

FINANCE COMMITTEE MEETING  
 Friday, April 26, 2019 1:00 – 3:00  
 Webinar/Teleconference  
 APPROVED MINUTES

Committee Members		
R. Shreewastav, Chair - Present	J. Boudreau - Present	T. Brookes - Present
J. Dunn - Present	D. Gelowitz - Present	
Staff Support		
J. Monterrosa – Present	W. Guy - Present	M. McCourt - Present
Observers Present		
G. McDonald		

1.	<p>CALL TO ORDER AND APPROVAL OF AGENDA          The Chair called the meeting to order at 1:01 pm and welcomed everyone. Noting that a revised agenda book was circulated, and confirmed everyone received it.          Moved by T. Brookes, seconded by D. Gelowitz  <i>THAT the agenda be approved.</i>          CARRIED</p>
2.	<p>APPROVAL OF MINUTES FROM FEBRUARY 5, 2019 MEETING          Moved by J. Dunn, seconded by D. Gelowitz  <i>THAT the minutes of the February 5, 2019 meeting be approved as written.</i>          CARRIED</p>
3.	<p>DISCUSSION ON UNRESTRICTED RESERVES BALANCE IN 2019 BUDGET          R. Shreewastav provided a background on the issue with the reserve funds for the 2019 budget, and confirmed the decision that PEO made to not take the affinity funds.</p> <p>J. Monterrosa provided an overview of the proposed motion for the Board providing background information for each part.</p> <p>D. Gelowitz supports closing the restricted reserves, but suggests that the four million rolling reserves be evaluated noting that this eliminates confusion surrounding having multiple reserve funds.</p> <p>The PEO affinity revenue from 2018 will be recognized as revenue, and will flow through to the unrestricted reserves fund.</p> <p>G. McDonald added that KPMG has a methodology they recommend that would be used in developing a net asset reserve policy. KPMG advised that it is beneficial to our not for profit status to use reserve funds from time to time.</p> <p>J. Dunn would like to identify what happened, how it happened, and how do we ensure it does not happen again.</p>

	<p>G. McDonald commented that there has been a lot of change with the move from the Carver model and the implementation of the new Strategic Plan making the alignment from the audited statements and the budget further. It was an error, we looked at previous budgets and carried forward from there rather than referencing our audited statements.</p> <p>The motion on the agenda to be put before the board by the Finance Committee for approval was discussed.</p> <p><i>THAT the Engineers Canada Board:</i></p> <ul style="list-style-type: none"> <li>a) <i>Approve the recognition of the \$2.14M currently in accounts payable as Engineers Canada revenue in the 2019 fiscal year.</i></li> <li>b) <i>Approve the closing of “the Capital reserve for purchase of assets” reserve and the transfer of its current balance of \$250,000 to the unrestricted reserves.</i></li> <li>c) <i>Approve the closing of the “Other internally restricted” reserve and the transfer of its current balance of \$211,400 to the unrestricted reserves.</i></li> <li>d) <i>Direct the proposed Finance, Audit, and Risk Committee to develop, for approval of the Board, an official net asset policy to determine the level of net assets required to mitigate identified risks and fund anticipated major projects.</i></li> </ul> <p>T. Brookes moves, J. Boudreau seconds</p> <p><i>THAT the motion as written be put before the Board for approval on at their May 24, 2019 meeting.</i></p> <p>Carried</p> <p>R. Shreewastav will speak on behalf of the committee regarding this motion.</p>
4.	<p>REVIEW OF Q1 STATEMENT OF OPERATIONS AND FORECAST</p> <p>J. Monterrosa provided an overview of the new format of the statement of operations. This is the beginning of moving forward to having greater alignment between the budget and financial statements.</p> <p>J. Monterrosa walked the committee through the statement of operations as presented and discussed the notes. There is a temporary surplus, the revenue will continue to grow minimally while expenses will grow at a greater rate throughout the year.</p> <p>D. Gelowitz requested clarification on how the affinity revenue is recognized and how future PEO funds will be handled.</p> <p>T. Brookes requested to see each quarter broken out in order to see changes by quarter.</p> <p>J. Monterrosa presented the forecast as presented. D. Gelowitz noted that there could be a misstatement in regards to the affinity funds. The budget and the forecast do not include funds that PEO may receive. The notes will be updated accordingly. Amounts payable to PEO will be removed from revenue altogether.</p>
5.	REVIEW RISK REGISTER

	<p>G. McDonald provided an overview of the risks that have changed.</p> <p>There was a discussion on the risks associated with the affinity revenue in regards to the notice that APEGA and Engineers Nova Scotia gave providing 180 days notice of potentially leaving the program. If a regulator leaves the program, the policy holders who generate the revenue may not leave.</p>
6.	<p><b>OTHER BUSINESS</b></p> <p>D. Gelowitz asked if PEO has given any indication of intentions for 2019. It was confirmed that 2018 would not be collected by PEO, but they are leaving 2019 and future years open.</p>
7.	<p><b>ADJOURNMENT</b></p> <p>Meeting adjourned at 2:14 pm.</p>