Internal Controls - A Case Study Approach

CAPLAW 2013 National Training Conference

Friday, June 21, 2013
9 am - 10:45 am

Sheraton Hotel, Boston, MA

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Meliora Partners
dan@mpiworks.org
641-691-0033

Handouts:
- PowerPoint Slides
- Prior Board Agenda
- Prior Board Minutes
- Prior Program Report
- Prior Financial Report
- State Monitoring Letter
- Cover Letter to Monitors
- Current Board Agenda
- Current Board Minutes
- Current Program Report
- Current Financial Report
Internal Controls Case Study
Presented by Dan Miller – Meliora Partners
dan@mpiworks.org
641-691-0033

Internal Control Objectives
- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

A-123, II GAO/AIMD-00-21.3.1 (11/99)

More Emphasis on Accountability

Goals of CSBG Reform (Seth Hassett, February, 2011)
1) Maintain an emphasis on place-based services
2) Increase performance accountability
3) Direct resources to the most efficient organizations in high need communities
4) Maximize amount of funding that goes to services
5) Promote evidence-based practice
6) Maintain a high level of program integrity

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Internal Controls--Case Study

Cap USA Background
- The agency was started in 1968.
- It is located in a metropolitan area and has several outreach offices, some of which house multiple programs that operate in their 7 county territory. A few sites only have CSBG and food pantries.
- It has had 3 executive directors in its history, the most recent was appointed 2 years ago. This person started 6 years ago as a “county coordinator”, was promoted to CSBG director after 3 years and when the previous ED became ill, was appointed interim ED and then permanent when the ED resigned.
- The Executive Director is also the board secretary.
- In the last 12 months all programs, including administration, have cut back 5% on spending.
- The board is comprised of 21 members, 3 from each county they serve. Currently three vacancies. The bylaws state that 51% of seated members comprises a quorum. There are no term limits. There are 6 scheduled meetings per year. Last year one was cancelled for not having a quorum.
- The agency is on a calendar year and has operated many programs over the years, with a recent average annual grant revenue of $15 million dollars. Grants account for over 98% of all revenue.
- Over the past three years the major programs have been Head Start, Weatherization, LIHEAP, CSBG and HUD.
Internal Controls - Case Study

- Cap USA Background
  - Program managers average 9 years in seniority and tend to operate their programs in silos (independent from one another).
  - The fiscal director position has turned over three times in 5 years and the current holder has been on board 3 months. He was hired by the current ED and holds outside employment, averaging 30 hours/week with the agency—not all of which is onsite.

- The previous annual audit contained three findings:
  1. Accounting processes should be evaluated to determine which areas can be segregated including increased involvement by the board of directors. This is a repeat finding.
  2. Additional training for staff is needed in federal regulations and the monitoring of costs. This is a repeat finding.
  3. Improper classifications of transactions occurred, generating 2 questioned costs in the amount of $7,580.

- Cap USA Background
  - The agency had unrestricted cash of $158,000 at 12/31/11 and repaid the questioned costs to the state.
  - Health costs have risen substantially this year and the agency has opened a line of credit.
  - See the attached board agenda, minutes to approve, and reports for the upcoming board meeting.
Internal Controls-Case Study

- In April of 2012, the state conducted another monitoring of the CSBG and Weatherization contracts.
- Items below were part of the monitoring activity:
  - Attended April 16th board meeting
  - Reviewed previous year’s minutes and board files.
  - Reviewed expenses charged to the CSBG and Weatherization contracts

Internal Controls-Case Study

- Monitoring activity
  - Reviewed policies and procedures and tested compliance
  - Tested Weatherization home files for accuracy
  - Visited selected homes for review and workmanship
  - Reviewed filed agency expenditure reports comparing them to ledgers of agency.
  - Reviewed agency response to previous audit findings

Internal Controls-Case Study

- On July 10th, 2012, the agency received the written state report for the April monitoring – it was not good news
- See attached summary of the state monitoring report
Internal Controls-Case Study

- A copy of the monitoring report was also mailed to the board chairperson, who in turn sent it to every board member
- An executive committee meeting was called the following week and the board asked to be copied on all correspondence with the state in regard to answering the report.
- The executive director stated that the report was not as bad as it sounded and many of the issues could be easily resolved.

