

FIRST UNITARIAN SOCIETY FOUNDATION OF MADISON, INC.

Minutes of Directors' Meeting held February 13, 2023 (In-person)

Adopted: April 10, 2023

Present: Kendall Harrison (Secretary), Kathy Luker (Vice President), Annette Hellmer, Dean Hessler (Treasurer), Kurt Stege, David Kuenzi, Carol Stang, Pete Marion.

Also present: Emily Cusic (FUS Trustee), Mike Hablewitz (Wegner CPAs)

Kathy called the meeting to order at 7:03 p.m.

Minutes from October 10, 2022 Meeting

MOTION: Dean moves to approve the minutes with the amendment described below. Annette seconds.

The amendment is that in the first line of the fourth paragraph instead of the word “plus,” it should be the word “including”, such that the sentence will read “This fiscal year, we will be making a \$46,389 program distribution each quarter to FUS, including \$2,000 for administrative expenses.” And, in the next line, the correct number is \$46,389, not \$48,389, making the sentence read “So, the total payment each quarter will be \$46,389.”

Motion passes.

Audit Report (Mike Hablewitz, Wegner CPAs)

We do an audit once every two years. We audit two years simultaneously.

The audit found no internal control deficiencies. It is a clean audit opinion. In other words, our financial statements are appropriately stated.

Net assets as of June 30, 2022 are down from June 30, 2021.

Footnote 6 – Pete explains that the exception for the Stucki Nicholson Fund was removed. Wegner will amend that before finalizing the audit.

Footnote 9 – As of June 30, 2020, two funds (Stonehauers' and Program Enhancement Fund) are now being treated as “donor restricted” instead of “board designated”. That restatement is reflected in this audit. Nothing changes in the total amounts.

We are not voting to approve the audit tonight because a few revisions are necessary before finalizing it. Also, if the board has any additional comments after further review, we are to direct those to Pete, who will get them to Mike. After that, Wegner will finalize the audit. We will do a formal board approval after that.

Gift from Michael May Estate of \$5,000

MOTION: Pete moves we direct this gift to the Society Fund. Carol seconds. **Motion passes.**

Treasurer's Report (Dean)

Dean reported that we did well in FY 2023 2nd Quarter. Assets up \$153,931.91 for the quarter.

The full report is as follows:

Balance Sheet on December 31, 2023

Assets

Total assets were \$3,257,947.73, an increase of \$153,931.91 since September 30, 2022

Vanguard investments totaled \$3,222,157.30

Liabilities

Custodial funds totaled \$110,356.93

Friends of the Meeting House \$85,251.24

UU Alliance \$25,105.69

Administrative Support \$2,000

Net Assets (Equity)

Income Statement (Profit & Loss) for 10-1-2022 through 12-31-2022

Income

Vanguard Investment income totaled \$206,320.91

WCCN microfinance note interest paid \$0

Donations \$5,000

Total income for the year to date \$211,320.91

Expenses

Program distributions from Donor funds to FUS totaled \$44,389.00, Year to date \$88,778.00

Foundation administrative expense \$14,000 to date

Custodial fund earnings expensed totaled \$6,592.88

Net income- for quarter \$149,339.03 Year to date -\$70,276.82

MOTION: Kendall moves to approve the treasurer's report. Annette seconds. **Motion passes.**

Portfolio Review (David and Carol)

David shared the portfolio spreadsheet and explained:

- \$166,000 gain for the 4th quarter.
- Portfolio was down 17.8 percent for the calendar year.
- Allocation of portfolio – we are underweighted in bonds, and the stock portfolio is slightly overweighted, but David does not see a need to make any adjustment to those.
- SUSA – Our ESG fund. Inception date is 2005. Carol believes the fund has done fine. Very similar to S&P 500 returns.

MOTION: Kendall moves to accept the investment report. Kurt seconds. **Motion passes.**

Distributions (David)

We need to raise about \$60,000 in cash for upcoming distributions in this quarter and next.

David recommends that we generate it from two overweighted funds - \$40,00 from BJK and \$20,000 from VWO.

MOTION: Annette moves to approve the recommendation. Dean seconds. **Motion passes.**

Contract with CPA – Kollath (Kathy)

Quarterly fee has gone up from \$1,000 to \$1,100.

MOTION: Pete moves to approve. David seconds. **Motion passes.**

Staff Update (Kathy)

Monica was unavailable. Kathy distributed the February highlights that leadership gives to the board of trustees.

President's Report (Kathy)

We have a 20 percent interest in the Betty Bamforth Trust – our share on 12/31/22 was worth \$877,000. When Betty's sister (who is currently 99) passes, the 20 percent share will come to the Foundation.

Distributions for Next Fiscal Year (Dean)

Total proposed payouts for the 2023-2024 fiscal year are \$177,179.00. This is just a touch smaller than last fiscal year.

MOTION: Kurt moves that we adopt this payout. Carol seconds. **Motion passes.**

Meeting ends at 8:07 p.m. Next meeting is on April 10, 2023.

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