

FINANCE & AUDIT COMMITTEE

DRAFT Meeting Minutes

January 22, 2018 at 5:00PM in Tollefson

Trustee Attendees: Carol Hoffman, Helen Stoll, Bobbie Moore, Phil Rockefeller, Marline Le Mire, Alan Crain, Lisa Hecker, Aaron Schielke

Staff Attendees: Lynette Ladenburg, Ellen Oconer, Robin Schuman, Tammi Palodichuk, Heather Dartt, Diane Wasson, Kami DeHeer

1. **Call to Order** – Carol Hoffman, *Committee Chair*
2. **November 2017 Financial Highlights** – Carol Hoffman, *Committee Chair*
 - a. High census for Health Services
 - b. Early Learning Center census slightly under
 - c. Monthly net loss of \$27,503. Consolidated net income for November equaled \$185,773
 - d. November financials were impacted by the Thanksgiving holiday of approximately \$45K
 - e. CFO is working diligently with her Accounts Receivable staff to clean up aging balances and some prior year issues. The CFO and CEO review balances monthly for progress.
3. **December 2017 Financials Highlights** – Carol Hoffman, *Committee Chair*
 - a. Retired \$2.7M is assets at the end of the year.
 - b. Cash on hand improved to 54 days.
 - c. Concentration and monitoring of accounts receivable continues. CFO now providing a monthly analysis of accounts receivable with financial statements.
 - d. Helen Clark trust: Stipulation to annual fund distribution goes to women who faced difficulty in life and are in need of assistance to support quality of life. Funds support outings, glasses, dentures, and room/board for women only. In 2017, we received a distribution of \$71K. Started in 2009.
 - e. Home and Community Services (HCS) overall was below budget in both revenue and expenses. However, cash flow for the year represented an \$81,380 increase, while net income equaled \$1,574.
4. **Financial Initiatives Update** – Carol Hoffman, *Committee Chair*
 - a. The committee discussed in detail the HCS goodwill of \$700K currently on the HCS balance sheet. Per GAAP requirements, CliftonLarsonAllen annually reviews the balance to determine

reasonableness. Further discussion during the audit with management, Finance Committee and auditors will take place regarding the valuation.

5. **Investment Policy Discussion & Approval** – Carol Hoffman, *Committee Chair*

- a. Discussed para E, what is the scope and depth of the board responsibilities, how to keep the responsibilities in line with our capabilities, not take on more responsibility than needed to monitor the investment program. Alan Crain will research and provide language changes regarding risk at the next committee meeting.
- b. Recommendation of quarterly investment reports to management and the Finance committee.
- c. Investment Manager reporting is currently quarterly in person. However, with quarterly reports once or possibly twice per year would be sufficient.

6. **Corporate Presentation: Health Services** - Kami DeHeer, *Assistant Administrator*

- a. Kami presented a Health Services labor analysis for the committee:
 - i. In regards to 2017 terminations, 58% of non-nursing staff have been at M&M < 1 year (55 positions)
 - ii. 60% of terminated nursing staff have been at M&M < 1 year (109 positions)
 - iii. The Senior Leadership Team is currently analyzing the reasons why people leave M&M weekly. Management did explain that turnover is less than the industry average.

7. **Next Steps**– Carol Hoffman, *Committee Chair*

- a. Morgan Stanley Financial Performance Review - report on our portfolio
- b. Next Corporate Presenter presentation: Childrens
- c. Intercompany payables - how to treat them in the future, e.g., HCS loan from LS \$400K.

8. **Next Meeting** – Carol Hoffman, *Committee Chair*

- a. Thursday, February 26, 2018 at 5:30 PM in Tollefson