Internal Controls-Case Study

- In preparation for the August board meeting, the board chair reminded the executive director to provide copies of the agency’s correspondence and answers to the monitoring report. He also asked that he be provided a copy ahead of time to review.
- In response, the executive director forwarded the cover letter and all the backup information to the state requests. He read the cover letter and called two other members of the executive committee and requested a meeting with them.
- See attached cover letter

Internal Controls-Case Study

- What do you think was discussed at the executive committee meeting?
- What would you have done at this point?
- Do you see any weak points in the agency’s internal controls?
- Who do you think bears the blame for the agency’s problems?
Internal Controls-Case Study

- Actions the board took
  - Accountability
  - Establishing clear goals and guidelines
  - Provide leadership
- Cost & effort to make changes
  - Personnel changes
  - Damage to reputations
- The effect on other funding sources

Internal Controls-Case Study

- How do things look now – take a look at the current board agenda, board minutes, and board reports.
- Who has read a copy of the new proposed performance standards being sent to OCS?
- How does your agency measure up?
Agenda

Cap USA

Board of Directors Meeting
1212 Somewhere, USA
Thursday, June 10, 2012
@10:30

I. MEETING CALLED TO ORDER
II. ROLL CALL
III. INVOCATION AND PLEDGE
IV. RECOGNITION OF BOARD MEMBERS, GUESTS, AND STAFF
V. READING AND ACCEPTANCE OF MINUTES OF 04/16/12
VI. CORRECTION OF MINUTES OF 04/16/12
VII. OLD BUSINESS
VIII. NEW BUSINESS

A. Financial Report: Finance Director

Board Action Requests:
1. Extension of Audit contract
2. Monitoring Visit Highlights

Program Reports: Directors of each Department
Executive Directors Report: ED Porter

IX. Adjournment
X. Closed Meeting
Cap USA
Board of Directors Minutes
June 17, 2012

1212 Somewhere, USA

Meeting Attendees

Board Members by sector;

<table>
<thead>
<tr>
<th>Low-income</th>
<th>Private</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Smith</td>
<td>Larry James (p)</td>
<td>Sammie Jones (p)</td>
</tr>
<tr>
<td>Mary Smith</td>
<td>John Johns (p)</td>
<td>Freda Rhodes (p)</td>
</tr>
<tr>
<td>Harry Potter (p)</td>
<td>Hank Rivers (p)</td>
<td>Billy Clubb (p)</td>
</tr>
<tr>
<td>Susie Later</td>
<td></td>
<td>Mary Way (p)</td>
</tr>
<tr>
<td>Tommy Hawk (p)</td>
<td></td>
<td>David Wells (p-Expired)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jerry Session (p-Expired)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Staff</th>
<th>Position/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>ED Porter</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Lottie Brush</td>
<td>Administrative Assistant/Sec</td>
</tr>
</tbody>
</table>

Quorum

Chair called for roll call a quorum was not present; the meeting was called to order at 10:35 am.

Prayer was given by Larry James. Chair asked for Pledge to the Flag. Board members were welcomed.

Minutes of meeting held on April 16, 2012

Tommy Hawk asked for motion to accept minutes for meeting on April 16th. ED Porter said minutes for the meeting held on April 16, 2012 will be dispensed with that, due to a lack of quorum to vote. Board moved to accept minutes. Approved.

Financial Statements
Director of Finance did not present as Executive Director said that did not have time to prepare good statements he was busy getting line of credit to pay extra bills. The report will be ready for next meeting for board’s approval.

**Old Business – None**

**New Business**

Board needs to approve audit contract with Anytime Audit because we can’t get anyone else to bid on audit. Executive Director stated that it was a good audit last year, they came in after other audit firm walked out, and didn’t find any issues. Costs will be $11,000 more than last year. Auditor presented audit to Finance Director and Executive Director.

Executive Director presented highlights of recent monitorings;

