



PRESENT: Commissioners, Doug McCoy, Jan Foster, Elizabeth Elam, Bob Pyle, Joanna Zimmerman, Alternate Commissioner Wendy Blackmon, and staff member Laura Roberts

ABSENT: Commissioners, Melody Brawley, Mae Sherman, Amiee Osborn, Brenda Poteete, and Alternate Commissioner Brian Dahle

CALL TO ORDER: Chairperson Doug McCoy called the meeting to order at 1:30 p.m. Everyone was welcomed.

PUBLIC COMMENT: There was no public comment.

APPROVAL OF AGENDA: Chairperson McCoy presented the agenda. Due to financial hardship an item for approval of Oral Health Project invoice #222 from Smiles for Life for \$6,774.34 was added to the agenda on motion of Commissioner Pyle, seconded by Commissioner Foster. There was no discussion and the motion passed without abstention. There were no further changes in the agenda. Commissioner Pyle made a motion that the agenda be approved as amended. Alternate Commissioner Blackmon seconded the motion. There was no discussion. The motion passed with no abstentions.

INFORMATION/CONSENT CALENDAR: The information and consent calendar was presented. Corrected minutes were given to the Commissioners. Commissioner Pyle made a motion to approve the consent calendar as amended with the correct minutes. Commissioner Elam seconded the motion. The motion passed unanimously. The items approved on the consent calendar are as follows:

- Approval of September 3rd, 2009 Minutes
- Approval of Fiscal Report
- Approval of Transfer of Funds from Trust Account and payment of pending obligations in an amount of \$65,658.32

Expenses for FY 08--09		
Lassen Diversified Management	\$8,190.00	Project Coordination and Implementation for October 2009
Lassen Diversified Management	\$412.68	Postage, duplication, for September 2009, Invoice 4294
Laura J. Roberts	\$10.00	Ribbon for Dental Van Ribbon Cutting Celebration
Smiles for Life *	\$510.90	Data Collection, Outreach and Education for August 09, Invoice 220*
Social Entrepreneurs, Inc. *	\$1,031.70	Consulting & Evaluation for August 09 Inv 1932*
Bailey Data Management *	\$1,620.00	Modification to the Data Collection Records Invoice 268*
Child & Family Resources	\$3,500.00	Final CARES Pmt for 07-01-09 to 12/31/2009, Inv 910001CARES
Westwood Family Resource Center	\$1,527.19	Mini Grant Payment
Total	\$16,802.47	
		*Smiles for Life, Inc. was paid on 9/02/09 Check #1415=\$510.90
		*Social Entrepreneurs, Inc. was paid on 9/3/09 Check #1416=\$1,031.70
		*Bailey Data Management was paid on 9/4/09 check #1417=\$1620.00

APPROVAL OF ORAL HEALTH PROJECT INVOICE: Commissioner Pyle made a motion to pay the Smiles for Life Invoice in the amount of \$6,774.34. Commissioner Foster seconded the motion. This invoice is for services rendered during September for the Head Start Health Fairs and to hold this invoice until the next meeting would pose a financial hardship on the grantee. There was no further discussion. The motion passed with no abstentions.

ANNUAL REPORT FINAL REVIEW: The annual report State Forms, Local Report, Evaluation Data Report, and Success Stories report were presented for final review. The reports were reviewed and Commissioners commented on the quality of the reports and thanked staff and contractors for providing the expanded reports documenting program services, evaluation methods and results. The reports will be submitted by October 30, 2009.

ANNUAL AUDIT FINAL REVIEW AND DISCUSSION OF FINDINGS: The Annual Audit was presented for final review. The Executive Director pointed out progress made on findings in the last audit, and also a separate finding noted during the current audit. The current audit finding and corrective action plan reads as follows:

09-FS-01 ACCRUALS (Reporting Requirement: Significant Deficiency)

Condition

During our audit we noted that cash was understated by \$24,474, accounts receivable were understated by \$37,549, and accounts payable were understated by \$62,289.

