

Finance Committee Minutes

Wednesday, May 8th, 2024, via Zoom

Attendees: Lynda Grande, Committee Chair; Esther Beth Sullivan, David Cates, David Dietrich

Staff: Jill Baker, Executive Director, Jodi Todd, Accountant

Invited Guest: Nathan Saravalli (outside auditor, JCCS)

Committee Chair Lynda Grande called the meeting to order at 12:00 PM. A quorum was present.

Review of FY2023 Audit and 990:

Lynda invited Nathan to present the audit report to the committee. Nathan provided an overview of the audited financial statements, noting that it was a clean audit with no findings. He noted that HM had included the lease policy adoption that JCCS recommended during the FY2022 audit. He then reviewed the 990 with the committee and answered questions. He reported that the organization has made great strides with accounting best practices since Jodi Todd was hired in 2019. And, that a clean audit during a time of leadership transition puts the organization in a strong position.

Dave Dietrich requested information about the percentage of public support that Humanities Montana receives noting the high percentage of federal funding that HM receives. Nathan informed that committee that such a high percentage of public funds is common for nonprofits. However, to have the majority of the funding come from one source (NEH) is of concern. It would be in the best interest of HM to diversify its funding sources for long term sustainability.

The committee thanked Nathan for his presentation and asked if he would share his PowerPoint presentation to share in the consent agenda for the entire board to review. Nathan agreed and offered to include his notes and include public support information from 990s of other state humanities councils for comparison. The committee asked him what he thought the most important messages were to share with the full board during the audit report in order to best meet their

fiduciary responsibilities. He recommended that the board understand why their organization received a clean audit, and what the difference is between a clean audit and an audit with substantial findings. The board may want to review the FY19 audit report in order to understand the progress that the organization has made over the past five years. He congratulated the committee and staff on their excellent progress.

Nathan left the meeting at 12:40 pm.

Jodi informed the committee that she has given her notice due to personal reasons, but will continue to provide support during hiring and onboarding as much as possible as well as the FY24 audit. Jill and the committee thanked Jodi for her nearly 5 years of service to HM. Jill informed the committee that she is in the process updating the job description and will be hiring a full time Fiscal Operations Manager as soon as possible.

The finance committee will meet again on Wednesday, May 22nd at Noon via Zoom to review the April 30th financial statements.

Lynda adjourned the meeting at 1:05 pm. JB