to the budget to show actuals vs the original budget.

Areas of concern:

We did not hear any concerns this year.

Children's Winter Garden with White Wing School (CWGWWS)

Attendees; Chris Clanin (Director), Kim Coumas (Office Manager), Rob Bate, Frank Grossman

As with the church, there have not been any major changes to the ways that they process income or payments. All reports for the federal COVID grants that they received have been filed. Remaining funds are being spent, as was reported, on retention bonuses, rent, and outdoor equipment. They have not received any new grants this year. Because of the generosity of the church and saved money from last year they were able to give more scholarships this year. The only places they were over budget this year, by a small amount, was in supplies and food due to inflation. Next year's budget has already been created and approved by the school's board.

The school was completely filled this year and is full again for next year. We learned that CWGWWS is one of a very few accredited preschools in the area.

The school has a very good process in place. Chris and the office manager Kim, build a budget. While they do not have a financial committee on the board, the treasurer is available to help review the budget. The budget is then approved by the board. The budget is entered into QuickBooks to make sure they are keeping to their numbers. Chris and Kim work very well together on a daily basis to make sure that all money is being handled properly. Their finances are reviewed on a monthly basis at the end of year by the same bookkeeper that the Church uses.

Areas of concern:

We did not hear any concerns this year.

Nashua Cemetery Association (NCA)

Present: Kevin Murray (Treasurer), Frank Grossman, Rob Bate

We met with Kevin, the Treasurer. Their number of transactions continues to be very small - only about 6 bills all for ground maintenance and clean up. There was no income this year other

than the interest from the NCA invested funds. This year the expenses for the ground maintenance was \$13,602 and the interest income from the invested funds was \$9,084. This lowered their bank account by \$4,517. They will most likely be requesting some principal from their invested funds to bring the bank account back to around \$10,000.

We were informed that Russ Leonard had been voted in as president of their board and will be added to the signature card for the bank.

As there are very few transactions that happen currently with NCA on a yearly basis, it was very easy for us to verify that their annual report looked correct.

Areas of concern

Ongoing concern: Currently the NCA's past records are kept in a few boxes at the Treasurer's house. We suggested storing those records at the Church, we heard there may be some movement on this over the next year.

Currently Kevin uses his personal email address for the bank account login and reports are sent to his house. We feel it would be good if he could switch to a church email address and have the reports mailed to the church and picked up there. This would help with any future change of Treasurer.

In noting concerns and making recommendations we recognize we may have transcended the technical limits of our charge. It is not our intent to criticize past actions or suggest inappropriate changes. We believe it is important to raise these concerns to the Board and let it and the congregation decide what, if any, action should be taken.

Financial Records Review Committee Question

While the By-Laws require a Financial Records Review Committee (FRRC) to review the Treasurer's report, we feel that this request came from the times when the Treasurer was the only one writing checks and a person could quickly look at the report and the check register to verify it all looked good. Today's process is VERY different. There is a budget that is built by the Minister (or Director for the school) and staff, it is reviewed and negotiated and finally approved by the board. It is then entered into QuickBooks to be tracked. Any income and expenses are looked over and reconciled by both the bookkeeper and the office manager. QuickBooks has a General Ledger that shows all transactions that went on during the year. The

Profit and Loss (P&L) report is reviewed by the Minister and also reviewed by the board in the Treasurer's reports periodically and any changes to the budget have to be approved by the board. This makes for a lot of eyes that are viewing all income and expenses and checks within the system. Which leaves us wondering about the value of our 4 eyes looking everything over for an hour or so each year. We have asked the board to think about this and report back to us or to the larger congregation if they feel there should be a change. We are willing to continue our work on the FRRC, but we want to make sure that the time that we and future FRRC members spend is purposeful and meaningful for the congregation.

Acknowledgement

The committee would like to extend sincere appreciation and gratitude to all parties who opened their books and responded to FRRC inquiries. Without exception, everyone was extremely open, accommodating and supportive of the process.

Respectfully Submitted:

Frank Grossman

Rob Bate