<table>
<thead>
<tr>
<th>Dates</th>
<th>Notice Received</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/01/10</td>
<td>3/14/11</td>
<td>all resolved</td>
</tr>
<tr>
<td>9/7/10</td>
<td>3/14/11</td>
<td>all resolved</td>
</tr>
<tr>
<td>2/22/11</td>
<td>5/2/11</td>
<td>all resolved</td>
</tr>
<tr>
<td>5/16/11</td>
<td>8/30/11</td>
<td>Disagreed with Report; resolved</td>
</tr>
<tr>
<td>5/19/11</td>
<td>5/19/11</td>
<td>No findings</td>
</tr>
<tr>
<td>6/27/11</td>
<td>8/10/11</td>
<td>all resolved</td>
</tr>
<tr>
<td>7/25/11</td>
<td>11/19/11</td>
<td>Disagreed with findings/resolved</td>
</tr>
<tr>
<td>11/28/11</td>
<td>1/11/12</td>
<td>No response made</td>
</tr>
<tr>
<td>1/17/12</td>
<td>2/6/12</td>
<td>No problems/resolved</td>
</tr>
<tr>
<td>2/7/12</td>
<td>Couldn’t find</td>
<td>No findings</td>
</tr>
<tr>
<td>2/14/12</td>
<td>3/8/12</td>
<td>Surprise visit</td>
</tr>
<tr>
<td>2/20/12</td>
<td>no info</td>
<td>Resolved</td>
</tr>
<tr>
<td>2/23/12</td>
<td>Don’t know</td>
<td>Surprise visit</td>
</tr>
<tr>
<td>3/5/12</td>
<td>no info</td>
<td>Sent email saying disagreed with All findings.</td>
</tr>
</tbody>
</table>

Basically the monitors are looking for issues. Really we have repaid all questioned costs and no actions need to be taken. Everything is good now. No problems that need to be discussed.
Program reports were given by the Program Directors. All programs report being in compliance and everything is good. Executive Director praised staff for quality of work. Board accepted reports.

**Executive Director Report**

Executive Director asked to clarify the board’s work in executive session at the last meeting with the following:

The board recommended giving staff $500.00 bonuses, Directors $1500.00 in bonuses and Executive Director a $2500.00 for outstanding work in 2011. Board came out of executive session and made the motion to approve this recommendation. The vote was unanimous. Board instructed finance director to make it happen.

Everyone has been busy with getting work done. No problems currently everything is going fine. There was no real problem with auditors walking out. They felt there was a conflict of interest. New audit firm did very good job.

Meeting adjourned.

No closed session.
Weatherization Program Report: Insule Later, Program Director

October- December, 2012

Assessed 6 homes
Completed 4 homes

Behind in completions. Can’t get good contractors, some problems nothing serious.

Over average costs, but will catch up later.

Monitoring by state was good, few problems nothing serious, same as previous issues. Will pay questioned costs. Monitors thought work was really good. Files could be better, but everything there.
## Cap USA
### Financial Report
#### April 30th, 2012

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget</th>
<th>Monthly Spending</th>
<th>Accumulated Spending</th>
<th>Budget Balance</th>
<th>Grant Year</th>
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<tbody>
<tr>
<td>Head Start</td>
<td>$3,556,000.00</td>
<td>$352,500.00</td>
<td>$3,102,200.00</td>
<td>$453,800.00</td>
<td>7/1 - 6/30</td>
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<tr>
<td>Weatherization</td>
<td>$950,000.00</td>
<td>$64,350.00</td>
<td>$64,350.00</td>
<td>$885,650.00</td>
<td>4/1 - 3/31</td>
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<tr>
<td>LIHEAP</td>
<td>$4,120,000.00</td>
<td>$366,450.00</td>
<td>$1,770,000.00</td>
<td>$2,350,000.00</td>
<td>1/1 - 12/31</td>
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<tr>
<td>HUD</td>
<td>$5,580,000.00</td>
<td>$473,800.00</td>
<td>$2,365,555.00</td>
<td>$3,214,445.00</td>
<td>1/1 - 12/31</td>
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<tr>
<td>CSBG</td>
<td>$630,000.00</td>
<td>$61,115.00</td>
<td>$453,350.00</td>
<td>$176,650.00</td>
<td>10/1 - 9/30</td>
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<tr>
<td>Misc Grants</td>
<td>$230,000.00</td>
<td>$18,780.00</td>
<td>$83,250.00</td>
<td>$146,750.00</td>
<td>Misc</td>
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<tr>
<td>Non-grant operations</td>
<td></td>
<td>$6,755.00</td>
<td>$37,775.00</td>
<td>-</td>
<td>1/1 - 12/31</td>
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<tr>
<td><strong>Total</strong></td>
<td>$15,066,000.00</td>
<td>$1,343,750.00</td>
<td>$7,876,480.00</td>
<td>$7,227,295.00</td>
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</tr>
</tbody>
</table>
State of Trouble

July 9th, 2012

Mr. ED Porter
Executive Director
Cap USA
1212
Somewhere, USA

RE: April 2012 Monitoring of CSBG and Weatherization Contracts

The evaluation of programs consisted of Interviews with Cap USA personnel, analysis of the fiscal system, review of programmatic records and site reviews of completed homes.

