

To: The Board of Directors
From: Janice Perrino
Re: Executive Expectations – EE7 – Financial Condition

November, 2020

Report on Executive Expectation #7 – Financial Condition. Presented in accordance with the Monitoring Schedule as approved by the Board. I certify that the information contained in this report is true.

Policy Wording EE7: The CEO is responsible for managing the financial resources wisely and responsibly.

Accordingly, the CEO shall:

1. Ensure expenses do not exceed 40% of overall revenue.
 - 2nd Quarter Financial Reports have been completed to September 30, 2020 and will be presented to the Board for approval at the December 8, 2020 meeting. Overall revenue is \$1,075,622 compared to a prorated budget of \$2,000,000 for half the year. Total expenses are \$367,512 compared to a prorated budget of \$550,000 for the first six months. Total expenses as a percentage of total revenue was budgeted at 28% for the year, and in the first six months, expenses are tracking at 34% of revenue. The expense to revenue target is therefore within Policy. Revenue to date does not include the Golf for Life Event during September, and we continue to receive donations for the Spring Appeal in aid of the ICU.
2. Only disburse funds pursuant to the Board's Ends Policies and its Purposes as set out in the Constitution.
 - All funds have been disbursed in accordance with the Ends.
3. Ensure the operating account does not drop below the amount needed to settle payroll and debts in a timely manner.
 - There are no amounts owing to Island Health at this time. Sufficient funds are on hand to cover the payroll and other payables. The operating bank account has a balance of approximately \$4.9 million, the gaming account has a balance of just over \$68,000.
4. Ensure all regulatory payments and filings, e.g. Payroll remittances, GST reports, Charitable and other Tax Returns, are accurate and filed on time
 - All regulatory payments and filings have been made to date.
5. Make sure that policies are in place to ensure the Foundation's financial stability and to safeguard its assets.

- The Foundation operates within a comprehensive policy framework governing all financial and human resources issues.
6. Provide regular financial reports to the Board for the Foundation and each subsidiary company that include but are not limited to:
- A comparison of the current year over the previous year and the current year against the approved budget, with explanations for any material variances
 - A Balance Sheet
 - An Income Statement
 - The Board will receive the 2nd quarter financial report up to and including September 30, 2020 in the required format at the December 8, 2020 Board meeting.
7. At the request of the Board, ensure an audit of the Foundation financial statements is conducted by a qualified external auditor.
- The 2019-2020 Audit was completed and the results were presented to the Board at the September meeting. At the subsequent AGM of the Society, held on September 29, 2020, the audited non-consolidated financial statements for the Foundation were approved.