Cause

The Commission wrote journal entries to accrue accounts receivable into cash at June 30, 2009 and back dated checks against cash at June 30, 2009 instead of recording accounts receivable and accounts payable.

Criteria

Generally accepted accounting principles require that accounts receivable and accounts payable be recorded for all receipts and payments meeting the modified accrual criteria.

Effect of Condition

Cash, accounts receivable, and accounts payable were misstated and required adjustment.

Recommendation

We recommend that proper accounting procedures be followed when recording accounts receivable and accounts payable at year end. We further recommend that the Commission not back date checks.

Corrective Action Plan

We now realize that the balance sheet classifications were not in accordance with Generally Accepted Accounting Principles, but that amounts reported for revenue and expenses and net assets were not misstated, which for management purposes is our focus. We have implemented a year-end checklist to ensure proper classifications on the balance sheet for financial reporting purposes of accounts receivable and accounts payable to be in conformity with Generally Accepted Accounting Principles. We are in agreement with the adjustment but would like to note that we brought the adjustment to the attention of the audit firm prior to the issuance of the financial statements.

The Commission discussed the finding and corrective action plan. The terms of the finding were noted and the corrective action plan was found to be adequate to prevent the finding in the future.

The findings of the prior year were reviewed. Progress toward implementation was reported. Terms of the findings were noted and satisfaction with progress was expressed by the Commission. Trainings have been completed and subsidiary records have been established to track program funds. The terms of the findings and progress toward correcting them are listed below:

08-FS-01 STATEMENT ON AUDITING STANDARDS NO. 112

Recommendation

The Commission should take all steps necessary to ensure compliance with SAS 112 including:

Provide training opportunities for its accounting staff that would enable them to become more familiar with the general disclosure requirements. This training should include, but is not limited to, the usage of a disclosure checklist, which provides guidance to the financial statement's content and whether a necessary disclosure has been overlooked.

Status

Implemented

08-FS-02 PROGRAM ACCOUNTING

Recommendation

We recommend that the Commission either set up separate funds to account for each program or maintain subsidiary records which segregate the activity of each program and reconcile these subsidiary records to the primary accounting records of the Commission.

Status

In Progress

PUBLIC HEARING ON ANNUAL REPORT AND ANNUAL AUDIT: Chairman McCoy declared the Public Hearing open on the Annual Report and Annual Audit open at 2:01 p.m. There were no comments on either the Annual Report or the Annual Audit. Chairman McCoy declared the hearing closed at 2:02 p.m.

ADOPTION OF ANNUAL REPORT: Commissioner Foster made a motion to approve and accept the Annual Report as presented. Commissioner Pyle seconded the motion. There was no further discussion. The motion passed with no abstentions.

ADOPTION OF ANNUAL AUDIT: Commissioner Pyle made a motion to approve and accept the Annual Audit as presented. Commissioner Elam seconded the motion. There was no further discussion. The motion passed with no abstentions.

REPORTS: There was further discussion of State Budget cuts and impact to local programs. It was explained that MCAH programs were going to be okay for the next fiscal year as realignment funds were made available to help fill any gaps in program funds. This has not been the case for Lassen County Alcohol and Drug and the PROMISES Program. Serious funding cuts are imminent which will reduce services drastically, especially in the PROMISES program. This is a potential area where First 5 funds may be helpful. The Healthy Families Insurance program has restructured and has been able to leverage Federal funding with the help of State First 5 funding. Transportation funds for the Early Start program were cut. This is also a potential area where local First 5 funds can help.

The Head Start Health Fairs were held during September. Approximately 160 families were seen. First 5 Lassen was represented and information regarding the tobacco cessation quit line service was provided as well as information on nutrition. The Apple coloring book was given to children. Information about second hand smoke and the smoke free car law was also provided.

ADJOURN: The meeting was adjourned at 2:20p.m.

Respectfully Submitted,

Laura J. Roberts
Executive Director