The summary of findings is as follows:

1. Non-compliance with tripartite composition requirements – the board files indicate current members were not seated properly nor were low-income representatives elected.
2. Lack of public notice of meetings as required by law.
3. Board has a lack of open government laws training.
4. Lack of quorum present at Board of Directors meetings.
5. No evidence that board is conducting business as required by law.
6. Improper documentation in client weatherization files – 9 files did not contain proof of eligibility.
7. Weatherization homes were reported as completed but on-site reviews found 5 homes that still had work to be performed.
8. Fiscal policies and procedures have not been updated to reflect current activity.
9. Costs reported under state monthly expenditure reports contained invoices that were incurred outside the contract periods.
10. Financial personnel require training in contract and OMB circular requirements.
11. Invoice copies could not be found.
12. Personnel files due not contain updated I-9 forms as required by federal regulations.
13. The audit for the year ended 12/31/11 has not been filed with the federal clearinghouse as required by OMB regulation.

Actions Required – Please respond within 30 days to the following:

- Training of board personnel
- Training of Weatherization personnel on contract compliance
- Training of financial staff
- File audit
- Questioned costs repayment
  - Item 6 - $22,445
  - Item 7 - $18,992
  - Item 9 - $26,774 for CSBG contract
  - $8,214 for Weatherization contract
- Total $76,425
August 8, 2012

Mr. ZZZZZ
Office of Public Affairs
Capital City, State of Trouble

Re: Monitoring report dated July 9th 2012

Dear Mr. ZZZZZ

I received my monitor report on July 10th 2012. As noted in your letter I had 30 days from the date of the letter to respond to the Department, but it took over two months for me to receive this report. I would like to state that although there are items that need improvement, I am sorry to say this monitoring session felt like more of a “gotcha” than a help to our agency. When I questioned Ms. Doe if she ever had an agency with no mistakes, she replied, “No, if I did, I wouldn’t be doing my job”.

This is the first time in 6 years of dealing with the Department that monitoring was conducted with this mentality and attitude. While we do not agree with many of your findings, it is possible that training by the state would provide our board and staff with a better understanding of the responsibilities we all face.

I have attached our response to each of your findings and noted where we disagree with your conclusions. We looked forward to receiving your training assistance.

Sincerely,

ED Porter
Notice of a Regularly Scheduled Board meeting;

Notice is hereby given that the regularly scheduled board meeting of Cap USA Board of Directors will be held on Thursday, June 13, 2013 at 10:30 am at the office of Cap USA, 1212 Somewhere, USA, at which time the following subjects will be discussed, considered, passed, or adopted, to wit;

**Agenda**

1. Call to Order  
   - Roll Call  
   - Declaration of Quorum  
   - Pledge of Allegiance  
   - Prayer  
   - Introduction of Guests  
   - Routine Announcements

2. Correspondence Received

3. Board Training—“Understanding the Family Development Approach  
   - Heather Feathers, LISW

**Board Action Items**

4. Approve minutes of May 23, 2013 meeting

5. Seat new board member Ted Brown democratically  
   - Selected to fill low-income vacancy in Brown County

6. Committee Reports (presented orally)  
   - Audit and Finance  
   - Property
c. Executive Board President

7. Ratify signing of the 2013 XYCS Contract
   In amount of $2,000,000 by Executive Director

8. Presentation and possible action on Personnel Administrator
   Non-Driver Drug and Alcohol Policy

9. Approve submission of 898 Grant Program Director

10. Executive Director’ Report Executive Director

11. Adjournment
Cap USA
Board of Directors Meeting
Minutes for March 28, 2013
10:30 a.m.

Meeting Attendees

Board Members by sector:

<table>
<thead>
<tr>
<th>Low Income</th>
<th>Private</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sally Red</td>
<td>Merry Stevens</td>
<td>Commissioner z</td>
</tr>
<tr>
<td>Betty White</td>
<td>John Smith</td>
<td>Commissioner x</td>
</tr>
<tr>
<td>Martin Black</td>
<td>Pastor Johnson</td>
<td>Commissioner y</td>
</tr>
<tr>
<td>Kim Blue</td>
<td>Harry Dunlap</td>
<td>Commissioner u</td>
</tr>
<tr>
<td>John Green</td>
<td>Positive Brown</td>
<td>Commissioner v</td>
</tr>
</tbody>
</table>

Notice – This meeting was publicized in compliance with the state open meetings law, as documented in Attachment A to these minutes. Attachment A also includes a list of the documents provided to members with the meeting notice and agenda.

