PENSACOLA & PERDIDO BAYS ESTUARY PROGRAM

Woody Speed, Chair
Vernon Compton, Vice Chair

Finance Subcommittee Meeting Minutes

July 29, 2026, at 1:30 p.m. CT
Santa Rosa County Commission Chambers
6495 Caroline St., Milton, FL, 32570

Members Present

Woody Speed, Chair	City of Orange Beach
Vernon Compton, Vice Chair	City of Milton
Tim Burr	City of Gulf Breeze
Colten Wright	Santa Rosa County
Kerry Smith	Santa Rosa County

Interested Parties Present

Matt Posner	PPBEP
Sonya Negley	PPBEP
James Halleran	JM&Co – Via Zoom
Andrew Ferguson	JM&Co – Via Zoom

1. **Call to Order**
   Mr. Speed, Chairman of the Finance Subcommittee, called the meeting to order.

2. **Roll Call**
   Matt Posner, Executive Director, called the roll. A quorum was present.

3. **Public Comment**
   None.

4. **Approval of the Agenda**
   Councilman Burr Recommend the Subcommittee approve the July 29, 2026, meeting agenda. Mr. Compton seconded the motion. The motion passed without objection.

5. **Action Items**
   a. **Approval of FY25 Annual Financial Audit Report**
   Mr. Posner introduced James Halleran, CPA, Partner with James Moore and Co. and Andrew Ferguson, CPA, Senior Manager who led the PPBEP Annual Financial Audit. They explained the process for the first financial audit for PPBEP. Mr. Halleran noted that while PPBEP is a 501(c)(3) nonprofit, all members are appointed by government agencies, and because of that, the process required James Moore & Co. to use Governmental Accounting Standards Board (GASB) principles when conducting the financial audit.

   Mr. Halleran explained that initially, they were engaged to conduct a financial as well as a

State and Federal Single Audit. They determined the organization was just below the threshold of $750,000 for State Single Audit as well as just below the threshold of $1 million in Federal grant expenditures for the Federal Single Audit for FYE2025.

Mr. Halleran shared the results of the financial audit. The Financial Statements were unmodified which is the best opinion they can provide. He did state that there was one finding in the Internal Control and Compliance Section and that weakness was due to Significant Audit Adjustments. PPBEP management developed and has since implemented a Corrective Action Plan, which included PPBEP ending its relationship with the 3rd party bookkeeping firm, incorporating new internal controls, and hiring a financial and operations manager.

He outlined what their reporting requirements are to the governing body. He reported there were no difficulties performing the financial audit or disagreement with management.

Mr. Compton made a motion to approve the Financial Audit as presented and Councilman Burr seconded the motion. The motion passed without objection.

b. **Approval of FY25 990 Form**

Mr. Posner shared with the subcommittee that James Moore & Co. also prepared the 990 for PPBEP for FY2024-2025 and was aligned with the financials that Mr. Halleran had covered in the previous agenda item.
Councilman Burr made a motion to approve the 990 as presented. Commissioner Wright seconded the motion. The motion passed without objection.

c. **Approval of Quarterly Financial Statements**

Quarterly Financial Statements were presented by Mr. Posner and he shared that PPBEP has been given adjusting journal entries to make to the general ledger by James Moore & Co. to bring the financials into alignment with the audited financials and those financials for the same period would be presented at the September Finance Subcommittee meeting for approval.
Commissioner Wright made a motion to approve. Commissioner Smith seconded the motion. The motion passed without objection.

d. **Approval of Proposed Draft FY27 Operating Budget**

Mr. Posner presented a proposed draft FY27 Operating Budget. He stated that there are no significant changes in the proposed budget from FY26. In the budget is the NEP designation funding of $850,000 and associated expenses. He further stated that there is a cost-of-living increase of 3% for staff. He noted that 90% of staff positions are grant funded. Commissioner Wright asked for clarification about how the NEP funding would be paid and if it was ongoing. Mr. Posner stated that the funding is similar to other grants and it could be drawn monthly and the amount was renewable each year.

Commissioner Wright made a motion to approve the Draft Budget for FY2027. Commissioner Smith seconded the motion. The motion passed without opposition.

Commissioner Wright also commented that the staff and Board should discuss a reserve level to mitigate any future economic downturn. Mr. Posner agreed and mentioned that PPBEP needs to also consider a Line of Credit due to federal and state grantor's lengthy reimbursement process, PPBEP's cashflow has been affected in FY26. Both items were recommended to be brought forward in the September Finance Subcommittee Meeting.

6. **Subcommittee Member Comments**
   Councilman Burr commented that he wanted to applaud management's response to the necessary changes that were required based on the audit. He also commended the auditors for diving into the financials that was quick, efficient, and appropriate. He further recognized that PPBEP now has firmer internal controls and has made the necessary adjustments. Finance Subcommittee Chair Speed agreed and acknowledged the Operations Manager.

7. **Public Comment**
   None.

8. **Adjourn**
   Subcommittee Chairman Speed adjourned the meeting at 1:30 pm.