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August 22, 2017

Board Members & Advisors

The Community Action Partnership of North Alabama, Inc. Board of Directors will meet on Thursday August 24th for a regular scheduled meeting.

A light breakfast will be available at 8:00 a.m. and the meeting will begin promptly at 8:30 a.m.

The following items are attached for review prior to the meeting:

1. Tentative Agenda
2. June 22, 2017 Minutes
3. Financial Reports – July 2017
4. IRS 990
5. Head Start Self-Assessment
6. Head Start Policy Council By-Laws
7. Head Start CLASS Report
8. CSBG Work Plan
9. NeighborWorks PROMPT
10. Results Report
11. Executive Directors Report

As always, your service to your community and to our agency is appreciated. In order for the agency to function well, your presence and participation in our meetings is essential. The business of The Partnership requires your input and support.

A handwritten signature in black ink, appearing to read "Allison Speegle".

Allison Speegle
Community Action Partnership of North Alabama, Inc.
Executive Assistant to the CEO
Recording Secretary to the Board of Directors

Attachments

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.



**Community Action Partnership of North Alabama, Inc.
Board of Directors Meeting – August 24, 2017
Tentative Agenda**

Item	Agenda Item	Presenter	Status
	Welcome	David Mathews	N/A
	Introduction of Staff/Guests	Michael Tubbs	N/A
	Roll Call to Establish Quorum	Allison Speegle	N/A
	Recite Mission of Agency	David Mathews	N/A
1	Approve June 22, 2017 Minutes	David Mathews	Approval Required

FINANCIAL:

Item	Agenda Item	Presenter	Status
2	IRS 990 Review	Lorrie Mauro	
3	Financial Committee Report	Lorrie Mauro	Approval Required
4	CFO Signature Authorization from F. Harvey to L. Mauro	Lorrie Mauro	Approval Required

CHILDRENS SERVICES:

Item	Agenda Item	Presenter	Status
5	2016-17 Self-Assessment	Kim Dodd	Acceptance
6	2017-18 Head Start Policy Council By-Laws	Kim Dodd	Approval Required
7	CLASS Report PY1617	Kim Dodd	N/A
8	First Teacher Grant – Lamar County	Kim Dodd	Acceptance
9	Board Member to Serve on Policy Council	Kim Dodd	Approval Required

PROGRAMMATIC:

Item	Agenda Item	Presenter	Status
10	CSBG Work Plan	Cindy Anderson	Approval Required
11	CEO Transition Update	David Mathews/Alicia Higginbotham	N/A
12	NeighborWorks PROMPT Review Process	Colette Pozzo, NW	N/A
13	Results Report	Laurie Lincoln-Swaim	N/A
14	Executive Directors Report	Michael Tubbs	N/A
	Other Business	David Mathews	TBD
	Adjourn	David Mathews	

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Community Action Partnership of North Alabama, Inc.
Board of Directors Meeting
June 22, 2017
Central Office

David Mathews opened the meeting at 8:35 a.m. and welcomed those in attendance.

Board Members in Attendance: Rise Simmons, Bruce Jones, Leigh Frances, Jackie Peek, Tim Thrasher, David Mathews, Pat Gilbert, Jennifer Taylor, Tim Littrell, Tommy Praytor

Board Members Electronically: Bruce Gordon, Benita Owens, Heather Smith

Board Members Absent: Dawn Owens, Joe Holmes, Sheryl Marsh, Allen Stover, Earlene Johnson

Advisors Present: Corey Williams, Paul Lott, Pat Busing, Tricia Culpepper, Jonathan Watson

Advisors Electronically: Stephanie Pitts

Advisors Absent: Matt Holmes, Marcie Hill, Barbara Sittason

Guests Present: Steve Strickland with Wear, Howell, Strickland, Quinn & Law, Baretta Taylor with the Decatur Daily

Staff Present: Dave Truitt, Kim Dodd, Deborah Cottingham, Alicia Higginbotham, Holly Hicks, Nathan Curry, Michael Tubbs, Allison Speegle, Lorrie Mauro, Fred Harvey

Introduction of Staff and Guests

Michael Tubbs introduced staff and guest. Mike shared that this is Fred Harvey's last board meeting as CFO and that he will be stepping into a part-time role. Mike publicly thanked Fred for his service to the agency and the role he has played. Lorrie Mauro will transition into the CFO role.

