



*The Coalition's Mission is to provide leadership and advocacy that builds a community
where all children are prepared for success in school*

Audit Committee Meeting
Wednesday, November 18, 2009
10:00am – 11:30am
Early Learning Coalition of the Big Bend Region
325 John Knox Road, Building L, Suite 201, Tallahassee, FL 32303

Committee Members Present:

Rodney Reams, Chair
Catie McRae
Linda Nelson

Staff Present:

Chris Duggan, Chief Executive Officer
Kathy Hayes, Vice President of Finance
Karen Moon, Director of Quality Services
Travis Gordon, Senior Accountant
Megan Gocs, Executive Assistant

Committee Members Absent:

Marlon Hunter

Guests Present:

Matt Hansard, Thomson Brock Luger & Company
Keszia Cox, Thomson Brock Luger & Company

1. Welcome and Roll Call

Rodney Reams, Chair, welcomed committee members, staff and guests. Roll call was taken and quorum was established at 10:01am.

2. Approval of Agenda

The motion to approve the agenda for this meeting was made by Catie McRae. This motion was seconded by Linda Nelson. This motion was approved.

3. Approval of Minutes for May 21, 2009

The motion to approve the minutes for the Audit Committee Meeting of May 21, 2009 was made by Linda N. This motion was seconded by Catie M. This motion was approved.

4. Public Comment

There was no public comment.

5. Review Financial Statements and Draft Management Letter

Rodney R. asked Matt Hansard of Thomson Brock Luger & Company, Certified Public Accountants and Business Advisors, to present their audit findings to the committee. He explained that the audit focused on the Single Audit Act and the grants that the Coalition is subject to.

Matt H. went through the 2008 – 2009 Statements of Financial Position, Activities and Cash Flow with the committee. In terms of assets, the Coalition went from having \$4,544,554 in assets in 2008, to having \$2,537,477 in 2009.

Matt H. informed the committee that the Coalition met their match requirement in Leon County during the fiscal year.

Matt H. then went through the Schedule of Functional Expenses with the committee. The committee was informed that salaries and benefits increased July 1, 2008 because services were brought in-house. The committee then discussed internal controls. Matt H. reported that for the 2008 – 2009 fiscal year that there was no material weaknesses found in the Coalition's internal controls. There were also no non-compliance issues to report in relation to the major grant programs.

Chris Duggan informed the committee that the Coalition has signed a contract with Tenant Representatives Proctor and Long to find the Coalition a new building for the Leon County Offices for when the current lease expires on October 10, 2010.

Matt H. then went through the Management Letter with the committee. He reported that there is a potential weakness in the current Chief Executive Officer disbursement authorization process. While testing cash disbursements, the auditors noticed that staff directly reporting to the Chief Executive Officer were authorizing documents for her. Furthermore, Thomson Brock Luger & Company found no formal policy for approving the Chief Executive Officer's expenditures. The auditors recommended that the Audit Committee or a member of the Board approve the Chief Executive Officer's expenditures. The committee discussed this matter with staff, and staff with the committee's approval suggested that the Board Chair be the person to approve the Chief Executive Officer's expenditures.

Chris D. informed the committee that in fact at the last several Executive Committee Meetings the committee has been reviewing and approving her upcoming travel. The Board Chair has then been reviewing and signing each of the Chief Executive Officer's expenditures after the fact. Matt H. informed the committee that he would not recommend Board pre-approval, but he supports the Chair reviewing the expenditures after the fact.

In relation to debit card controls mentioned in the Management Letter, staff has recently eliminated debit cards. The Coalition now has three authorized credit card holders. A policy has been created for utilization of Coalition credit cards.

Matt H. then went over last year's recommendations. Each of these has been addressed by staff.

Overall, Matt H. reported to the committee that all in all it was a great audit.

6. Action Items

a. Approval of Financial Statements and Draft Management Letter

The motion to approve the Financial Statements and draft Management Letter was made by Linda N. This motion was seconded by Catie M. This motion was approved.

Thomson Brock Luger & Company will present the audit findings to the Board at their next meeting on December 8, 2009.

Meeting adjourned at 10:53am.

Minutes recorded by: _____
Megan Gocs, Executive Assistant

Minutes Approved: Thursday, May 20, 2010

Committee Chair's Initials: _____

Board Secretary Initials: _____

A digital recording of this meeting is available at the office of the Early Learning Coalition of the Big Bend Region.