Ozark Opportunities, Inc.
Board of Directors Executive Committee Meeting Minutes
September 27, 2016

The Ozark Opportunities, Inc. Board of Directors Executive Committee met at the offices of Ozark Opportunities, Inc. in Harrison, Arkansas, at 3:37 p.m. on Tuesday, September 27, 2016.

Committee Members Present:

Jim Sprott                      Gloria York                      Hon. Terry Ott
Paulette Hill (via telephone)  

Committee Members Absent:

Hon. Roger Hooper              Debra Clemons

Board Members Present

Morgan Sellers

Staff Members Present:

Richard T. Atkinson            Shirley Richesin                Jane Bueg
Rebecca Hanlin                 Ryan Clayborn                   Carrie Ragland

Guests Present – via telephone

John Welch, CPA                 Mashale Lawrence, CPA

1. Welcome Meeting Called to Order:

Chairperson Jim Sprott, declaring a quorum present and with the consent of the body, called to order the meeting of Ozark Opportunities, Inc. Board of Directors Executive Committee at 3:37 p.m.

2. Audit, 990 Tax Return and 5500 Retirement Tax Return:

Audit Review: John Welch and Mashale Lawrence with the audit firm Welch, Couch & Company, PA presented a detailed review of the agency audit report for the period covering March 1, 2015 through February 29, 2016. The firm provided an unqualified (or unmodified) opinion which is an independent auditor's judgment that a company's financial records and statements are fairly and appropriately presented, and in accordance with Generally Accepted Accounting Principles (GAAP).

Mr. Welch and Ms. Lawrence reviewed various sections of the audit: the balance sheet, statement of activity (income statement), statement of cash flow, the notes section and the Supplemental Financial Information. They noted that the agency was in very good financial position with positive working capital at the end of the agency fiscal year. They noted a decrease in net assets, due primarily to depreciation of fixed assets. They also noted that the statement of cash flow reflects an increase of cash that came in from the Home Energy Assistance Program (“HEAP”) at the end of February 2016.
Shirley Richesin, OOI Finance Director, clarified that these funds will be expended during the March 1 to September 30, 2016 period. Chairperson Sprott inquired on the $19,191 obligation to Anstaff Bank; Ms. Richesin replied it is a note on OOI Central Office property that is secured by a Certificate of Deposit; the interest is 2.3% decreasing. Mr. Sprott asked if we have enough cash to pay it off and save $500 a year? Both Mr. Atkinson and Ms. Richesin replied “yes”; and that they had discussed bringing the issue to the Board for action at a future date.

Mr. Welch highlighted Note 3 – OOI had more in the bank above FDIC limits, however the bank had pledged securities to cover the excess. Mr. Sprott asked if the bank is Community First Bank. Mr. Welch responded, yes. Chairperson Sprott noted for the record that he is on the Board of Directors of Community First Bank (and had abstained from all dealings on the matter.) Other areas of the audit report reviewed were Note 9 – In-Kind Report ($911,000 non-cash support for the Head Start Program), a breakdown of administrative & support services with Administrative costs overall at 9.5% of total expenditures, which are well within the acceptable range.

Mr. Welch reported that the audit indicated no recorded weaknesses listed, and that Mr. Atkinson and OOI Staff run a good tight ship, all in compliance. In summary, no material deficiencies in the way things are being done or in the reports. The staff is to be commended. Mr. Welch reinforced that the “loss” reflected in the audit report is a timing issue with revenue flow from funding sources.

990 Tax Return: The Committee next reviewed the IRS 990 Tax Return and had no questions for Mr. Welch or Ms. Lawrence. Mr. Sprott asked if Welch, Couch & Company handled audits for other CAA’s; Mr. Welch replied, yes, several over the past 10-12 years. Chairperson Sprott thanked the firm and ended the conference call.

- Gloria York moved to accept the Audit and IRS 990 Tax Return. Morgan Sellers seconded. Motion carried unanimously.

5500 Retirement Return: Shirley Richesin presented for Committee approval the 5500 Retirement Tax Return. The agency’s plan vendor, Mutual of America, provides the information necessary for the 5500 in a good format; Stone Financial prepares the report at a very reasonable cost of $400. The Committee reviewed the report for plan year ending February 29, 2016 and noted the loss.

