

Developmental Disability Services of Jackson County ~ eitas
Finance Committee Meeting
 December 6, 2016

Topic/Issue	Minutes	Summary of Action Taken or Pending
<p>Attendance</p> <p>Call to Order</p> <p>September 2016 Unaudited Financial Highlights</p>	<p>Russ Jones, Anita K. Parran, Lisa Honn, and Paula Smith, Board members. Earlene Clayton, Nancy Nicolaus, Anne Whalen, Jake Jacobs and Kathleen Ganaden, Staff. No guests.</p> <p>Russ Jones, Finance Committee Chair called the meeting to order at 5:00PM at the Administrative Offices of Developmental Disability Services of Jackson County - eitas located at 8511 Hillcrest, Kansas City, Missouri. The committee came together 30 minutes earlier as there was so much material to cover.</p> <p>Mr. Jones shared that the finance committee had four topics they wanted to cover in the meeting. The first topic was to review the 2016 Unaudited September 2016 financial statements presented by Earlene Clayton, Fiscal Manager.</p> <p><u>September 2016 Unaudited Financial Highlights:</u></p> <ul style="list-style-type: none"> • Operating Cash balance at the end of September was \$5.5M • Total investments at the end of September were \$2.0M • Total liabilities at the end of September were \$1.3M • Operating expenses for September were about \$1.1M • Net Operating Income for September was \$260,153 • After depreciation, net income for September was \$152,959 <p>Mr. Jones shared that eitas suffered a loss of about \$45,000 on disposal of the property at 607 W. Lexington. The property was recorded on eitas books for \$320,000 and disposed of for \$275,000. Ms. Clayton noted the new Note Receivable for \$200,000 from the sale of 607 W. Lexington. Eitas will receive monthly payments on the note for five years @ 5% interest, with a balloon payment due on October 1, 2021.</p>	<p style="text-align: center;">I</p>

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Investments	<p>The next topic of discussion was consideration of replacing an investment certificate that had recently matured. After reviewing current investment prospects provided by the bank the Finance Committee could come to no conclusion and therefore asked staff to talk to the bank some more and get back to the committee with some additional recommendations.</p>	Information
Audit	<p>Russ Jones shared that the even though the annual audit of the financial statements for 2016 had already been started by staff; it is the Finance committee charged with "monitoring the financial activities of eitas" and therefore needs to discuss the role the board ought to play in that audit. Mr. Jones continued by sharing that there are a few things not historically done, i.e.:</p> <ul style="list-style-type: none">• Having the Finance committee meet with the auditors without staff to ensure a clear and accurate picture of the financial management and processes of the organization.• Discussing with staff the potential for changing our audit firm. <p>that he feels the committee should take under consideration. Lisa Honn, Finance Committee member agreed to getting a list of firms that conduct audits.</p>	
Reserves	<p>In closing the Finance Committee continued for the fourth month their on-going discussion of the reserve policy. Due to time constraints members just started the discussion on the Triple-A approach to risk assessment.</p>	
New Business	<p>Jake Jacobs, Executive Director brought to the committees attention an article from the St. Louis Post-Dispatch titled "<i>Once swimming in surpluses, disabilities group now making steep cuts</i>". The article described how the tax-funded agency burned</p>	

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<p>New Business Continued</p> <p>Old Business</p> <p>Public Comment</p> <p>Adjournment</p>	<p>through \$17 million in reserves in just four years, sometimes mixing up those reserve dollars with regular operating funds and spending both at unsustainable levels. The end result is a financial mess that is causing the organization to start cutting funding to its 40 partner agencies.</p> <p>None.</p> <p>None.</p> <p>There being no further business the meeting adjourned at 5:59PM.</p> <p>Respectfully submitted,</p> <p>Staff</p>	<p style="text-align: center;">Information</p>