

**Foodnet Meals on Wheels
Board of Director's Meeting
May 12, 2008**

Present: *Board Members:* Chris Decker, Loren Gardner, Eloise Greene, Jim Henery, Bob Herdt, Sonya Islam, Jim Pratt, Elizabeth Schneider, and Bill Tomek.

Excused: Joy Blumkin, Melissa Gatch, Lorraine Johnson, Mary Opperman, Cathy Paddock, and Margaret Washington.

Staff: Carolyn Arnold, Jon Carlton and Stephen Griffin.

Guest: David Iles from Sciarabba Walker & Co., CPAs.

Vice Chair Bill Tomek called the meeting to order at 6:17. The agenda was reviewed and accepted as presented.

Minutes of the April 14, 2008 Board meeting: motion to approve by Elizabeth Schneider, seconded by Jim Pratt and carried.

Audit Report/David Iles: The Board of Directors (not the staff) hires Sciarabba-Walker to do our annual audit. The board has the fiduciary responsibility to monitor Foodnet's financial condition, including review of monthly financial statements and engaging an independent outside audit. Foodnet's books and supporting documentation were readily available for the auditors. Mr. Iles told the board that Jon Carlton does a wonderful job, and the Foodnet enjoys a great value in comparison to the staff salaries. Some not-profit organizations rely on the auditors to do a bit of their accounting for them, but Foodnet had only 4 minor adjusting entries to be made for 2007 (depreciation schedule, for example). The goal for 2008 is to have no adjusting entries.

An important part of the audit report is SAS 114, "Communications with Those Charged with Governance." Mr. Iles explained that the scope of the audit is to determine if the financial statements are materially correct as opposed to 100% correct. The engagement letter – the contract for the audit – is signed by Bob Herdt, the Foodnet Treasurer, and the SAS 114 letter is addressed to our Finance Committee. The letter states that there were:

- No significant findings or unusual transactions
- No difficulties or conflicts

At the close of the audit, a representation letter is signed by staff (Stephen Griffin, Executive Director) essentially stating that we provided complete and accurate information to the auditors.

Audited Financial Statements: Mr. Iles directed the Board's attention to the third paragraph of the Independent Auditor's Report, where an unqualified opinion is given on the financial statements. That's what we want.

- Balance Sheet: Mr. Iles defined the various asset and liability items, and stated that the total net assets represent our equity. They are divided into
 - Unrestricted: the excess of income over expenses since day one
 - Temporarily Restricted: income with donor restrictions as to its use
- Statements of Activities and Cash Flows
 - Net assets decreased \$13,500 in 2007 (in 2006 they increased \$11,400)
 - The increase in our expenses outpaced the growth in revenue. Our cash flow is always tight.
 - Net cash went down about \$5,000 during 2007.
- Notes to Financial Statements: These describe our accounting policies and give other information to help give a clear understanding of our financial position. The capital lease is described in section F. and restricted net assets are defined in section I.

New accounting standards now require the auditors to acquire a deeper understanding of all organizational policies to identify risks for fraud and to assess the strength of internal control. At the close of the audit, it is common for the auditors to issue a management letter recommending corrective actions, but such a letter was not needed for Foodnet.

In response to a question about what Foodnet could do to strengthen our financial position, Mr. Iles suggested that we strive to raise more unrestricted donations through the annual fund, and that greater visibility in the community would help.

Motion to accept audit report, made by Bob Herdt, seconded by Chris Decker and carried.

COMMITTEE REPORTS:

Finance/Bob Herdt: The Financial Statements show that we continue to do well. Revenues are up 16% compared to last year and expenses are up a smaller amount of 3.3%.

Development Committee/Loren Gardner: \$31,815 has been raised to date, \$7,250 of which is for sponsorship of the Wheel-a-thon.

For the spring mail appeal, we have identified past donors who typically give in the spring but have not made a donation yet this year. Lorraine Johnson calls them LYBUNs and SYBUNs - Last Year But Unfortunately Not this year and Some Years But Unfortunately Not this year. She helped draft a reminder letter that will prompt a positive reply.

The Wheel-a-thon is planned for September 6th. Loren Colbert has secured several sponsors and we are working to line up more sponsors and develop the posters and brochures so we can begin promoting the event. Eloise Greene requested materials to use when approaching a potential sponsor. We have sample posters and brochures from last year in the office, and the sponsor levels and a sign-up form are available at our website www.foodnet.org. Just follow the Wheel-a-thon sponsor link from the home page or from the Wheel-a-thon page.

Buildings and Property/Jim Henery: The front of the building has been painted a warm red color that compliments the brickwork and makes our sign stand out prominently. We still need our own sign at the side of the road. Steve Griffin was pleased to report that a new delivery van is scheduled to be received tomorrow, May 13th.

P.E.P. Committee/Chris Decker: At the meeting on April 28th, the committee members voted unanimously to increase the suggested contribution at meal sites from \$2.75 to \$3.00 per meal, and to review the suggested contribution amount for all meals annually. They asked for input from the site managers, who responded positively that it would not discourage people from attending meals as long as it remains a confidential and voluntary contribution. In other business the committee

- Reviewed vacation accrual policy at request of one of our employees, though it was fair and competitive with other local employers, and let it stand as is.
- Briefly discussed the nutritional goals used in our menu planning. We use a goal based on a female aged 50+, because about 75% of our consumers are older females. Males require more calories, but it is fairly simple to add calories with a slice of bread and butter or margarine. About 3 men would like more food, and Carolyn is able to counsel them on ways to supplement our offerings. Generally our consumers are sedentary and have relatively low calorie demands, but need nutrient-dense foods to meet their overall needs.

Staff Report/Carolyn Arnold: Staff training for Foodnet's Meal Site Managers and Outreach Drivers was conducted on Tuesday, May 6. Regina McGriff, Aging Services Specialist at the Office for the Aging, spoke about the many services available to seniors in Tompkins County. New drivers especially appeared to gain understanding of their role in helping clients find out about needed services.

Following Regina's presentation, the Site Managers stayed for discussion of the proposed increase in the suggested contribution for congregate meals from \$2.75 to \$3.00. The general consensus was that this was unlikely to affect participation because the contribution remains voluntary and confidential. They shared that while regular participants often contribute by check on a monthly basis, others who only participate occasionally will sometimes hand the site manager \$3.00 and not expect change.

Staff Report/Steve Griffin: The federal 990 information return and NYS Charities report for the year ended December 31, 2007 are being prepared by the staff accountants at Sciarabba Walker and will be ready to submit about May 20, 2008.

An invitation to the June 20th picnic was made to all the board members. Foodnet clients, their caregivers, donors and other friends are being sent an invitation. There will be some extra excitement, because the Ithaca Festival will also have activities at Stewart Park at the same time this year.

Foodnet's article in the May issue of the Senior Circle reported on a recent national study identifying the leading factors that contribute to hunger for people over 60 years old and how Foodnet addresses food insecurity locally. The study was commissioned by the Meals on Wheels Association of America (MOWAA) Foundation. Leaders at MOWAA are pleased with the article and are providing it to a national audience of meals on wheels programs as an example of ways to use and promote the study.

A brief video about the "*What if*" national meals on wheels emergency assistance fund was shown and board members were asked to contribute one dollar each. By participating in this effort with other meals on wheels programs through MOWAA, Foodnet gains access to emergency funds should a disaster strike our program. Half of the money collected locally is used to establish our own local emergency fund, and half is turned over to the national emergency fund.

Old/Unfinished Business: none.

New Business: none.

The meeting was adjourned at about 7:20pm.

Respectfully submitted,

Stephen Griffin, Secretary Pro-tem