Call to Order

The meeting was called to order at 10:41 a.m., March 28, 2013 by President XXXX. Roll was called by XXXX, Executive Assistant. A quorum was declared. President XXXX led the Pledge of Allegiance. Prayer was given by Pastor YYY.

President XXXX had board members introduce themselves to our new board member HHHH, since we the board did not do this at the last board meeting.

There were no routine announcements.
Correspondence Received

IRS letter – The IRS is considering relieving Cap USA of penalty. They are currently investigating and will notify us soon.

County of TTT letter – This is in regards to a housing program that was administered by Cap USA, for first time buyers that provided a $5,000 grant to apply towards closing costs. If the property was sold, repayment of this grant was required. Recently, a property was contracted to be sold in TTT County. There is some confusion on the disposition of funds. Executive Director was not here at time this program was administered and cannot figure out who gets the other half of the money. She thinks it goes back to state. Not sure when this program began but it ended in 2007. More research will be done on this matter.

HUD letter – This letter explains the reduction of funds with HUD.

RSVP Banquet letter – Board members may purchase a table for $100 that will seat 8 people.

State of Somewhere Cooperative Purchasing Program letter – This is the approval for membership in the CO-OP. This membership allows Cap USA to save money on goods that have already been procured. Transportation will use the CO-OP to purchase vehicles.

A thank you letter from an appreciative client who received assistance with weatherization.

Board Action Items:

Vacant Private Sector Board Seat – Oldham County
Executive Director asked the board if the xxx county private sector seat could be changed to yyy County.

Motion: To change the private sector seat from xxx County to yyy County
By: Commissioner zzzz Second: Merry Stevens
Vote: Carried by voice vote

April Board Meeting
On April 25th, the judges and commissioners on the board have a meeting scheduled. Board members discussed changing the date of the board meeting and decided to combine the April and May meetings on May 2. Committees will meet before the main board meeting.

Motion: To combine the April 25th and May 23rd board meeting and meet on May 2nd.
By: ccc Second: ddd
Vote: Carried by voice vote

Approve February 28, 2013 Minutes
There was a question regarding the Executive Director’s report regarding the 64 hour work week. ED explained this was for a 2 week pay period. Another comment was made regarding the report made by IT. There was no mention of board members receiving and using laptops with board material loaded onto them.

*Motion*: To approve the minutes for the February 28, 2013 meeting with the above mentioned changes.

*By*: Commissioner u  
*Second*: Commissioner y

*Vote*: Carried by voice vote

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**Committee Meeting Reports (presented orally)**

**Audit and Finance Committee Report – presented by Treasurer and Finance Director**

FD reviewed the draw down on HUD funds. It is down a million dollars and will look like a loss. The high interest savings is down due to paying out Snack Pak. Account receivables is down due to less money coming in and will be further reduced due to cuts in programs and grants. On the Summary of Unrestricted Funds, the professional services include blank’s travel expenses. The maintenance and repairs amount was taken out of expense and capitalized. The Financial Expenditure Report shows what has been spent in each program compared to grant. The HUD and CEAP programs will be cut almost a million dollars. This will have a huge impact on job positions within the programs. The minutes for the audit and finance meeting of February 28, 2013 were reviewed and approved.

