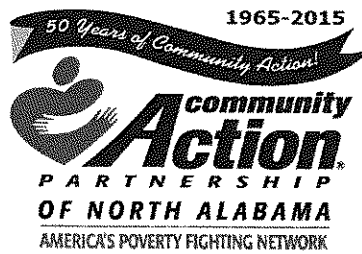


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Community Action Partnership of North Alabama, Inc.
Board of Directors Meeting
June 25, 2015
Central Office
Decatur, Alabama

Board Chair, Paul Lott called the meeting to order at 8:37 a.m. and thanked those for their time to attend today's meeting.

Board Members in Attendance: Barbara Sittason, Jackie Peek, David Mathews, Pat Gilbert, Kyle Buchanan, Sheryl Marsh, Jennifer Taylor, Earlene Johnson, Paul Lott, Bruce Gordon, Heath Meherg

Electronic Communication: Marcie Hill (Advisor to the Board)

Board Members Absent: Bruce Jones, Leigh Frances, Cassandra Lee, Dawn Owens, Darris Frost, Allen Stover

Advisors Present: Matt Holmes, Pat Busing, Joe Holmes

Advisors Absent: Stephanie Pitts, Tricia Culpepper

Board Attorney: Bingham Edwards

Guests Present: Dusty Baker, June Palmer, Tim Thrasher, Steve Strickland, Emily Reishman, Joseph Wynn

Introduction of Staff and Guests

Michael Tubbs introduced staff and guest and welcomed three guests from Cullman County, June Palmer, a resident of Sara's Ridge Apartment Complex; Dusty Baker, Director of Commission on Aging and Tim Thrasher, Director of Cullman Youth Advocacy Center. The Cullman County Community Sector slot has been vacant for some time and we hope to have it filled by next board meeting. Michael Tubbs complimented Paul Lott, Board Chair, for the role he plays and the fact he is knowledgeable about the agency and also the non-profit world.

Our Mission

The Community Action Partnership of North Alabama, a results-driven, non-profit business is committed to reducing or eliminating the causes and consequences of poverty for families and communities.

Paul Lott stated he along with several other staff members attended a meeting in Mobile recently and Mike gave a closing session about the future of community action agencies. He told it straight and has a lot of respect from peers and other agencies along with respect of this board and appreciates the work Mike and the agency does.

Roll Call to Establish Quorum

Allison Speegle called roll and quorum was established.

Recite Mission of Agency

Mission statement was recited by all present.

Approve April 23, 2015 Minutes

The minutes were received in packet prior to the meeting. Paul Lott opened the floor for any questions/discussion. There being no corrections Paul Lott asked for a motion to approve the minutes as received. David Mathews motioned. Jennifer Taylor seconded. Heath Meherg abstained, since he was not present for the April 23rd meeting. Motion approved.

Audit Acceptance

Paul Lott stated the audit team has been present at the last three Financial Committee meeting to present an update on audit progress. The committee was presented with a draft audit report at the June 18th committee meeting. Emily Reishman, Auditor, stated that page one outlines Management and Auditor's responsibilities. Page two reflects the opinion and states that based on audit and the report of other auditors, the consolidated financial statements in all material respects, the financial position of The Community Action Partnership of North Alabama, Inc. and subsidiaries as of December 31, 2014. Emily stated this is the best opinion letter an agency can receive.

The Consolidating Statement of Activities and Change in Net Assets (pages 26 & 27) was reviewed and explained, this is all the income of Community Action Partnership of North Alabama and subsidiaries. Emily further explained the single audit is testing of specific programs related to federal expenditures in accordance with auditing standards generally accepted in the United States of America; the standard applicable to financial audits contained in Government Auditing Standards and OMB Circular A-133. The Head Start program is audited each year due to the amount of federal dollars received. The LIHEAP program was also audited this year. Detailed testing is done to ensure internal controls are in place. Consideration of internal control was for the limited purpose and not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Emily did state the audit did not identify any deficiencies in internal controls that would be considered material weaknesses. The agency has \$25,916,918 in total federal awards (page 45). The Schedule of Findings and Questioned Costs (pages 47-48) was reviewed. Emily stated that with the large volume of transactions reviewed there were a few minor things to correct, which was discussed with Fred Harvey, but nothing that is considered reportable.

