

**SPECIAL MEETING
EDUCATION ACHIEVEMENT AUTHORITY**

X AUDIT COMMITTEE MEETING

Date: December 3, 2013
Time: 8:00 AM
Location: Eastern Michigan University
201 Welch Hall
Ypsilanti, Michigan 48197

MINUTES

I. Call To Order

The EAA Audit Committee Meeting was called to order by Chairperson Morris at 8:00 AM.

I. Roll Call

Chairperson Morris asked Tyrone Winfrey to call the roll of the Audit Committee. *Members Goss and Stancato called in on the conference line.

Carol Goss*, Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Michael Morris, Chairperson	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Mark Murray, Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Shirley Stancato*, Director	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent

A quorum of the EAA Audit Committee was determined.

II. Approval of the EAA Audit Committee Meeting Agenda

Chairperson Morris made a motion to approve the EAA Audit Committee Meeting's Agenda.

Motion: Member Murray
Support: Member Goss

Ayes: 4 Nays: 0

The motion was carried.

III. New Business

- a) Review of FY 2014 Budget Amendment Number One
- b) Update on Charter School Accounting

Chairperson Morris introduced Harry Pianko, EAA's Chief Financial Officer to review the 2014 Budget Amendment Number One. He also stated that all information discussed would be accessible on the www.michigan.gov/ea website.

Mr. Pianko reviewed the following areas of the Budget Amendment Number One.

- Two Primary Amendment Drivers
 - Total FTE reduced by ~ 700
 - Grants (e.g., Title, SIG, etc.) were officially approved, increasing revenues and expenditures

Chairperson Morris asked about the 5 Million increase. Mr. Pianko discussed.

Chairperson Morris asked if there were questions on the Amended Budget. There were none.

Mr. Pianko continued his review of the Amended Budget vs. Original Budget.

Member Goss questions the color-coded pie chart. Mr. Pianko discussed.

Mr. Pianko continued his discussion on the following:

- FY2014 Original Budget
- FY2014 Amendment
- Amendment #2 vs. Original Budget
- IT Budget Increase
- Custodial and Maintenance Increase
- Instructional - Teacher Incentive Fund Grant Increase

Chairperson Morris asked for more of an explanation of how the incentive process works. Mr. Pianko discussed.

Chairperson Morris asked about Building Changes in reference to the 700 head count. Mr. Pianko discussed.

Member Goss questioned the expenditures in reference to Technology coming from Federal dollars. Mr. Pianko discussed.

Member Murray asked about how the amendments are being managed; making sure that there were proper resources for balancing. Mr. Pianko discussed.

Chairperson Morris asked about Guidance and the Grant's process. Mr. Pianko discussed.

Member Murray stated in reference to maintaining balances, this was a very critical process because of fiduciary responsibility. He also commended Mr. Pianko on a great job. Members Morris and Stancato added more clarity on the funding process. Mr. Pianko continued his discussion.

Chairperson Morris asked if there were any additional questions. Member Murray asked about the timeline on the budget process. Mr. Pianko discussed.

Member Morris asked for a motion to approve the Amended Budget.

Motion: Member Murray

Support: Member Goss

Ayes: 4

Nays: 0

The motion was carried.

Chairperson Morris continued on to the Charter School Accounting process. Mr. Pianko discussed the following.

- EduWork – Charter School Accounting Firm
- Hiring a CPA for the Audit Review Process

Chairperson Morris clarified the Charter School process and questioned responsibilities through EAA. Mr. Pianko discussed.

Chairperson Morris and Member Goss clarified Mr. Pianko's discussion for reassurance on the Charter School process.

Member Murray suggested to keep a thorough eye open on the Charter School's monitoring process regarding outsourcing concerns. He also discussed having an optional 'Plan B' for this process. Chairperson Morris added to this concern as well.

Chairperson Morris asked the EAA Audit Committee if there were any questions. There were none.

IV. Public Comment

Chairperson Morris asked Mr. Tyrone Winfrey if there were any Public Comments. There were none.

Motion: Member Murray

Support: Member Goss

Ayes: 4

Nays: 0

The motion was carried.

V. Adjournment

Chairperson asked for a motion to adjourn the EAA Audit Committee Meeting.

Chairperson Morris adjourned the meeting at 8:30 AM

MINUTES CERTIFICATION

Proposed minutes respectfully submitted,

Secretary / Recording Secretary

Date

Approved by the Authority Board,

Secretary / Recording Secretary

Date