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Special Recognition – Decatur Daily

Michael Tubbs stated that Cindy Anderson is the Director of the Meals on Wheels & More program but was unable to attend today's meeting. Mike shared that some time ago a plaque was created to acknowledge individuals and/or businesses that have made an impact on this program. The plaque is on display in the MOWM kitchen. Each year the Decatur Daily, on their own, features a Sunday article on MOWM during the month of March. Mike presented Baretta Taylor, Advertising Director, with a plaque acknowledging their partnership. Baretta Taylor thanked the agency for the award and said they will continue to be a good partner.

Roll Call to Establish Quorum

Allison Speegle called roll and quorum was established.

Reciting of Mission

David Mathews led all in reciting the mission statement.

Approve April 27, 2017 Minutes

All members/advisors received the minutes electronically prior to the meeting. David Mathews opened the floor for questions and/or corrections. There being no corrections David asked for a motion to approve the minutes as received. Pat Gilbert motioned. Jennifer Taylor seconded. Motion approved with roll call vote.

2016 Audit Approval

All members/advisors received a draft copy of the audit electronically prior to the meeting. Steve Strickland gave a brief overview of the audit process and results. He also distributed a summary page of the breakdown of the audit. Page 46-47 is a schedule of all the federal programs of the agency. Page 49 is the Schedule of Findings and Questioned Costs. The summary of the auditor's results was an unmodified opinion. Steve stated there was an internal control finding regarding suspension and debarment on vendors. Fred Harvey stated this centers around a federal regulation that you must check to make sure any vendors you do business with have not been suspended or debarred to do services. The ones in question, which were around 4, were from the school systems in which we have a Head Start classroom. Fred stated that we must use the vendor which the school had chosen and so they were not checked in the system. Fred said the website was checked immediately once it was brought to his attention. Steve Strickland stated this information can be found on pages 50-51 of the audit report and includes the agency's response and corrective action.

Bingham Edwards, Legal Counsel to the Board, addressed the board members and stated that when he presented the legal liability of board members training he tried to emphasize the duties of the board members. He stated that if an attorney brings an action they will ask to see the board minutes of when the audit was presented and what questions were asked. Bingham distributed a handout of 8 questions of typical

questions for board members to ask the auditor. He stated that as a board you need to inquire of the auditors more than anyone else. The board selects and appoints them and then we are the oversight and we need to show our oversight by asking questions. Jonathan Watson stated the CAPLAW training he attended really emphasized the importance of an engaged, informed and knowledgeable members who does their due diligence to ensure they are in compliance. Tim Littrell asked if the board is adequately and appropriately insured. Steve Strickland stated the agency is insured but stated that he does not specifically test the insurance in the audit process. Fred Harvey stated the agency has general liability, property, casualty insurance along with board insurance which covers the board of directors. Philadelphia Insurance Company based in Montgomery is the carrier. Fred stated he and Lorrie Mauro met with the agent last week and conducted a thorough review of all the agency locations to ensure everything was adequately covered. Fred stated that he has been satisfied with the response and coverage for the claims. Bradley Arant based in Birmingham is the law firm for the agency Human Resource issues. Alabama Compensation is the responsible party for workers comp claims. Child accident coverage has not been a problem. Fred stated that the agency provides risk management training on how to watch children especially on playgrounds, but accidents with children and staff will happen. David Mathews asked where the agency is vulnerable in review of the financial procedures and results to which Steve Strickland responded that they test to make sure the procedures are followed and in accordance to regulations. Fred stated that an audit will not see everything that an audit is to see if we are following procedures and test things. It is the board's responsibility to make sure this agency is compliant in every area, not the auditors. Fred challenged this board to stay involved with programmatic and financials of this agency. He invited any member/advisor that would like to visit the agency and spend time seeing what we do then please contact one of us. Steve Strickland stated these are the type of questions that need to be asked at every meeting not just when the audit is presented. Steve stated that any board member/advisor can contact him at any time with questions or if they need clarity on something. David Mathews stated the Financial Committee has discussed for the past several years having reserves set aside for emergencies. Tim Littrell asked if the reserves are adequate to which Fred responded that you cannot have more than a certain number of day's cash on hand for federal grants and that the cash is drawn as needed. David Mathews said this is why the Housing Business Unit is so important so unrestricted funds can be generated. Fred stated that when we receive developer's fees that 10-15% is put into reserve and the remainder is used for operations. Bingham Edwards stated that just getting the auditors opinions on things is important. Pat Busing said one of the biggest risk in business is theft and asked if proper procedures are in place to prevent this to which Steve responded that a single audit is performed on expenditures and items are checked to ensure signatures are appropriate. A fraud questionnaire was sent to selected staff and management to complete. Fred stated there is a process in place for invoices/payments that goes through 4-5 hands before a bill is paid. Steve stated the agency has multiple sign-offs. Pat Busing asked if the liability is the same for advisors as for members to which Bingham stated that he did not think advisors had any legal