The floor was opened for questions and/or discussion. Bingham Edwards stated the audit is basically the high point of Board participation of the year and asked for an explanation of the minor things she found. Emily stated that the agency has certain internal controls for signatures on expenditures and a few were missing the appropriate signatures at which point this was brought to the attention of the employee(s) and the Financial Committee. Emily stated she received the full cooperation of the staff and had she not it would have been brought to the attention of this Board. Bingham Edwards also asked with the exception of Head Start and LIHEAP how many years does it take to make a full rotation of Community Action. Emily stated it will take a while due to if it does not meet a certain dollar threshold it will not come up for review.

Fred Harvey, CFO, stated that he has a performance appraisal completed once a year but he considers the audit a review of his performance also. He stated the agency completes between 5,000-6,000 transactions a year and stated he and his department are not perfect, but there is a good system in place that includes segregation of duties. Fred stated that he would like to see it perfect but as many transactions that flow through the agency it would be very hard to not have a mistake. All transactions are treated the same, whether it is \$1.00 or \$1,000. The vast majority of the money is tax payer dollars. Board was informed the Financial Committee does meet privately with the auditors.

Bingham Edwards asked how many people have credit cards with Community Action? Fred responded the agency has one multi-use American Express credit card and that he is the holder of the card. The card is used primarily for holding hotel reservations/registration. Purchasing procedures must be followed for using any card. The statement is reviewed by Deb Purcell. Fred stated the agency has accounts with Home Depot, Office Depot, Hobby Lobby and Wal-Mart and these cards must be signed out with Deb Purcell. The agency has 100 Wal-Mart cards that are assigned to different locations. All have a number so card can be matched to center. Wright Express is used for fuel purchases. Every vehicle has a card assigned to it and employees are assigned a pin number. Emily stated some of these transactions were reviewed and there were no deficiencies. Paul Lott asked about the status of the Wal-Mart card that was misused. Fred stated this was found internally and the card had been stolen by a friend of an employee who made purchases at Wal-Mart in Decatur. The employee is still employed with the agency. The friend turned himself into the Director of Project Rescue, where he was staying. The Director and individual came to the agency and reported what had happened. Wal-Mart reimbursed the agency for purchases made with the card with the exception of the Wal-Mart gift cards. The agency chose not to prosecute the individual. It is not known what action Wal-Mart has taken, if any. Fred stated there is not a per card transaction limit, but there is an agency limit. He also stated that 90% of the transactions are for less than \$100. Bruce Gordon suggested looking into setting a credit limit per card. Emily stated this would have been caught when Deb Purcell reviewed the billing statement had the individual not self-reported

prior to receiving statement. Paul Lott stated the Financial Committee reviews the credit card transactions on a monthly basis.

Paul Lott asked about the status of the questionnaire that was sent to selected board members and key staff. Steve Strickland stated there was approximately 90 percent returned. Paul informed the board that this is the big event for the year and asked any board member that had received a questionnaire from the auditors and not responded to please do so. Emily stated this is required documentation for their files.

Bruce Gordon asked Emily if there was anything that was reviewed that she thought had too many checks and balances that would be more efficient to change but still be safe. Emily stated with the new accounting requirements the federal government is actually relaxing some of the guidelines. Fred stated that one of the new federal regulations is moving from requirement of paper to electronic documentation. The Financial Policies & Procedures manual has been amended to include use of electronic documentation and the Finance Department has been testing scanning documents. One issue with this procedures is that you do not see the approvals. This is something that is being worked on and the Financial Committee see the process before implementation. Fred stated even though some of the regulations are being relaxed we are not going to do that internally.

Pat Busing asked how the current assets and liabilities (page 3) compare to other organizations such as this. Emily stated the firm has a program that will compare to industry benchmarks but that she does not have a report available for this meeting.

The floor was opened for any additional questions and/or discussion. Paul Lott asked for a motion to accept the audit as presented. Bruce Gordon motioned. Sheryl Marsh seconded. Motion approved.

Financial Committee Report and Approval

Matt Holmes stated the Financial Committee goes through the normal process of discussing with Fred Harvey, CFO, the different departments in regard to expenses. Committee met last week for a regular scheduled meeting.

-There was discussion on whether or not the agency should apply for Round 2 of CDBG and if we choose not to do this would there be another agency that could pick this up versus doing what the community needs.

-Discussed pending lawsuit as a result of a child that broke their arm on a Head Start playground and parent filed lawsuit one week prior to statute of limitations. All information requested by the attorney on our part has been submitted.

