

Finance Committee Minutes

March 24, 2009

| Topic/Issue | Minutes | Summary of Action Taken or Pending |
|------------------------------|--|------------------------------------|
| Attendance | Anita Parran and Matthew Levi, Board Members. Becky Sandring and Don Saxton, Absent. Jake Jacobs, Earlene Clayton and Kathleen Ganaden, Staff. Guests: Brent Wilson and Cory Kaiser. | |
| Call to Order | The meeting was called to order at 5:37 PM at the Administrative offices of Developmental Disability Services of Jackson County - Eitas located at 8508 Hillcrest, Kansas City, Missouri. | |
| Draft of FY2008 Audit | <p>Mr. Cory Kaiser and Mr. Brent Wilson of Mayer, Hoffman, McCann P.C. distributed numbered drafts of the FY2008 Financial Statements and Management Letter. Brent Wilson opened the presentation to the Finance Committee with the draft 2008 Financial Statements, page 1 which was titled Independent Auditor's Report. The report explains what was done, which was to perform an audit within normal accounting standards as well as government auditing standards. It was noted that consistent with years past Eitas investments were recorded at cost where according to GAP they should be recorded at market or fair value. The opinion of the auditor's in this report was that the 2008 Financial Statements were correct and of the highest standards.</p> <p>The 2008 Balance Sheet on page 2 of the report represents a snapshot of the assets, liabilities and fund balance of the organization as of December 31, 2008. Comparative figures for 2007 were also in the report. Cash and Cash Equivalents were shown at about \$7.5 M, Short-term Investments at \$1.39M, Long-term Investments at about \$3.8 M, Receivable from taxes, not yet collected, at \$123,108 of about \$3.8 M and Property and Equipment recorded at cost less accumulative depreciation. Total Assets at about \$32.2 M. Two new lines on the Balance Sheet were noted as Note Receivables. The first note receivable relates to the sale of the Blue Ridge property to Special Neighbors (Note 5) and the second relates to the transaction and improvements being done at Nova Center (Note 7). In the Liabilities section a significant increase was noted as compared to 2007, but explained as only how things get recorded and when things were paid. It was explained</p> | Information |

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| <p>Draft of FY2008 Audit Continued</p> | <p>one thing that auditors look at is “current ratio” which means can an entity cover their current liabilities with their current assets and it was noted that EITAS has about \$13 M in current assets compared to a \$1.5 M in current liabilities. The current year Fund Balance was shown at a Net Loss.</p> <p>The Income Statement on page 3 represents the in-flows or revenues and out-flows or expenses. The largest portion of the revenue was represented by Jackson County taxes at about \$7.5 M. Total revenues were at about \$10.7 M. Total expenses for the year were at about \$11,383 M. At year end the expenses exceeded the revenues by about \$640,814 which represented a Net Loss. Mr. Wilson noted that the Net Loss should not be seen as a negative factor, but one of intention by EITAS in their continued intentional effort to spend down revenues.</p> <p>The Statement of Cash Flows on page 4 shows how an organization either generates or uses up cash during the year. The day to day operation of the EITAS generated a positive Cash In-Flow of \$417,000. The Investment portion represents any purchases of property and equipment and it shows about \$1 M was spent in investment of property and equipment. The activity within Investments or sale and purchases of investments showed a positive net in-flow of investments of about \$1.4 M. For the year, the net change in Cash and Cash Equivalents was a positive \$1.8 M while Investments went down.</p> <p>Footnotes to Financial Statements on pages 5-8 represent an expansion of the Balance Sheet, Income and Cash Flow Statements. It was noted that internal control over financial statements was found to be of the highest standards. No significant changes of the organization were noted within these footnotes.</p> <p>The Management Letter noted that Mayer, Hoffman, McCann PC was retained to do a financial statement audit, not an internal audit. The letter noted that no material weaknesses were identified within the organization. In closing some insignificant</p> | <p>Information</p> |

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| Draft of FY2008 Audit Continued | comments were noted according to the SAS112 auditing standards. | Information |
| New Business | None. | |
| Old Business | None. | |
| Public Comment | None. | |
| Adjournment | As there was no further business the meeting was adjourned at 5:59 PM. Respectfully submitted, Staff | |