

COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA
BOARD OF DIRECTORS' MEETING

Red Lion Hotel
Harrisburg, PA

January 20, 2016

MINUTES

Board Members Present: Ron Errett, Rick Beaton, Janine Kennedy, Darlene Bigler, Wendy Melius, David Mzrowski, Erin Lukoss, John Litz, Megan Shreve, and Sam Ceccacci

Members Not Present: Gale Zalar, Tay Waltenbaugh, Bob Raible, Eva Gladstein, Ken Heilman

Advisory Board Members Present: Mike Hillman for Rep. Mark Longietti, Allen Warshaw (via telephone)

Staff in attendance: Susan Moore, Jane Knott

Rick Beaton, President, called the meeting to order at 10:12 a.m. Roll was called. A quorum was established.

CONSENT AGENDA – Susan Moore, CEO

There being no corrections to the Minutes, Susan Moore, CEO, offered highlights from her written report, focusing on the following areas:

Strategic Plan

Related to *Sustainability, Initiative 1*, Susan discussed creating an associate membership category. Other community action state associations were surveyed, and while some associations did not pursue this membership category, Missouri offered a credible model to follow, having 5 levels of associate membership and over 1400 such members. Susan suggested that we investigate this further and put forth a plan for the Board to consider. The Board agreed.

Under *Sustainability, Initiative 2*, Susan also discussed developing alternative revenue streams such as providing Fee Based Training Support. As a means of raising additional revenue to meet CAAP's annual budget, CAAP would provide fee-for-service training and meeting support for both member and non-member organizations. Additionally, CAAP could explore providing supplemental online training sessions from CAAP's educational in-person courses. The Board agreed that staff should pursue this and report back to the Board.

CSBG Workplan

Susan briefly discussed the CSBG Workplan and suggested that the Board read thoroughly the Executive Summary contained within her written report.

Budget Impasse

Susan discussed the budget impasse and how OCS had agreed to fund the CAAs directly. She stated that this had required a tremendous effort by OCS and CAAP and said DCED had been very supportive throughout the unprecedented process. Notices of Grant Support were finally awarded by OCS in late December only to have the Governor release federal funds that same day. OCS, upon being notified of the release, immediately rescinded the letters. However, the precedent has been set not just for Pennsylvania but also for other states which find themselves in the same position.

Motion 1.20.16a: The Consent Agenda was accepted as presented. Moved by Ron Errett, seconded by Sam Ceccacci. The motion passed unanimously.

PRESIDENT'S COMMENTS – Rick Beaton

Rick recommended that in the months when a Board meeting is scheduled the Executive Committee not meet unless something particular requires it. The Board agreed.

TREASURER'S REPORT – Ken Heilman

Financials

In Ken's absence, Jane Knott, CFO, presented the **December 31, 2015 CAAP Financials**. Jane reviewed the Statement of Financial Position and noted that operating cash is low at the statement date and that CAAP drew \$8,000.00 on the line of credit on December 30, 2015. She reviewed the Vanguard Investments and noted that there is a year to date gain of \$4,048.00 but the stock market has been volatile in the last six months. We are watching the funds closely and are within the guidelines of CAAP's investment policy and are not required to move the funds. The Grants receivable is high for the CSBG grant due to the PA budget impasse, but we did receive July, August and Sept. funds on January 8, 2016. Our current ratios remain steady at 4.66 and 1.70 times the cash needed to pay our current debts. Jane reviewed the Statement of Revenue and Expenditures and the CAAP Operating statement which shows a year to date loss of \$3,592.00, mostly due to the volatility in the investments. She noted that she submitted and was approved for a line item budget modification for CSBG which allowed her to move some of the cost of the new website, office equipment, and overhead to the CSBG grant.

Motion 10.21.15b: The Board accepted the December 31, 2015 Financial Statement as presented.

Moved by Ron Errett, seconded by Megan Shreve. The motion passed unanimously.

7/1/15 – 6/60/15 CAAP Audit Presentation

Jane introduced James Krimmel, CPA, Hamilton & Musser CPAs, to present the report. She noted the Finance Committee had met to review the report, and the minutes and review of the report are included in the Board folders. James referred to Page 2 of the report which gives CAAP a clean opinion for the report. He reviewed the *Financial Statements* which show a comparison to the FY 2014 report, and reports an excess for the year of \$29,183.00. He reviewed the *Statements of Activities* which show an increase in grant revenue due to CAAP assuming the management of the Regional Performance (R3PIC) grant. He reviewed the *Statements of Cash Flow* noting it is a cash report rather than an accrual report, and shows that the bulk of our cash was provided by our *Operating Activities* which is a good indicator of the health of our organization. He referred to the *Notes to the Financial Statements* which helps to explain the operations of the organization and details our grants and the additional *Statements of Functional Expenses by Program*. He said he did not issue a Management Letter as there is nothing to report. He also reviewed the federal 990 return of the organization, which gives the same information as the audit in the IRS requested format.

Motion 10.21.15c: The Board accepted the 2015 Audit Report and 990 as presented and further approved retaining Hamilton & Musser CPAs for the FY 2016 Audit due to the change in CFO staff.

Moved by the Finance Committee, seconded by Darlene Bigler. The motion passed unanimously.

Other

The group discussed the importance of and need to support NCAF and CAP-PAC. Thanks to NCAF and David Bradley's efforts, CSBG received an increase in December 2015.

2016 is shaping up to be one of the most critical years in the history of Community Action. There are many opportunities coming up for Community Action that will allow us to build a bipartisan base that can withstand any political winds and last for a generation. To accomplish this, NCAF and CAP-PAC need continued and increased support.

It should also be noted that, because of the lack of NCAF resources, David went without pay in November and December.

It was agreed that the whole network needs to do a better job supporting NCAF by donating as much as their agencies can afford and by attending the NCAF conference. Conferences are a great way and often the only way for a state or national organization to realize extra income.

Members were reminded that donations to NCAF could be made by individuals and agencies but all donations to CAP-PAC had to be made as private individual donations unrelated to our agencies.

There being no further business, the meeting adjourned at 11:30 a.m.

Submitted by Darlene Bigler, Secretary