

Tidewater EMS Council, Inc.  
**Audit and Finance Committee**  
**MINUTES, October 10, 2012**

*Present*

Kent Weber, Chair  
Clifford Stewart  
Judy Imdahl-King, CPA, Strickland and Jones  
Jim Chandler, Staff

*Absent*

Wayne Shank

1. Mr. Weber called the meeting to Order at 10:05 am. A motion passed to approve the committee minutes of April 11, 2012.
2. Insurance and risk management follow-up – Members has no additional comments or suggestions with regards to insurance or other risk management procedures. The topic can be opened and readdressed during any future meeting. It was agreed to look at the issue of contractor versus employee status during the next meeting.
3. Review Form 990 – Ms. Imdahl-King reviewed the IRS Form 990 page by page. Members asked various questions which were answered. Unrelated business income tax (UBIT) resulting from the rent generated by the tenant in suite 201 was discussed. The full rent less adjustments for direct expenses such as repairs, utilities, etc as well as allocated depreciation and mortgage interest resulted in net UBIT of \$4169, resulting in a tax of \$650. Ms. Imdahl-King was asked to check whether a tax credit for small business payment of health insurance premiums could be applied against the tax. Ms. Imdahl-King was asked to comment on how the organization might satisfy one of the “Governing Body/Policies” questions about enforcing compliance with the council’s conflict of interest policy. She recommending having directors sign the already developed disclosure compilation developed for the Office of EMS which identifies financial or regulatory relationships of directors and staff with OEMS. During the review a few corrections were noted which Ms. Imdahl-King will make and send an updated final 990. The draft was also provided to the full board for review. The report will be filed electronically.
4. Review investment report – The quarterly investment report through 9/30/12 was provided and discussed. It was noted the income and growth fund allocation currently exceeds the policy allocation by 1% but the committee agreed to maintain the allocation as is and readdress it at the next meeting if needed.
5. Discuss accelerated mortgage principal payments – Members asked Ms. Imdahl-King about her thoughts on using investment funds to accelerate the mortgage pay down. She commented that the council had a good year financially, funds are available, and currently investment returns are fairly low, but that maintenance of a reserve fund is important as well as Board promises to its programs (MMRS, ES, TRTRT – aka “Board Designated Funds”) for preservation of fund balances for those programs. The committee will need to balance these considerations in determining this question. It was agreed to revisit the issue during the next meeting.
6. Adjourn – Members thanked Ms. Imdahl-King for her input today and for the positive relationship between Strickland and Jones and the council. With no additional business, the meeting adjourned at 11:50 am.