

**Hardee County Economic Development Council/Industrial Development Authority**  
**Regular Meeting Minutes**  
**December 19, 2014**  
**Hardee County BOCC**

**Vanessa Hernandez- Chair-P**  
**Gene Davis- Vice Chair-P**  
Dottie Conerly-P  
Jim See -P

Donald Samuels-P  
John O'Neal-P  
Michael Prescott-P  
Diana Youmans-P

Doug Jensen-P  
Monica Reas-P  
Lory Durrance-P

The meeting was called to order at 8:30am by Chair Hernandez.

**Visiting:** Loran Cogburn, Robert Cole, Rhonda Cole, Benny Albritton, Charlie Cox, Trisha Floyd, Mike Carter, Timothy Jickell, Arnold Lanier, Frank Kirkland, Lex Albritton, Henry Kuhlman, Charles Cannon, David Royal, Travis Bond, Jamie Grant, Jennifer Lux, Dane Hendry and Don Chancey.

**County Attorney:** Ken Evers

**County Commissioners:** Mike Thompson, Russ Melendy, Colon Lambert and Sue Birge

**Press:** Michael Kelly and Jim Kelly

**Staff:** Bill Lambert, Sarah Pelham and Kristi Schierling

**Agenda:** Director Lambert would like to switch items 4 and 5. Gene Davis made a motion and was seconded by Dottie Conerly to approve the agenda with the change. Motion passed unanimously.

**Minutes:** Jim See made a motion and was seconded by Doug Jensen to approve the minutes as presented. Motion passed unanimously.

***Financial Audit for FYE 2014- DRAFT***

Trisha Floyd, Mike Carter and Timothy Jickell, all from CliftonLarsonAllen, were here to present the draft copy of the financial audit for FYE 2014.

Total assets at 9/30/14 totaled \$17,038,340. Total liabilities at 9/30/14 totaled \$263,361 and total net position at 9/30/14 was \$16,774,979. There were different revenue types noted. The majority of the revenue is from the Mosaic income. Our largest expenditure type is capital outlay. Our total fund balance at 9/30/14 was \$8,118,162. There were 2 findings. One related to grant advances and the other related to recording of unavailable revenue.

CliftonLarsonAllen will return next month for any additional questions. The Board acknowledged receipt of the draft version at today's meeting.

\*\*Short break from 9:25-9:35am

***Continuum Labs examination-DRAFT***

Mike Carter and Trisha Floyd, with CliftonLarsonAllen, reviewed the DRAFT examination. 25% of the monthly draw requests were sampled which amounted to 7 draw requests and 43% of total expenses of the grant awards. The months tested were October 2011, January 2012 and May 2012 for LifeSync and the months tested for Continuum were October 2012, January 2013, August 2013 and November 2013. The total amount of questioned costs is \$194,093. This includes \$53,748 related to LifeSync

Technologies. Questioned costs were items that merit further attention by governance and management. Mike and Trisha then went one by one and read their general observations as well as the findings and Continuum Labs response to the findings. The findings are: 2014-001 LifeSync closeout, 2014-002 CLI Contract Bridge billings (Advances) between LifeSync and Continuum Labs, 2014-003 Continuum Labs reconciliation of the contract bridge billings (Advances) between LifeSync and Continuum Labs, 2014-004 LifeSync and Continuum payroll expenses, 2014-005 Continuum Labs gross salaries-Hardee County based, 2014-006 Continuum Labs payroll overhead (taxes and benefits), 2014-007 Continuum Labs payroll overhead (General), 2014-008 Continuum Labs subcontractors, 2014-009 Continuum Labs subcontractor overhead, 2014-010 Continuum Labs errors in billings, 2014-011 Continuum Labs credit card expenses, 2014-012 Continuum Labs licensing and 2014-013 Continuum Labs rent/data equipment lease expenses. LifeSync's questioned costs may not actually be questioned costs because their grant was not a reimbursable grant. They were paid based on an approved budget and the money they received could be spent in different months than requested. For the contract with Continuum Labs, draws were usually based on previous month's expenses starting in January 2013.

\*\* A break was taken from 11:30-11:35am. Jim See left at 11am.

Mike Carter reviewed what a questioned costs is defined as. It is up to the Board to allow or disallow a cost. Disallowed costs can be projected across the population. A summary of Continuum Labs questioned costs: Findings 2014-002, 2014-006, 2014-007, 2014-008, 2014-009, 2014-010, 2014-011, 2014-013 and 2014-012 which totals \$140,345. This does not include the \$58,280 of LifeSync closeout in October 2011 nor the approximate \$300,000 advance from December 2012. These are related to findings 2014-002 and 2014-003.

CliftonLarsonAllen recommends a comprehensive closeout for the time period of September 10, 2012 to June 30, 2014. CliftonLarsonAllen went through the bank statements (LifeSync and Continuum Labs) to verify expenses. A figure of about \$8.7 million in expenses were shown on the bank statements, through June 30, 2014. This amount is inclusive of the IDA's \$7.25 million investment.

Chair Hernandez asked Travis Bond if he could come back next month with an update on everything going on and any accomplishments Continuum may have had. Questions about the examination can also be addressed at next month's meeting with Travis. This way the Board will have had more time to review the examination. Travis did say that close to \$11M has been spent on the project to date. Mr. Bond has offer letters for prospective employees. If they accept their offer letter, there will be a total of 29 people employed by the end of the year. Mr. Bond stated that he has no intention of leaving and wants to grow in Hardee County. He also said that there is about a \$1million total payroll for Hardee County employees.

Director Lambert feels that the contract status needs to be addressed and possibly extended to March 2015. Attorney Evers said that we were not legally obligated to extend the contract but it is up to the Board if they wish to do so. Director Lambert also let the Board know that they need to decide if they were going to give Mr. Bond credit for the expenses he incurred during the remainder of the contract related to the disallowed costs.

This will be discussed further at next month's meeting.

### ***Financial Report***

Sarah Pelham reviewed the EDC and IDA financials from the previous month.

A motion was made by Gene Davis and seconded by Monica Reas to approve the EDC and the IDA financials. Motion passed unanimously.

\*Meeting was adjourned at 1:25pm by Chair Hernandez.