

**STRIVE**  
**FINANCE COMMITTEE MEETING – September 22, 2015**

**PRESENT FROM BOARD:**

Marna Lake, Mike Nordine, Jeff Parker, Joe Warner

**PRESENT FROM STRIVE:**

Sharon Jacksi, Chris Bergquist, Linda Briggs, Mickey Burns

ITEM	OVERVIEW OF MEETING
1	Audit Review, Summary & Comments
2	General Discussion & Committee Feedback

**Audit Review** – Peggy Jennings, Partner from Eide Bailly, handed out the audit packet for the FY ended June 30, 2015.

**403b Plan audit & 5500:** The 5500 is ready to file once it is approved. It is very regulatory and completed by AUL. The auditor checks the Schedule H financial information. The fidelity bond is adequate coverage, as per the requirements of the Department of Labor. On page 4 of the 403b plan audit, page 3 shows our plan assets are fairly steady. Page 4 shows the money contributed, and shows a high amount of participants that requested distributions. The disclosures are the same as other plans on page 10-11. Level 1 would mean the most transparency into the market. Our investments are a level 2. Page 16 of the audit shows our investments with descriptions. Page 17 shows the detail on the late payment with the catchup payment. There were no changed policies, and no difficulties in preparing the audit.

**DD Housing, Inc.:** The audit report is fully comparative, and is shown consolidated within the Strive audit report.

**Strive:** Peggy noted there is a clean opinion on the audit, with no exceptions. On the Balance Sheet, for 2015 the cash is more than last year, and less Accounts receivable. Because of the group home sales in 2016, there will be a gain on sale, as a result of a low net book value. Total liabilities are down by around \$400,000 from last year due to debt repayment. The Consolidated Statement of Activities on page 4 & 5 show an increase in total revenue of approximately \$600,000 with expenses only increasing by around \$100,000, showing our operations are being run as lean and mean as we possibly can. Sharon and Chris are to be commended for their cost containment efforts in this last year shown by a \$15,000 net income in 2015, compared to a \$464,000 loss in 2015, a swing of \$500,000. Page 6 and 7 show the combined functional expenses by program for 2015, with page 8 and 9 showing the same presentation for 2014. Residential expenses showed a large decrease of \$300K, case management up some, and EI down because Case management and EI were broken out in 2015. We do review allocations, and they are reasonable. The footnotes starting on page 11 are similar to the year before. On page 16, Note 2, is the reconciliation of the receivable from governmental agencies. Note 4, Promises to Give, are being paid as scheduled. Note 10 on page 19 shows the liability at June 30, 2015. We do have stop loss coverage, so we are partially self-insured. On page 22, there is a subsequent event footnote for the sale on August 5, 2015, and the lease-for-sale agreement. There was a passed adjustment on the accounts receivable noted in the management letter. There were no issues during the engagement. Peggy discussed the charts. Chart 3 states we have 1.5 months cash to cover operations. A good target for cash would be 2.5 to 3

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months. A good strategy is making sure all programs are as lean as can be. Peggy noted that our program costs to support costs of 90/10% are remaining stable. Peggy also went over the CCB data from the 2014 990s. Sharon will look into applications to increase our mil levy, and the marketing involved in that.

The Committee made a motion and a second to approve the audits as presented, and will present to the Board of Directors next Tuesday for approval.

The Committee made a motion and a second to approve the Alpine Bank ACH renewal agreement.

**General Discussion & Committee Feedback –** Chris mentioned that he is analyzing the effect on Strive of the Department of Labor proposal that states employees earning a salary of \$50,440 and under, will have to be converted to hourly. We don't require salary staff to log their hours, but he can estimate by position.