*Motion*: To approve the audit and finance report

*By*: John Smith  
*Second*: Martin Black

*Vote*: Carried by voice vote

**Property Committee – Committee Chair**

Robert Roberts with ABC Roofing Company inspected the roofs of the all Cap USA buildings and told the committee that the roofs have all been neglected. Because of mold issues and the windows leaking into the wall cavities, the Blank Office will be repaired immediately at a cost of $22,500. The Blank Center will also be repaired at a cost of $1,500. Other locations that have immediate replacement/repair issues and the projected costs are: Central Administration--$250,000 (roof only, does not include removal/replacement of air conditioning systems and major wiring problems on roof); Grant Center--$44,000; Action--$75,000; Compliance--$45,000. Immediate repairs to only the roofs of the buildings owned by Cap USA total more than $439,000. The committee stated the board will need to know the full cost of repairing the central office because of the wiring and air conditioning expenses. Mr. Roberts will work with Quality Mechanical to work up an estimate of the full costs of central office repairs. The board will need to make the decision to invest the amount of funds for repair and upgrading of the central office or look for other alternatives—new building, moving, etc. If a decision is reached to invest in the current facility, it will be the facility for many years to come. Roberts gave the committee a complete report on the status of all roofs, projected costs and when repairs should be planned for. The discussion on buildings will continue over the next several months. Board asked Executive Director about any grants that could help pay for these projects, especially the central office. She stated she is not currently aware of any but would begin looking for funds.
Hank Aarons is the potential buyer for the Tulip building. The building would be sold for $25,000 with the buyer assuming responsibility for the maintenance and repairs of the building. The buyer would then lease it back to Cap USA for $700 which includes utilities at $300 and rent of $400. The property committee directed the Executive Director to negotiate a contract with Aarons.

Motion: To approve the Interim Executive Director to negotiate a contract for the sale of the Tulip property and negotiate a lease with Hank Aarons with an $850 maximum per month expenditure.

By: Betty White Second: Pastor Johnson

Vote: Carried by voice vote

Motion: To approve the Property Committee Meeting Report and approve repairs

By: Commissioner x Second: Pastor Johnson

Vote: Carried by voice vote

Ratifying the signing of the 2nd quarter CSBG contract in the amount of $137,549 for a total of $275,098 and DOE budget modification

Motion: To approve the Executive Director signing of the 2nd quarter CSBG contract in the amount of $137,549 for a total of $275,098 and DOE budget modification.

By: Commissioner u Second: Positive Brown

Vote: Carried by voice vote

Old Business

Lawsuit with Why Do Business for $10,296.09 – Executive Director

Attorney John Johns has taken over this case pro bono. Mr. Johns sent a letter to Pete Peters, owner of Why Do Business. Since then Peters has called Finance Director several times. In the first call, Peters claimed they never received these extra funds. The second time he wanted to work out a payment plan with Cap USA. Each time he has been told he would have to discuss this matter with John Johns the attorney who is handling this case. Attorney Johns will continue down the course of action previously stated by the Board.

Update Health Insurance Status – Finance Director

Finance Director spoke with, a name, our current agent. There were 5 possible options. Two declined to bid due to our older population and number of claims. Finance Director has asked IMS to get us some figures. The development and audit & finance committees will assume the continued discussion of this issue.

New Business

Revision of HUD Administrative Plan – HUD Director

Changes to the HUD Administrative Plan include in Section G, it has been changed to read “equal access gender”. Section XIX has been changed to a 2 person bedroom policy to lower what we pay out. We will have the ability to make exceptions. Regarding the FIT program, students who work
20-30 hours a week will only be required to take 9 hours of school. If a student works 30+ hours will only be required to take 6 hours of school. Students will no longer be required to take any summer classes. The HUD program used to automatically move clients to housing once finished with HUD. This will no longer happen. Clients will be able to move to the housing waiting list. Between September and August, there will be resources available for a one time emergency assistance of $500. Emergencies include car problems or illness.

Motion: To approve the revision of the HUD Administrative Plan
By: Sally Red Second: Harry Dunlap
Vote: Carried by voice vote

Approval to submit RSVP Federal Grant – Program Director

RSVP Director, asked the board to approve the submission of her Federal Grant in the amount of $95,305. The grant will be due prior to the next board meeting. A complete copy will be presented at the next meeting. She also extended an invitation to board members for the RSVP Volunteer Appreciation Banquet on Friday, April 12 at the Civic Center in the Heritage Ballroom.

Motion: Approval to submit the RSVP Federal Grant
By: Commissioner v Second: Commissioner z
Vote: Carried by voice vote

Executive Director’s Report – Executive Director

ED received a letter from state confirming that the monitoring is officially closed. All issues have been resolved. June 18th is the CAPlaw training in Boston. She would like for at least 2 board members to attend. Happy Software, the software used for the HUD program has an upcoming conference. It would cost $2,300 to send 2 people.

Motion: To approve the Executive Director to spend $2,300 to send 2 people to the Happy Software conference.
By: Commissioner v Second: Positive Brown
Vote: Carried by voice vote

Workforce Solutions, PRPC and PCS are joining forces to use funds more wisely. Mary Twitty has done an outstanding job with the community.

