**FINANCE & AUDIT COMMITTEE**

Meeting Minutes

February 25, 2019

**Trustees Present**: Alan Crain, Bill Baird, Aaron Schielke, Marlene LeMire

**Staff Present**: Robin Schuman, Lynette Ladenburg, Chris Vernon-Cole, Tammi Palodichuk, Heather Dart and Diane Wasson

**Absent**: Helen Stoll

**Call to Order** – Alan Crain, *Chairperson / Finance & Audit Committee*

Meeting called to order at 5:05 pm

**Approval of Meeting Minutes** – Alan Crain

MOTION- Approve the January 28, 2019 Finance and Audit Committee Meeting Minutes. The motion carried.

**Financial Report** – Robin Schuman, *Chief Financial Officer*

Consolidated

* Days cash on hand increased from 83 in December to 85 in January.
* Net Income for January was $19,853.20 compared to budgeted $44,361.63.
* Advertising is over budget by $4,433 due to increase in marketing for recruitment & retention.

Health Services

* Days cash on hand for January increased to 37 days from 34 days in December.
* Census January was 167.84, compared to budgeted 167.
* Accounts Receivable of 60 days and over has decreased to 13.31% .
* Revenue was under budget ($34,471.51) due to fewer Medicare days in the payer mix.
* Purchased Services is under budget due to invoice timing.
* Net income of the month was ($51,576.73) compared to budget of ($22, 224.10).

Children’s Services

* Days cash on hand for January increased to 60 days from 49 days in December.
* January census for combined centers was 244 compared to 248 budgeted.
* Net income for January was $36,973 compared to budgeted $7,144.41

Home & Community Services

* Days cash on hand decreased from 46 days from 51 days in December.
* January net income was $7,485.89compared to budgeted $11,465.69.
* Revenue is under budget ($14,802.29); expenses are comparably under budget by $10,102.56.

Ebenezer Services

* No vacancies.
* January net income was $10,142.98 compared to budget of $8,062.84.

The committee discussed in detail the Martha & Mary financials. All areas appear reasonable for the month of January

**Annual Audit -** Dan Frein, CliftonLarsonAllen (Conference Call)

The audit is not yet complete, but a final report on the findings will be presented at the March Finance & Audit Committee Meeting. Thus far, no material adjustments have been found. The following items were noted:

* Follow-up on last year’s recommendation that the CFO’s check-signing authority and access to all vendor accounts, etc. be reviewed and considered for greater restrictions has been resolved.
* Review of Payroll Records: Identified some individual pay rate changes for which supporting documentation, including authorizing signatures, could not be provided. Recommending a standardized process for all changes to individual salaries to include written document with appropriate signatures to authorize the changes. Best practice is two authorizing signatures.
* Broad wage scale increases requires analysis and a prepared written proposal including the comparable market range. The documented analysis and back-up materials should be attached to the file.
* ELC project has been closed and the depreciation was recorded. Adjustments are still needed to correct the settlement proceeds.
* The BCF grant will be reviewed, to include review of the financial statements and notes (HUD has some specific requirements to be observed).
* Acknowledged the adjustment to depreciation as a result of changing the asset depreciation program and correcting the number of years depreciation to many assets.
* Increased Allowance for Bad Debt by approximately $35,000.
* Visa invoices review: More detail is required regarding the expense and purpose, and if a second party used another’s card, a dual signature is required.
* ACH payments / transfers of greater than $1000 requires two signatures.
* IT security and efforts to protect the security and integrity of data/information. Recommends an IT Risk Assessment to review protection of assets and cyber security. This may include penetration testing, vulnerability testing, and/or password protocols.
  + New not-for-profit standards have been published which change the information to be included in footnotes. Greater breakout and more detailed information is required. Footnotes will address liquidity. This new standard will be presented in greater detail at the March Finance & Audit Committee Meeting, to which all board members will be invited. (Dan will send the new standard NFP slides to Robin.)

**Other Business**

During the January meeting, as noted in the minutes, language regarding changes to the investment policies was read into the minutes. The revisions were to be incorporated into the investment policy of each individual corporation for approval, adopted and moved for board recommendation during the February meeting. This action will be addressed at the March Finance & Audit Committee Meeting.

**Adjourn**

The meeting adjourned at 6:14 pm.