-The committee discussed the salary survey completed by WIPFLI, and the scale is in line compared to other social service organizations along with the excellent benefit package the agency provides. Alicia Higginbotham, Human Resources Director provides a yearly handout to employees on benefit package.

-All financial statements were reviewed in depth.

The floor was opened for questions and/or discussion on financials as received in packet or on report presented. Paul Lott asked Matt Holmes if it is the committee's opinion the statements represent the financial position of the agency and Matt answered yes. Paul stated that Allison sends the packet of information the committee reviews after each meeting. He also stated the Financial Committee is open to anyone who would like to attend and the next meeting is July 23rd. There being no further questions Paul Lott asked for a motion to approve the financial committee report as presented. Pat Gilbert motioned. Heath Meherg seconded. Motion approved.

Change in Agenda - Audit Acceptance

Paul Lott stated that Bingham Edwards, Legal Counsel to the Board, suggested a roll call be conducted for the acceptance of the audit. Allison Speegle conducted a roll call for acceptance of audit. All board members in attendance accepted audit as presented by roll call.

Lauderdale County Head Start Grant Approval

Grant information was received in packet prior to meeting. Fred Harvey stated this is a standard federal government form to apply for federal grant dollars. This particular grant is for the Lauderdale County Head Start program. The grant cycle is 10/1-9/30 and must be submitted 90 days prior to the end of the budget period which is 6/30. This will be submitted electronically. The first page is basic information. A breakdown of the actual budget included was reviewed. This is a 5 year grant of which the agency is in year 3, however it is a requirement that a refunding application be submitted yearly. The floor was opened for any questions and/or discussion. Paul Lott asked if the funding request was the same as last year. Fred Harvey stated yes and that the agency receives a letter each year that includes the amount we will receive and we cannot apply for additional dollars. There being no further questions Paul Lott asked for a motion to approve the Lauderdale County Head Start Grant as presented. Kyle Buchanan motioned. Jennifer Taylor seconded. Motion approved.

Eligibility Final Rule Training

Michael Tubbs stated that Kim Dodd, Director of Children's Services, is attending a meeting in Montgomery today with Head Start leaders from Washington. Tracy Clemons stated new guidelines were received in January 2015 and went into effect in March 2015 and as part of shared governance the Board of Directors needs to be trained on provisions of new requirements. Michael Tubbs stated the Board needs to be engaged and informed and that ninety percent of funding of the agency comes from Head Start. The Head Start Policy Council has also received training. A webinar was shown outlining the changes. It was noted the Head Start program was already implementing the majority of the changes. Provisions: (1) Option for telephone interview for application process. (2) Eligibility Determination Record that shows how eligibility was determined. (3) Allowance for serving homeless children. (4) Written

declarations, which allows the individual to tell their story if documentation cannot be provided.

(5) Third party verification for benefits with permission. (6) Program policy on eligibility fraud be established. (7) Training for Staff and Governing Bodies. This webinar will be assigned to any new employees, policy council and board members.

Allison Speegle stated that Marcie Hill, who was connected electronically, was given access to webinar prior to today's meeting. The floor was opened for any questions/discussion on webinar as presented. This is for information purposes only and requires no action of the Board.

Head Start Program Information Report – April

Paul Lott stated that he, as the Board Representative to the Policy Council and Barbara Sittason as Policy Council Representative to the Board would answer any questions on the report received in packet prior to the meeting. Paul Lott stated that the number of over-income participants is running about 12% and this is mainly due to the way some of the children are having to be accounted for as a result of the Pre-K lottery process. All children are eligible to apply for Pre-K and as a result all are not low income. This report is for information purposes only and requires no action of the Board.

Meals on Wheels and More City of Decatur Funding Request Approval

Fred Harvey, CFO, stated the agency is submitting a request for \$20,000. Currently the agency receives approximately \$16,000 in funding from the City of Decatur. A summary page and resolution is included in packet. Michael Tubbs stated this program is locally supported and receives no federal money and less than half of budget is received from United Way. The floor was opened for any questions and/or discussion. Paul Lott asked for a motion to approve the submission of the Meals on Wheels and More City of Decatur Funding Request. Bruce Gordon motioned. David Mathews seconded. Motion approved.