Motion: To approve the Executive Director’s Report
By: Betty White Second: John Smith
Vote: Carried by voice vote

At 12 pm, the board took a break and at 12:10 board members went into executive session.

At 1:10 pm the board reconvenes to open session.

Motion: To give Executive Director and HUD Director authority to administer layoffs
By: Commissioner u  Second: Harry Dunlap
Vote: Carried by voice vote

As part of Executive Director’s performance review a motion was made that she pursue a risk assessment of the current IT processes and to hire a second I.T. person.

Motion: To approve Executive Director to have an assessment of the IT program and to hire a second I.T. person
By: Commissioner z  Second: John Smith
Vote: Carried by voice vote

Motion: To approve the Management contract extension for 12 months, April 1, 2013 to March 30, 2014 at a cost of $38,500 per month inclusive of all expenses.
By: Commissioner z  Second: Merry Stevens
Vote: Carried by voice vote

Adjourn
Motion: To adjourn
By: Sally Red  Second: Martin Black
Vote: Carried by voice vote

Approving Board Secretary ________________________________

Merry Stevens
Report to the Panhandle Community Services Board of Directors

Program/project: Weatherization Program-LiHEAP

Prepared by: Insule Late

Title: Weatherization Program Director

Funder: State

Program Description: The program installs energy-saving measures that reduce occupants’ heating and electricity bills based on a technical analysis of home construction, existing conservation measures (such as insulation), type and age of housing and cooling equipment and basic appliances.

Funding period: July 1, 2012 to June 30, 2013

Budget: $748,495

This program produces the following outcomes:

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Accomplishments</th>
<th>Challenges</th>
<th>Other Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 140 Homes Weatherized</td>
<td>Eight homes ahead of goal for year</td>
<td>Driving distances</td>
<td>Below $6500 average</td>
</tr>
<tr>
<td>2. Client satisfaction 95%</td>
<td>Client surveys currently indicate 97% satisfaction</td>
<td>Clients understanding they don’t get new windows and doors</td>
<td>Excellent contractor/client relationships</td>
</tr>
<tr>
<td>3. Maximize funding with HPG</td>
<td>9 houses received new roofs</td>
<td>Roof problems where HPG cannot be used</td>
<td></td>
</tr>
</tbody>
</table>

Service Statistics

<table>
<thead>
<tr>
<th>Target</th>
<th>Indicator</th>
<th>This Quarter</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>140</td>
<td>Completed Homes</td>
<td>Goal</td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36</td>
<td>39</td>
</tr>
</tbody>
</table>

Other program successes or information

9 homes in progress; 6 jobs assessed and waiting for job orders

Meliora Partners, Inc. (2011)
# Cap USA
## Balance Sheet & Comparison
### As of 10/31/2013

<table>
<thead>
<tr>
<th></th>
<th>10/31/2013</th>
<th>12/31/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in Bank</td>
<td>$712,593</td>
<td>$774,088</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$954,214</td>
<td>$1,012,230</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$4,818</td>
<td>$23,432</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$1,671,625</td>
<td>$1,809,750</td>
</tr>
<tr>
<td>Capital assets</td>
<td>$2,465,788</td>
<td>$2,465,788</td>
</tr>
<tr>
<td>Accumulated depr</td>
<td>$(1,485,684)</td>
<td>$(1,320,684)</td>
</tr>
<tr>
<td>Deposits</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>$982,104</td>
<td>$1,147,104</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$2,653,729</td>
<td>$2,956,854</td>
</tr>
</tbody>
</table>

|                      |            |            |
| **LIABILITIES & NET ASSETS** |        |            |
| Accounts payable     | $313,990   | $446,238   |
| Accrued payroll w/h  | $42,887    | $50,254    |
| Accrued annual leave | $43,210    | $43,210    |
| Deferred revenue     | $299,555   | $325,995   |
| Line of credit       | $42,000    | $-         |
| **Total current liabilities** | $741,642  | $865,697   |
| Long-term debt       | $789,422   | $804,000   |
| **TOTAL LIABILITIES** | $1,531,064 | $1,669,697 |
| **Net Assets**       |            |            |
| Unrestricted net assets | $127,765   | $158,000   |
| Temporarily restricted assets | $994,900  | $1,129,157 |
| **Total net**        | $1,122,665 | $1,287,157 |
| **TOTAL LIABILITIES AND NET ASSETS** | $2,653,729 | $2,956,854 |

Footnotes: