

Palmer Memorial Episcopal Church

Finance Committee Minutes

June 18, 2025

Present: Rosine Hall, Richard Avant, Pam Lovett, Dick Viebig, Jessica Evans, Pam Harvey, Davis Maxey, Kip Krause, Tom Van Arsdel, Bet Hunter. Auditors: Mimi Holt, Bonnie Choy.

1. Opening Prayer – Pam Harvey
2. Meeting opened. Dick opened the meeting by announcing that Pam Harvey has agreed to serve as Palmer's Treasurer, as Larry Wood has resigned. He then introduced our auditors from Blazek and Vetterling: Mimi Holt and Bonnie Choy.
3. Auditors' Report. The auditors presented two rather lengthy, detailed documents regarding the annual audits for 2023 and 2024. They described methods, responsibilities, limitations, and results of the audit. They asked us questions about whether we knew any information adverse to their findings; we did not. Given the limitations of church accounting, such as not listing the church real estate as an asset since it is owned by the Diocese, it seems we passed with a positive report. This simply means that our financial reports for both the Parish and the Palmer Endowment match the actual income, expenditures and fund balances for the year. It should be noted that the Operating Fund has had a net negative value for both 2023 and 2024, meaning expenses exceeded revenues. The audit also noted that our cash on deposit at the bank exceeds the federally insured limit per depositor per institution.
4. Action Items
 - a. Minutes of May meeting were approved.
 - b. May 2025 Financial reports were approved. The Finance Council wishes to raise awareness of the Vestry to significantly decreased giving (donations and pledges) in both April and May. This is concerning because the fall-off is unusual so early in the year. We have come to expect summer deficits, but not this early. Due to prepaid pledges, the first 5 months look ok. But as our new clergy person salary begins in August, it is to be watched.
 - c. Committee on Restricted funds. Finance Committee notes that the restricted funds contain certain assets for groups no longer active in the Parish. Pam Lovett will chair an ad hoc committee examining whether some of these funds could be returned to the Operating Fund as undesignated. Kip and Pam will serve on it, and we might ask Betty Key.

5. Discussion Item – Rectory mortgage. Dick and Bet noted that our mortgage rate increased substantially from 4.25% through May 2023 when it increased to 9.25%. They will visit the bank and discuss re-negotiating. Total owed is currently \$667,627.

Addendum: June 30, 2025. Dick and Bet did go to the bank to discuss the mortgage, as well as how our account might be insured by FDIC. Two very positive results of this visit: the bank will pay us interest on the cash account, will divide it into two portions (one shared with other banks) for the purpose of insuring the total deposited through FDIC. They also negotiated a reduced interest rate about 2% less than current on the mortgage.