

Budget and Finance Committee Report

19 July 2024

Clarendon Town Hall, Clarendon, Vermont

In Person and Telephonic Meeting

Board Members Present: Peter Fagan (in-person), Charly Dickerson (in-person), Michael Klopchin (in-person), Joyce Scribner (telephonic) Bob Hooper (telephonic).

Board Members Absent: Chip Troiano

Guests/Staff: Steven McClafferty (telephonically), Rich and Ashley with Bonadio Auditors (Joined at 1:15)

Started at 1300hrs

Strategic Goals Addressed: #1 Serve More Vermont Veterans, #9 Preserve Financial Health

Motion made by Charly and seconded by Mike Klopchin to include in the agenda a discussion with the Auditors, motion approved unanimously.

Agenda was to determine questions to ask of the auditors, discuss the audit with the auditors and discuss the possible audit of the Trust Accounts (Vuori and Common)

Discussions:

1. Audit: We wanted to ask about risk and the auditors told us that Nothing Material has been found in their experience.

We asked about how the audit of the Home fits into the annual State of Vermont audit and the auditors told us that they do not perform the state's audit. Their report goes to the State of Vermont and is included in the overall audit.

We also asked what to expect. They told us this is a financial audit and not an operational audit and that included in their work they would test the internal controls.

The auditors then asked if we were aware of any fraud going on at the Home to which each of us in turn responded that we were not aware of any issue. They also asked if we wanted an audit out-brief, we responded that we did want an out-brief.

2. Trust Accounts- Peter Fagan stated to the auditors that the Board of Trustees are Fiduciarly responsible for the two Trust accounts held at the State of Vermont Treasurers office in a pooled asset with other non-Veterans Home assets, specifically the Common Trust established in November 2001 and the Vuori Trust established in October 2002. I further stated that since they are not State of Vermont monies that they have not been audited and that the Board should have them periodically (TBD timeframe) audited. The Auditors were aware of both accounts. They stated the Donation account is included in the audit and the \$8000 is a material transaction which is the audit threshold. They further stated they could audit the two Trust accounts.

We asked the auditors to develop options, cost estimate for each option and any questions that we have not asked to enable the Finance Committee to return to the full Board with options and a recommendation for approval of an audit before we could contract for an audit. They felt that later in the year was possible and will get back to us, also they would recommend options for internal controls for the accounts.

Rich added that they could do some work on the Trust accounts during the normally scheduled audit. We advised him that if there was any cost associated with work on the Trust Accounts to NOT do the work as the responsible payer for the normal audit is the State and the Board would be responsible for paying for an audit on the Trust.

General Discussion: Charly stated that years ago an AAG made a determination regarding usus of the Common Trust which had been held locally at Chittenden Bank and had its funding origins in land sales by the Home to other entities. Charly also stated that the Vuori Trust had “needy Veteran resident” described in a 2006 document and stated that a Veteran resident receiving Medicaid was considered “needy”. Charly is currently looking for both the AAG determination and the document spelling out our definition of “needy”.

Findings / Recommendations: Audit out-brief to be heard in December and Recommendations for a Trust Audit will be forthcoming from auditors.

Future meeting Dates: 20 September at 1300hrs

Audit subcommittee meeting with auditors for an out-brief: December, TBD.

Future Agenda Items: Trust Accounts, Bad Debt Expense, Audit results

Adjourned: 1415hours

Peter Fagan (Committee Chair) 23 July 2024

Mileage:

Peter Fagan- 15 miles round trip

Charly Dickerson- he will call

Mike Klopchin- 10 miles round trip