

MINUTES OF BOARD OF DIRECTORS MEETING

The Alexandrian Hotel

Alexandria, Virginia

Wednesday, April 5, 2017

8:30 a.m. EDST

President Donna Murr called the conference call meeting to order on Wednesday, April 5, 2017 shortly after 8:30 EDST.

Board Members present: Mike Stanard, Corinne Johnson, Dennis Reilly, Paula Drummond, Donna Murr, Jerry Spector, Rebecca Floyd, and Harry Huntley. Also present: NAHEFFA members Steve Corbin and Nick Jost of the South Dakota Health & Educational Facilities Authority, NAHEFFA counsel Chuck Samuels and NAHEFFA staff member Nichole Doxey (?). Members discussed the following items:

1. Approval of Minutes of the Board of Director Meeting

Donna asked for a motion to approve the meeting minutes from the March 21, 2017 Board meeting. Jerry moved adoption and Dennis seconded; without further discussion, the March minutes were approved.

2. Treasurer's Report

Steve Corbin, filling in for Don Templeton, directed members to the NAHEFFA balance sheet as of February 28, 2017, reflecting total liabilities and equity of \$532,986.41 He then discussed investments, noting that NAHEFFA has \$521,248.91 in checking, money markets and CDs, advising all funds are invested in accordance with NAHEFFA's Investment Policy.

Turning to the Budget, Steve noted that dues were collected in the amount of \$119,500 for 2017 reporting all members had paid and that \$62,300 of special assessments were collected. Steve said they are projecting \$5,058 of net income as of June 30, 2017. Looking at Fiscal Year 2018, they are projecting a loss of \$40,995 attributable to the MLS engagement. In response to a question from Dennis, Steve confirmed that NAHEFFA has collected sufficient amounts to pay MLS' fees for the remainder of this year, and that the projected deficit applies only to FY '18.

Turning to the Audit, Steve remarked that it was straightforward reflecting statements of financial position as of June 30, 2016 and 2015 of \$473,604 and \$453,188 respectively. He pointed out the deferred revenue line consisting of unearned membership dues and sponsorship fees. Steve then discussed the finding of significant deficiency relating to NAHEFFA's accounting internal controls relating to segregation of duties, stating that it is an ongoing finding, and essentially unavoidable given the small number of

individuals willing to assume accounting responsibilities. NAHEFFA nevertheless received an unmodified opinion, which is the highest standard of audit opinion.

Donna asked for a motion to accept the financial report and proposed budget; Harry moved acceptance and approval, and Mike seconded. The motion passed without further discussion.

Donna reminded Board Members that they had agreed at the March meeting to put the issue of the impending MLS billable shortfall to the Corporation, and to discuss options including requesting another special assessment in 2018, and a plan to draw on NAHEFFA reserves to pay any shortfall. Corinne motioned to have the Corporation discuss the MLS engagement and how to address payment of their invoices, and Jerry seconded the motion, which was approved without further discussion.

Hearing no requests to discuss further business, Donna asked for a motion to adjourn the meeting. Jerry moved the motion and Paula seconded, and members voted adjournment.