liability. Jackie Peek asked if the IRS requirements are being met to which Fred stated that part of the agreement with the auditors is they prepare the Form 990 which is also presented to the board. Paul Lott asked if the advisors have legal liability since they can serve on committees to which Bingham stated if they have a vote in the committees then they are liable.

There being no further questions David Mathews asked for a motion to accept the audit as presented. Tim Littrell motioned. Leigh Frances seconded. Motion approved with roll call vote.

Financial Committee Report and Approval

All board/advisors were sent the May financials electronically prior to the meeting. Fred Harvey, CFO, gave the following report:

Dashboard – Unrestricted net cash is at \$400,000. Average Days Cash on Hand for the current year is at 15.8 with approximately 3 days cash on hand in receivables. The second page of the report is comparing the previous 5 years to the current year. Fred stated that the Administrative Expense compared to Total Expense will usually average around 4%.

Balance Sheet – Consolidating Financial Position – The first column on the report is the parent company and the other columns are the consolidations. The Current YTD Net Income is \$401,268.

Statement of Revenues and Expenditures – This report shows the total budget for the current year along with the percentage of budget used. May should be at approximately 42% of the budget year. Revenue and expenses are down from last year as a result of currently not having as much construction work in Montgomery as this time last year. The DOE grant which started in 4/2016 and ended 3/2017 is at 358% of budget as a result of overlapping grants to the agency's fiscal year. The majority of the budget was on the books in the prior year but the majority of the work was done in the current year.

Statement of Revenues – Public/Non-Public – The Current YTD Actual total revenue is \$15,316,895.00 compared to prior year actual of \$17,848,228.36. Fred stated there is still some Head Start In-Kind to be keyed into the general ledger.

Statement of Activities – Expenditures – Combining Schedule of Activities w/Budget – This report is a statement of activities that lists all the individual funds and status of fund. The CDBG program stems from the 2011 tornados and currently has a deficit of \$154,000. This program which is administered through ADECA assists qualified applicants with repairs/replacement of storm damaged homes. The first phase consisted of staff spending hours of time assessing the client's needs which was charged to administrative cost. The agency only receives 10% reimbursement if the

home is approved for repairs. If ADECA does not approve the home for repairs then we cannot reimburse the time spent on determining if the client was eligible. Fred stated that he estimates we should recapture approximately \$100,000 of the deficit. NeighborWorks funds are being used to cover the deficit. Currently cases have been submitted to ADECA for approval so there is very little labor expense being incurred.

Statement of Revenues and Expenditures Head Start 12 County - This grant should be at 92% of the program year and is currently at 82.93%.

Statement of Revenues and Expenditures Early Head Start Madison/Limestone – This grant should be 33% of program year and is currently at 21.43%.

Statement of Revenues and Expenditures Head Start Madison/Limestone – This grant should be at 25% of program year and is currently at 15.73%.

Statement of Revenues and Expenditures Head Start Lauderdale County – This grant should be at 66% of the program year and is currently at 53.26%.

Statement of Revenues and Expenditures State Pre-K – This grant should be at 66% of the program year. Once all the funds have been expended for this grant the expenditures are shifted to Head Start. Fred stated that we are receiving more funds than we expected to operate and that this budget will be zeroed out.

Statement of Revenues and Expenditures PAT Grant – This grant should be at 66% of program year and is currently at 62.38%.

Statement of Revenues and Expenditures Early Head Start DHR – This grant should be at 43% of the program year and is currently at 30.81%.

Statement of Revenues and Expenditures USDA – This grant should be at 71% of the program year. This grant does not incur expenses during the summer months.

Expenditure Journal Credit card Expenditures - This report includes expenditures for the entire agency.