- Hon. Terry Ott moved to accept the 5500 Retirement Tax Return. Morgan Sellers seconded. Motion carried unanimously.

3. Training:

Ryan Clayborn, Early Childhood Education Program Manager, provided training on CLASS (classroom assessment scoring system), School Readiness Agenda, Curriculum, Frameworks, Assessment and the Head Start Training & Technical Assistance Plan. Mr. Clayborn reported that 5 teaching staff members are certified as CLASS Observers: Ryan Clayborn, Carrie Ragland, Tricia Murray, Pam Keeling and Maria Alexopoulos-Shortt. Classrooms are observed three times a year. Mr. Clayborn reported on the improvement in CLASS scores across all dimensions: Emotional Support, Classroom Organization and Instructional Support. He noted that the program uses the evidence-based Creative Curriculum™ for student learning, and software called “Teaching Strategies Gold™ to track student outcomes. Mr. Clayborn also discussed Frameworks, Lesson Plans and the Training and Technical Assistance Plan which outlines the training objectives for staff for the program year.
Ozark Opportunities, Inc.
Board of Directors Executive Committee Meeting Minutes
September 27, 2016

SUCCESS Update: During a brief refreshment break Rebecca Hanlin, Community Services Director, gave an overview of the SUCCESS (Succeed at Understanding and Conquering Challenges to Establish Stability and Self-Reliance) program and to invite all to attend the SUCCESS Awards Banquet on Thursday September 29 at North Arkansas College JPH Center at 6:00 p.m.

4. Finance Report:

Shirley Richesin, Finance Director presented to the Committee for their review, consideration and approval Agency Budget for 3/1/16 – 2/28/17, Grant Period Expenditures as of 08/31/16 for Community Service Block Grant, LIHEAP, United Way, Head Start, Early Head Start, Head Start USDA (CACFP), HS/EHS CACFP, Credit Card Statement Re-Cap and review (documents sent prior to meeting) for August 2016. Credit card purchase documentation is present for inspection. Also included in the Finance Reports: Retirement Plan Recap and balance sheet. The verification of Payroll Taxes Report was distributed at the meeting. Ms. Richesin reinforced that the “loss” reflected in the audit report is primarily a result of the timing of funding, and we have no control over when a funding source will send money.


5. Program Updates:

A. Early Childhood (Head Start, Early Head Start, ABC): Richard Atkinson, Executive & Head Start Director, reported we are at funded enrollment in Head Start. We are struggling in some locations (Jasper has an enrollment of 11). ABC classrooms at Norfork and Mountain Home are fully enrolled. Mr. Atkinson provided the CACFP (child and adult care food program) Report included in the Agency Progress Report.

Early Head Start Program Update: Mr. Atkinson explained that facilities are coming together in preparation for the new EHS Classrooms.

- The Head Start building in Clinton is being converted to 4 Early Head Start classrooms; improvements include replacing ceiling fans, playground adaptations and improvements for 0-3 age group, and cosmetic maintenance. We have unsuccessfully sought out local contractors to work on the project; and have secured Johnny Mitchell “Double D Contractors” to do the work, and we have experience with them from the weatherization program.
- The planned Harrison EHS location at North Arkansas College is no longer available, and we are currently negotiating space at another location: First Presbyterian Church.
- In Mountain Home, the house on ASUMH campus would not pass inspections from Arkansas Department of Health, Childcare Licensing and Lead Testing. Inspections revealed black mold, severely damaged/leaking roof and lead paint. We are negotiating space at a church in Mountain Home.
Ozark Opportunities, Inc.
Board of Directors Executive Committee Meeting Minutes
September 27, 2016

Funding Application: In regard to funding, we recently learned that we are required to submit a grant application for HS/EHS grant cycle 3/1/2017 – 2/28/2018 and program staff are busy pulling together the necessary information to complete the application by December 1, 2016.

