

**STRIVE**  
**FINANCE COMMITTEE MEETING – September 27, 2016**

Scott Coleman, Marna Lake, Mike Nordine, Jeff Parker, Cathy Staten, Joe Warner

**PRESENT FROM STRIVE:**

Sharon Jacksi, Chris Bergquist, Linda Briggs, Mickey Burns

ITEM	OVERVIEW OF MEETING
1	Minutes of the Previous Meeting
2	Audit Review, Summary & Comments
3	General Discussion & Committee Feedback

**Minutes of the Previous Meetings** – It was moved & seconded that the minutes of the previous meeting from June 16, 2016, be accepted.

**Audit Review, Summary & Comments** – Peggy Jennings presented an excerpt from the Form 5500 for the MDS Tax Sheltered Annuity Plan started in 1982. There are 833 participants listed in the plan. Chris mentioned that in the past we enrolled every employee in the plan. Now we only enroll them if they are contributing, so that number will be adjusted for the future. Since we moved to Mutual of America, we have increased participants from 60 to 164. Peggy explained that the audit of the Plan is a limited scope, which means Eide Bailly relies on the audit of the custodian for the Plan. EB audit includes procedures like reviewing adherence to the plan document, deferral percentages, and timely payments. Department of Labor requires the payments to be sent within 15 days, or a reasonable time from the pay date. The audit report is a disclaimer of opinion for ERISA plans, and is an unmodified opinion. Pooled separate accounts are common within 403b plans. It was moved and seconded to approve the Audited Financial statements for the 403b Plan as presented.

The Strive Consolidated audit also includes an unmodified opinion. On page 3, the Balance Sheets for 2016 and 2015 are very similar. There is a slight increase in accounts receivable for 2016. Construction in progress is the reconstruction of 181 Elm Ave for the Crisis Grant. Liabilities reflect the relief of \$490K in debt as a result of the property sales. Of the change in net assets of \$730K, \$170K was attributed to operations after taking out the gain on sales. The expenses by program are presented on page 6 and 7. The largest expense is salary & wages, with 2016 being less than 2015. The cash flow statement on page 10 shows net cash from operating activities of \$98K. In 2015, net cash from operating activities of \$792k was from Accounts Receivable collections. Cash didn't change much between periods. A footnote was added on page 12 about the crisis care services. Page 16 in Note 2 shows an increase in Medicaid receivables. Note 6 on page 18 shows the debt payoffs. Page 19, Note 9, explains the self-insurance stop loss, and how many claims are estimated for June 30, 2016. On page 20, Note 10, the restricted money is disclosed. The Clear Energy contract regarding the solar panels is explained in Note 11, page 22. The subsequent events disclosure is on page 22, Note 12. The Case Management schedule on page 24 is required by the State. Pages 26 and 27 present the statistical data. On pages 28-31, Strive & DD Housing are broken down, with a consolidated column. There was not a need to perform a compliance audit this year for DD Housing because the federal award

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expenses fell below the audit level \$500K. It was moved and seconded to approve the Strive audit as presented.

Peggy handed out the Trends and analysis for June 30, 2016. On page 4 of that report, it was noted there were no difficulties encountered, no corrected or uncorrected misstatements, or management comments. Each year EB chooses an unpredictable procedure, and this year they chose to review the P-card activity. There was one receipt that was not found, but the expense was verified by other procedures. Page 6 presents a 4 year comparison of our financial position. For 2016, the activities show a \$750K change in net assets, with \$567 from sales, leaving a \$183K gain from operations. As presented on page 8, Strive has about a 2 month cash reserve. Strive support and revenue is predominantly from the State, without much public support as shown on page 10. The chart on page 11 shows that program services expenses are at 90%. The Crisis Pilot is explained on page 12. There is a comparison to other CCBs for calendar year 2015 information on pages 14-19. There is an explanation of a new not-for-profit pronouncement on page 20 that won't affect us much.

Peggy went over an excerpt of the Form 990 for Strive. Page 3 questions make a distinction between lobbying and political activities. Page 4 questions discuss any transactions with related parties. On page 6, there are the governance questions, conflict of interests, and the whistleblower policy.

**General Discussion & Committee Feedback** – We will be hiring a new purchasing agent. The p-card limits are being circumvented, and we hope to gain control of that system. The purchasing agent will be expanding vendors to take advantage of economies of scale, similar to our purchasing with School District 51 supply center.