Posted General Ledger Transactions - The first report is sorted by the dollar amount and the second report reflects any vendor who received more than one payment during the month.

The floor was opened for questions. David Mathews asked for a motion to approve the financial report as presented. Tommy Praytor motioned. Pat Gilbert seconded. Motion approved with roll call vote.

Children's Services

Approve 1.00% COLA for the following:

Madison/Limestone County Grant; Lauderdale County Grant; 12 County Head Start Grant; Early Head Start Madison/Limestone County Grant

Copies of each proposed grant was sent electronically to members/advisors prior to the meeting. Each grant is labeled at the top. Fred gave a brief review of each grant. He stated there are four separate Head Start grants that will receive a 1% increase for staff. The increase is based on the entire grant, not just salaries. Fred said that Kim Dodd, Director of Children's Services, wanted to give as much of a raise as possible. Fred said he and Kim budgeted to give all the 1% increase to staff as raises which will really be approximately a 1.5% -1.75% increase. This will be a permanent increase to the overall grant.

The floor was opened for questions. David Mathews asked for a motion to approve the COLA for the Madison/Limestone County Grant, Lauderdale County Grant, 12 County Head Start Grant and Early Head Start Madison/Limestone County Grant as presented. Rise Simmons motioned. Leigh Frances seconded. Motion approved with roll call vote.

Approve 2017-18 Lauderdale County Grant

Copy of the continuation grant was sent electronically to members/advisors prior to the meeting. Fred Harvey explained that this is the application to continue operating the Lauderdale County grant for the next 12 months. It is a 5 year grant period but must be approved every 12 months and must be submitted 90 days prior to the start of the budget period. Estimated funding request is as follows: Federal - \$2,346,146, Applicant - \$586,000 (which can be in the form of donated space or volunteers working in the classroom) and the total amount requested is \$2,932,683. Fred explained that we operate in one building which belongs to Lauderdale County Schools so this is donated space and is counted as local match. Section B Budget Categories breaks down the personnel and fringe cost. This grant includes both Head Start and Early Head Start and is broken out into two sections. Fred stated the COLA's that were approved earlier will be retro. The current budget period started last October and Congress approved the budget recently which had the 1% increase. Staff that are paid out of this grant will receive the COLA back to last October. Starting October 1st staff will receive the full increase. The COLA increases for the other 3 grants will be retro back to the start of the budget year. Paul Lott asked if this retro COLA goes to terminated employees also to which Fred responded that yes and further explained that we have to show that we have attempted to contact them. He said many times we cannot locate them and we do not have to return money for those we cannot locate. The floor was opened for questions. David Mathews asked for a motion to approve the 2017-18 Lauderdale County Grant. Rise Simmons motioned. Pat Gilbert seconded. Motion approved with roll call vote.

Housing Development Updates

Michael Tubbs stated the Housing Business Unit was awarded a new housing project, The Village at Rock Springs, in Moody, Alabama. This will be a 56 unit senior project with a duplex type model. This will give 4 major developments in the pipeline. The Village at Hixon Pond in Ft. Payne, a 56 unit family project, should break ground in the fall. This will be 168 new units brought into our portfolio. Mike said this is 3 years in a row the agency has been successful in receiving awards. He said Dave Truitt is currently scouting for property to submit in 2018. Mike stated that the agency is a leading developer in the state and that we would like to have something close to our footprint.

The second house in the Seville Subdivision located in Decatur has been completed and sold. Currently there is one house available for sale.

Submitted application for a 72 unit family project in Pooler, Georgia. Awards are expected in the fall. The Board of Directors previously gave us permission to move forward on this project. If awarded, it will allow the agency to bring unrestricted cash into the agency.

Dave Truitt has been named to the Alabama Association of Affordable Housing Board. David Mathews is also on this board. David Mathews stated that he has been involved in this for the past 25 years and having Dave as a member is a great asset. David said the awards the agency receive is a big deal. He stated that developers from all the country come in and many developers receive nothing. David said that it is a lot of work but it is providing affordable housing in our state and in most places it is the best affordable housing available. We have a good track record of doing the right thing and AHFA knows this. He said Dave Truitt and his team should be recognized for a great job.

The floor was opened for questions. No approval necessary.

