

**Central Florida Community Action
Agency (CFCAA), Inc.**

**Monthly Meeting of the Board of Directors
530 West University Avenue
Gainesville, FL 32601
January 27, 2014**

Members Present: Lena Smith (Vice Chair), Monica Bryant (Secretary), Randy Cantrell, Marlon Gayle, Alena Lawson (Treasurer), Brad Nimmo (Chair) (via Telephone), Caronne Rush, Carl "Dick" Tummond (via Telephone), and Ms. Eddie Jean Williams.

Guest: Hilton Galloway, partner for Carr Riggs & Ingram accounting firm

Staff Present: Charles J. Harris, Jr., (Chief Executive Officer), Casey Birmingham (Recorder), Dori Faust, Monique Harrison and Steve Kay.

James Moore and Company accounting firm: Donna Brown and Amy Tyson

I. Call to Order

The meeting was called to order at 10:02 a.m. A quorum was present. Vice Chair Smith presided over the meeting due to Chair Nimmo participation by phone.

II. Invocation

Ms. Bryant delivered the invocation.

III. Pledge of Allegiance to the Flag of the United States of America

The company recited the Pledge of Allegiance.

IV. Notice and Welcome

A. Welcome

Ms. Smith welcomed those in attendance.

B. Statement of Notice

Ms. Smith stated that the January 27, 2015, monthly meeting of CFCAA Board of Directors has been properly noticed in accordance with Community Services Block Grant (CSBG) guidelines.

C. The Promise of Community Action

The company recited *The Promise of Community Action*.

D. Members of the Public Shall Be Given an Opportunity to Speak for a Maximum of Three (3) Minutes during the Meeting on any Agenda Item Requiring Board Action.

V. Motion Re Agenda

Mr. Harris clarified that item **VII. D.** is a Corporate Resolution for acceptance of LIHEAP FY 15/16 funds, not the actual contract which will be provided to the board when received.

Motion made by Ms. Bryant and was seconded by Ms. Rush to formally approve the proposed agenda and any revisions for the January 27, 2015, monthly board meeting. Motion carried.

VI. Board Training- Hilton Galloway, Carr Riggs & Ingram.

A. Approval of FY 13/14 Financial Audit – Carr Riggs, & Ingram.

Mr. Galloway presented the agency's annual financial audit report for FY 13/14. Mr. Galloway indicated the agency received an "unmodified" opinion, which means they are accordance with the General Accepted Accounting Principles. There are no exceptions, or qualifications to the opinion on the financial statement. However, he expressed with the agency undergoing a transitional year it was challenging to close out, which caused a few report issues, he stated that there were a sum of 21 adjustments that had to be made. Mr. Galloway went on to say that with James Moore and Company now in house and the staff in place he is confident that next year will be much smoother.

The financial position of the agency as of September 30, 2014, ended the year with a sum of \$218k in current assets. All the assets are very liquid, meaning they are cash or are going to be converted into cash within the next sixty (60) days; \$148K in current liabilities, meaning those are bills that would be paid within sixty (60) days, or a deferred support, meaning monies you have already received in advance by a grantor that would be expended within sixty (60) days. That leaves the agency ending the year with \$88K unrestricted net assets.

Mr. Galloway pointed out, that compared to prior year; at the end of 2013 the agency was at a sum of \$363K in current net assets, so the agency is down roughly \$198K in cash. Mr. Galloway stated that this could be due to 2014 being a transitional year, but going forward in FY 15/16 this is not a trend that the agency can financially maintain.

Statement of Activities:

4.5 Million in grant revenues and 4.5 million in expenses. The agency ended up with a net operating loss of \$7,500.00.

\$387,533.00 in admin cost. Based on \$4.5 million in total expenditures, the agency has about an 8%-9% admin cost which is extremely good.

Mr. Galloway expressed concerned about the State of Florida policy related to WAP and the WAP-LIHEAP federal funds.

Independent Auditors` Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Mr. Galloway defined a *deficiency*, and stated that they consider a deficiency described in the accompanying schedule of findings and questioned cost to be a material weakness. (2014-001) Mr. Galloway defined a *significant deficiency*, and stated that they consider the deficiency described in the accompany schedule of findings and questioned cost to be significant deficiency. (2014-002)

(2014-001) General Ledger (GL) Accuracy – During the audit, CRI noted improper account coding or lack of reconciliation between back-up documentation and amounts reported per the GL. These accounts included, cash (unrestricted), accounts receivable (over stated), accounts payable (understated), revenue (overstated), and CSBG expenses (understated). This resulted in numerous material adjustments to the financial statements during the audit. CRI also noted several journal entries in which no documentation or inadequate documentation was provided as back up to the entry.

(2014-002) Financial Reporting – The assistance of the external auditors was necessary to prepare the financial statements, including note discloser in accordance with generally accepted accounting principles (GAAP) and the Schedule of Expenditures of Federal Awards (SEFA) in accordance with (“OMB”) Circular A-133.

CFCAA Corrective Action Plan - the Agency has undergone major organization changes for the FY and as such has entered into a contractual agreement with James Moore and Company (JMACO) to provide complete accounting services and assistance beginning with the 2015 FY. It is our belief that outsourcing of accounting services to JMACO accounting firm and converting to different accounting software will alleviate the problems and concerns expressed.

