

**Hornby Island Co-op
Board Meeting Minutes
August 10, 2020**

Present: Jill Candlish, Judith Fletcher Elkins, Rob Lewis, Don Peterson, Lisha Scott, and Randy Wunderlich

Regrets: Claire Burke, Jennifer Fletcher, and Bill Havens

Guest: Cory Vanderhorst

Recorder: Anita Lewis

Location: Zoom Meeting

Time: 3:30 PM – 3:56 PM

Don opened the board meeting at 3:34 PM. Review of the Annual Report is the only agenda item.

Cory walked us through a high-level review of the report, year ending January 31, 2020. Of note:

- Solid year for the HI Co-op, strong sales from last summer's tourism, sales up approximately \$320K and while operating expenses are also up about \$110K (due to wage costs and increase grocery costs), gross margin is up overall.
- FCL has changed to a JD Edwards payable system which altered reporting on things like deposits.
- Not much fluctuation in inventory (pre-COVID).
- Reviewed cash and asset position – both positive. Lisha noted that UBCU is matching the FCL deposit rate.
- Increase in Retained Earning due to increase in net income.
- Patronage is down as FCL didn't have as good a year as last year.
- MNP has added a standard comment to all audits noting the impact from the COVID19 pandemic is pending and next year will show the impact.

MNP is satisfied with the financial performance of the Co-op and delivered a clean audit opinion. Nothing to really note. With regards to methodology, all audits were done remotely this year, due to COVID19 and both the Co-op management and FCL were helpful with the audit. Transactions over \$103K drive the audit as well as lots of sampling of items that fall under that amount. No fraudulent or illegal activity was noted. MNP is independent of the board. Cory reviewed the various standard adjustments. Of note is the potential requirement for monies to be accrued to handle remediation of the Gas Bar fuel tanks at the end of their life. Total unadjusted items fall just shy of \$20K, well within allowable range.

MOTION: To approve the auditor's report as presented. M/S Rob/Judith, carried.

The meeting ended at 3:56PM.