City of Decatur Budget Request – Meals on Wheels & More Approval

A copy of the budget request was sent electronically to board/advisors prior to the meeting. Fred Harvey gave a brief summary of the Application for Appropriation Consideration and the Resolution. The budget request for Meals on Wheels & More is \$20,000. The floor was opened for questions. David Mathews asked for a motion to approve the City of Decatur Budget Request for Meals on Wheels & More. Rise Simmons motioned. Tim Thrasher seconded. Motion approved with roll call vote.

City of Decatur Budget Request – Foster Grandparent/Senior Companion Approval

A copy of the budget request was sent electronically to board/advisors prior to the meeting. Fred Harvey gave a brief summary of the Application for Appropriation Consideration and the Resolution. The budget request for Foster Grandparent/Senior Companion program is \$20,000. In reviewing the resolution Fred Harvey pointed out an error in the 2nd paragraph. He stated this program is a 90/10 match. Bingham

Edwards suggested deleting the percentage part of resolution. The floor was opened for questions. David Mathews asked for a motion to approve the City of Decatur Budget Request for Foster Grandparent/Senior Companion program with noted correction. Tim Thrasher motioned. Jennifer Taylor seconded. Motion approved with roll call vote.

Results Report

A copy of the Results Report and the 2017 Community Needs and Resource Assessment information were sent electronically to board/members prior to the meeting. Michael Tubbs stated that Laurie Lincoln-Swain is on vacation and that she compiled two client videos for the Results Report that focuses on the Community Free Clinic and the Good Samaritan Health Clinic. These partnerships were a result of 2013 Community Needs Assessment. Mike reminded those in attendance that detailed information is included in packet. The videos were viewed.

Board members were asked to share the Community Needs and Resource Assessment survey if they had not already completed one. Currently there have been 234 surveys completed. The goal for the community survey is 100 from each of the 16 counties where we provide services. All in attendance were asked to contact Laurie, Mike or Allison with questions regarding the surveys.

Executive Director's Report

A copy of the Executive Director's Report was sent electronically to board/advisors prior to the meeting. Michael Tubbs highlighted the following:

August 24th is the next board meeting.

Financial meetings are monthly. Board Officers along with Pat Busing and Heather Smith serve on this committee. Anyone is welcome to attend these meetings. This would help answer some of the questions that Bingham has brought up.

National Community Action Partnership (NCAP) Conference will be in Philadelphia in August. Several staff along with Tim Thrasher will be attending. If you are interested in attending please see Allison. It is a 4 day commitment.

Jonathan Watson represented the agency and Board at the June CAPLAW Conference in Denver.

The Housing Committee will be scheduled to meet in September as a result of a NeighborWorks OAD Review scheduled for September.

NeighborWorks Week was successful. A video will be sent out on the work that was done. We appreciate those from the board that attended.

Summer cooling season has kicked off. Clients are being seen in Morgan, Cullman and Lawrence counties.

The Leadership Team along with Tim Thrasher and Paul Lott recently visited Woodlawn Foundation in Birmingham to talk with them on how they rehab neighborhoods.

Mike acknowledged Benita Owens who connected to today's meeting by skype. Benita attended the board meeting in April as a guest. After attending that meeting she consulted with her supervisor at Joe Wheeler Electric for approval to serve as a board member. A Community Election was held and Benita was appointed to serve as a board member representing the Lawrence County Community Sector. Cassandra Lee had previously held this slot but had to resign due to work commitments. Mike acknowledged Heather Smith, Stephanie Pitts and Bruce Gordon who connected by skype to be a part of today's meeting.

Other Business

Fred Harvey thanked the Board and organization for the support that has been provided in his 28 years at the agency. He reassured the Board that he is committed to helping with the transition and will help in any way. He thanked the Board for the action taken in the mid 90's to allow this organization to participate in the Teachers Retirement System. He challenged Lorrie Mauro to fulfil her duties to this Board as an employee and be honest with this Board. In her role of CFO she is the only employee that can go directly to the Executive Committee if she feels there is something that is an issue. David Mathews thanked Fred for his service and said that the Board is excited for Lorrie.

David Mathews opened the floor for any additional business that needs to come before the Board of Directors. There being no further business David thanked those for their attendance at today's meeting and adjourned the meeting at 10:27 a.m. Minutes submitted by Allison Speegle, Recording Secretary to the Board.

David Mathews, Chair

Tim Thrasher, Secretary

Reviewed by Michael Tubbs, CEO