

Agenda of May 20, 2008

1. Minutes of April 20<sup>th</sup>, 2008
2. Directors liability insurance
3. IOU shopping list procedure
4. Cash control
5. Membership fee and building fee collection timing
6. Offering statement - Review problems as returned by the Ministry of Finance
7. April 30<sup>th</sup>, 2008 Financial Statements
8. POS Sub-Committee report
9. Board request for membership shopping statistics
10. Board request for surcharge and flat fee statistics
11. 2008-2009 Budget

Minutes of April 20<sup>th</sup> - approved without changes

Don is going to settle the date on which the interest will be paid on the big buck loans.

1. Directors liability insurance. Justin has been mandated to add directors and officers insurance with The Cooperators. Justin has the document and needs to complete it and attach a copy of the financial statements (copy to Justin).
2. IOU and Shopping List Procedure. After the discussion at the committee and the Board the staff did not implement the recommended changes. The staff instead suggested changing the IOU process so that the IOU book is an accounting of each member's IOUs so that each IOU must be paid off before another IOU can be granted. The amount of each IOU is noted and there is an alert note put on the member's card. The Shopping List is still not going through the cash but rather is being posted.
3. Cash Control. Discussion of volunteer cashiers and staff cashiers. Justin feels that we have adequate current controls as most of the transactions are through the debit process and very few are now through cash transactions. They are currently checking the cash drawers at the end of the shift and reporting shortages or overages at that time. Justin will recommend a limit on cash back on Interac transactions.
4. The Board has agreed to keep the Membership fee at \$18 and to be collected on June 1<sup>st</sup>. The Building Fee remains at \$18 and is to start collection in November 1<sup>st</sup>. We are behind the budget in collecting the Membership Fee (from this time last year to this year we are behind approx. \$2000.) The Committee would like to ask MariLou to go through the cards and report once a month how many outstanding fees there are. We suggest that all outstanding membership fees must be paid by October 31<sup>st</sup>, 2008. Otherwise those members' shopping privileges shall be suspended until the fees are brought up to date.
5. Review problems as returned by the Ministry on the Offering Statement document for the Big Buck Loans. Received a letter with 11 deficiencies most

critical being that they did not receive a signed copy of the financial statements. Don will take care of the issues.

6. Financials Statements. We are behind on sales but ahead on gross margin. We have saved money in expenses (expenses are lower by \$23,000). But the question is whether the gross margin is accurate (is it 18-20%). As usual we would recommend the Board wait until the audited statements to determine whether our financial position is as good as currently projected.
7. Budget 2008-2009. The Board approved the membership budget as presented by Donald. The operating budget – Donald advised that the current budget be extended until such a time as we know the consequences of unionization, i.e., wage costs and consulting fees. And that the staff be engaged to construct the new budget. Donald advised that we do a market survey of local competitors to determine whether there is room in the budget to move the mark-up. Justin and Denise will have a draft of the budget for the next Fin Comm meeting.
8. POS Sub-Committee report. The Committee has received the report. They are meeting with FreeForm next week. We are not completely confident that OpenBravo is the system we will recommend but it does have the support of the Committee and is advising the Finance Committee it will probably be the system selected.
9. Membership statistics. John will speak to Marilou concerning the quarterly membership information. He will request that they be circulated to the Finance Committee.
10. Board request for a review of the non-working membership charges. The President requests a review of the current flat surcharge and possibly replace it with the current percentage surcharge per shop. We feel that without a competitive review of our position in our local marketplace we cannot recommend a change to the current non-working membership charges. We are concerned that there are currently very competitive alternatives in the neighbourhood. We await the President's report on our competitive position in the marketplace.
11. Next meeting is scheduled for June 16<sup>th</sup> at 250 Robert St at 7:00pm.

Note the audit is scheduled for July 20 and 21<sup>nd</sup>. 2008.