VII. Agenda Items

A. Motion December 16, 2014 Board of Directors meeting minutes

Ms. Lawson stated that she would make motion with corrections for the minutes being sent via email this afternoon.

Motion made by Ms. Lawson and was seconded by Ms. Bryant to formally approve the written minutes, with corrections, for the monthly board meeting held on December 16, 2014. Motion carried.

B. Motion FY 2013-2014 Financial Audit

Motion made by Ms. Lawson and was seconded by Ms. Rush to approve the FY 13/14 Financial Audit. Motion carried.

C. Financial Statements – Donna Brown and Amy Tyson, James Moore and Company.

Ms. Brown gave report for financial statements for October 1, 2014, through December 31, 2014; she stated that we have moved from Cougar Mountain Accounting Software onto Intacct, which is cloud based accounting software. Also, we outsourced payroll to PayCor which started on January 1, 2015.

Financial Position as of December 31, 2014; current assets in the amount of \$412,376.89 and current liabilities is at \$269,818.13. Unrestricted funds reduced from \$88k to \$82K from September 30, 2014, to December 31, 2014.

Statement of Activities as of December 31, 2014; Total revenues \$748,989.60. She stated total revenues are equal to total expenses since we operate on cost reimbursement grants. Typically revenues should always equal expenses and your net income will be \$0.00, except for depreciation.

Ms. Brown concurred with Mr. Galloway on the agency need to increase unrestricted funds through fundraising or other grants that are not cost reimbursement grants.

Motion made by Mr. Gayle and was seconded by Ms. Lawson to approve of the Financial Statements for October 1, 2014, through December 31, 2014. Motion carried.

D. Corporate Resolution FY 15/16 LIHEAP Grant

Ms. Harrison presented the Corporate Resolution for the FY 15/16 LIHEAP grant and said that the grant will total approximately 1.9 million, which is a 10% reduction from last year's grant. Ms. Harrison stated that this grant has been delayed at the federal level; this can cause cash flow issues with agencies like ours who depend upon the arrival of the advances in order to start spending on the new grant. We are working to process all the forms right now that we can ahead of time, so that when it does come through we can get it to the state and be one of the first ones that they process.

We were given an option from the state for start dates of March 1, 2014, or April 1, 2014, to start spending monies on this grant. We chose March 1, per the state any expenses occurred starting March 1, 2014, can be billed to FY 15/16 LIHEAP grant, even if grant isn't signed until April.

Given the expected cut in LIHEAP funds under the 2015-16 contract, there was discussion between board members and Ms. Harrison about the possibility of reducing LIHEAP benefits from 3 benefits per year to only 2 benefits per year and to increase priorities for funding to the elderly, disabled, and households with children under 5 years old.

Ms. Smith expressed the importance of partnerships with other organizations due to funding cuts.

Motion made by Ms. Bryant and was seconded by Ms. Lawson to approve Corporate Resolution FY 15/16 LIHEAP grant. Motion carried.

For Discussion:

A. Fundraising event

Ms. Smith said this action item is being tabled until February board meeting.

VIII. Additional Action Item(s) & Reports

Mr. Kay, Director of Housing Initiatives, spoke about the Duke Energy Rebate Program.

IX. Chief Executive Officer Report – Charles J. Harris, Jr.

Mr. Harris gave report and said the following:

-ROMA Training February 17, 2015, location either at Habitat for Humanity in Ocala, or another location in Gainesville (TBA)

- Trainer: John Edwards
- 9:00 a.m. – Noon, break for lunch, then 1:00 p.m.-3 p.m.
- Lunch provided by Board Chair Nimmo

-Working on Bylaws, Personnel, and Financial Policies and Procedures Manuals due to the reorganization of the agency. Once completed, all board members and staff will receive hard copies.

-Strategic Plan update to be completed after manuals updates are completed

-City of Chiefland, Competitive Florida Grant.

- City of Chiefland is working with Partnership for Strong Families which runs resources centers in Gainesville, to establish a center in the City of Chiefland. We will be meeting with the person who is directing the Chiefland center so that we can be included in this partnership.

-IT exploration discussion tomorrow (Mr. Harris, Mr. Nimmo, and Ms. Salinas)

-Meeting with Scott Hackmeyer, community activist in the Marion County area to discuss possible grant opportunities.

-CDS Interactive Response System Update – Script and toll free number has been established. After minor tweaking, we hope to have it up and running in February.

-PayCor - Because of the outsourcing of our payroll and the need to have timesheets inputted ASAP, CEO time sheets will now be signed off by any member of the management team. CEO Leave slips will continue to be approved by a board officer.

X. Board Chair Report- Brad Nimmo

There was no report from the chair.

XI. Additional Action Item(s) & Reports

Mr. Harris passed out an informational report from SEACAA to all board members.

XII. Discussion items

There were no discussion items.

XIII. Next Meeting – February 24, 2015, Gainesville, FL

Ms. Smith stated that the next meeting will be held in Gainesville, FL at 10:00 a.m.

XIV. Comments from the Floor & Announcements

There were no comments from the floor or announcements.

XV. Adjournment

**Motion made by Ms. Bryant and was seconded by Ms. Lawson to adjourn meeting at 11:16 a.m.
Motion carried.**

These minutes were approved at the February 24, 2015, regular scheduled board meeting.



Monica Bryant, Secretary

February 24, 2015
Date