Meals on Wheels and More Morgan County Commission Funding Request Approval

Fred Harvey, CFO, stated the agency is submitting a request for \$6,900. Currently the agency receives approximately \$5,000 from the Morgan County Commission. The floor was opened for any questions and/or discussion. Paul Lott asked for a motion to approve the submission of the Meals on Wheels and More Morgan County Commission Funding Request. Bruce Gordon motioned. Sheryl Marsh seconded. Motion approved.

Foster Grandparent Senior Companion Program City of Decatur Funding Request Approval

Fred Harvey, CFO, stated these are two separate programs that work hand in hand. Programs operate in Morgan, Cullman and Lawrence counties and require a 10% local match. The agency is submitting a request for \$20,000. The floor was opened for any questions and/or discussion. Paul Lott asked for a motion to approve the submission of

the Foster Grandparent Senior Companion Program City of Decatur Funding Request. Bruce Gordon motioned. Kyle Buchanan seconded. Motion approved.

Foster Grandparent Senior Companion Program Morgan County Commission Funding Request Approval

Fred Harvey, CFO, stated the agency is submitting a request for \$15,000. The floor was opened for any questions and/or discussion. Paul Lott asked for a motion to approve the submission of the Foster Grandparent Senior Companion Program Morgan County Commission Funding Request. Bruce Gordon motioned. Sheryl Marsh seconded. Motion approved.

Results Report

Michael Tubbs stated several months ago we began highlighting to the Board some of the results of the agency. This meeting the agency is highlighting the NeighborWorks Week Block Makeover that took place the week of June 1st. Board members were asked to view the display set up in the room of the event. Many people and partners of the agency were involved in this result.

Laurie Lincoln-Swaim, Compliance, Planning and Results, reviewed the handout detailing the results of the block makeover that was included in the packet. There were 12 homes on the 7th Street SW Decatur area that were targeted. Work included but was not limited to painting and landscaping. Many local businesses and youth groups volunteered time for this project. Two video's highlighting the work was shown. A resident, who does not live on 7th Street but is a resident of the community, volunteered her time to work, and as a result Lowes has expressed an interest in assisting with some home repairs for this resident. The agency also presented the daughter of the resident of the "command center house location" with a refurbished computer to use for school work. Laurie also mentioned the agency was the ranked third in tweets on the NeighborWorks America website for NeighborWorks Week.

Michael Tubbs stated that when Judge Langham attended a board meeting recently to swear in officers he stated he did not realize the agency did all the things we did. Michael Tubbs stated this is one way to partner with others in the agency and as a result the agency had more exposure that one week than we have in the history of the agency and a tremendous amount of partnerships resulted.

Joe Holmes with Decatur Utilities, had a team participate and commented about how great it was for his team to work on this project and look forward to next year.

WIPFLI Board Governance Training DVD Update

Edie Dugger, Training & Professional Development Specialist, presented training certificates to the board members/advisors that viewed the Board Governance Part 1 webinar. Edie stated that if anyone that did not have not receive the link to access the web based training to contact Allison Speegle.

Executive Directors Report

Michael Tubbs gave a brief overview of upcoming key dates:

- August 14th – Agency wide staff meeting at VBC. Board Members/Advisors will be invited.
- August 20th – Agency will celebrate the 50th Anniversary of the agency with an open house event.
- August 27th – Board Meeting
- Paul Lott, Bruce Jones, Jonathan Watson representing Bingham Edwards, Allison Speegle and me recently attending a CAPLAW National Conference in Portland, OR. Michael Tubbs stated this is one of the best conferences to attend. Board Members/Advisors were asked to contact Allison for interest in attending any upcoming conferences.
- Agency was awarded AHFA tax credit deal for The Village at Millbrook project. Notification was received on Wednesday of this week.
- The Cullman Office now has a NARCOG worker assisting as the receptionist.
- Nancy Garrison, Meals on Wheels and More Kitchen Manager, has submitted a letter of resignation as a result of family health issues. A plan is in place to replace Nancy.
- Challenges of the agency are listed on report as a way to keep the Board aware of what the agency is facing.

Other Business

Paul Lott stated the accounting firm has prepared the 990 tax return. Fred will present to the Finance Committee in July and then to the full Board at the August board meeting.

The floor was opened for any additional business or questions. There being no further business the meeting adjourned at 10:36 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board.



Paul Lott, Board Chair

Reviewed by Michael Tubbs, CEO



Bruce Jones, Secretary