Head Start Program Information Report (PIR)- Updated Version: Mr. Atkinson asked the Committee to approve the updated PIR that includes 8 students who were left off of the previous report. The error was caught in time to make the revision and re-submit by the August 31 deadline. For the new program year, the software was set up to insure the issue will not happen again.
  ✷ Hon. Terry Ott moved to approve the revised PIR. Gloria York seconded. Motion carried unanimously.

Internal Dispute Resolution Policy – 2nd update: Mr. Atkinson requested the Committee table the item, as the new Head Start Performance Standards have been released and will impact the wording of the policy.
  ✷ Gloria York moved to table the Internal Dispute Resolution Policy. Hon. Terry Ott seconded. Motion carried unanimously. The item is tabled.

Five Year Requirements: Mr. Atkinson reported we are in compliance with the Five Year Requirements for Head Start funds, and explained the process taken to complete the necessary documents that were uploaded to HSES.

New Head Start Performance Standards: Mr. Atkinson reported that the New Head Start Performance Standards have been released; staff are reviewing and learning the new standards that will take effect November 1, 2016.

B. COMMUNITY SERVICES:

Update: HEAP monitors reviewed our Winter program August 9-11, 2016; there were no findings and staff were commended for their work, especially in calculating income as the monitors reviewed several complex applications. CSBG monitors were at the agency in early September — with no findings. HEAP monitors are scheduled for the first week of October to review the Summer program. The Client Social Services Tracker (CSST) currently in use will be updated to EmpowOR in October. Staff training will begin October 3 on the new software. Ms. Hanlin invited all to attend the SUCCESS Awards Banquet on Thursday September 29 at North Arkansas College JPH Center at 6:00 p.m.

CSBG Budget Revision: Shirley Richesin presented the CSBG Budget update for grant period October 1, 2015 – September 30, 2016. The twelve month grant cycle enjoyed a funding increase of $33,787 to $512,012. Any funds remaining will be able to be carried over to the next grant year.
  ✷ Hon. Terry Ott moved to approve the revised CSBG Budget. Gloria York seconded. Motion carried unanimously.
Ozark Opportunities, Inc.
Board of Directors Executive Committee Meeting Minutes
September 27, 2016

CSBG Funding Recap: Ms. Richesin reported to the Committee that the agency has outstanding invoices for CSBG dating back to 2015 and we are waiting for reimbursement for July 2016 and August 2016. OCS staff, during the monitoring visit in early September, inspected financial records and we were assured that payment would be made. We have contacted OCS and were told they are processing our invoices for July and August ($90,000) and the funds would be received within the week. Mr. Atkinson had recent e-mail contact with OCS recently regarding the $54,000 outstanding for 2015, and plans are made to receive the funds as part of the carryover plan.

3. Corporate Services Update:

Update: Jane Bueg, Corporate Services Director, reported there are no employment actions at this time. She informed the Committee that recruitment has begun for an Early Childhood Education Coordinator, Early Head Start Staff, and Resource Development Coordinator. Staff who were laid off due to the re-organization of Head Start were notified of these employment opportunities via mail.

D.O.L. Rule Change: Mr. Atkinson reported that the new overtime exemption law will impact the program. The agency will only have 5 exempt positions effective December 1, 2016 (when the new D.O.L. rule takes effect.) We are treating teachers and coordinators as non-exempt.

Leave Request: Mr. Atkinson asked the Committee to approve a “cash out” of up to 160 hours of annual leave by each eligible employee. Employees will be required to leave a balance of at least 40 hours in their leave account. Moving forward, the agency will manage leave by requiring staff to take off 40 consecutive hours annually, and, for staff that accrue more than the minimum to take off an additional 40 and 80 hours, depending on their accrual rate. Ms. Richesin noted that leave is fully funded per regulations. Hon. Terry Ott stated “No problem, it is funded and you have a good plan for the future.”

- Hon. Terry Ott moved to authorize the purchase of accumulated leave of employees up to 160 hours.
- Gloria York seconded. Motion carried unanimously.

4. ADJOURN:

- Hon. Terry Ott moved to adjourn. Chairperson Sprott declared the meeting adjourned at 5:35 p.m.

[Signatures]

Board Officer
Date

1/26/17