



Approved at March 12, 2021 Audit Committee Meeting
 Early Learning Coalition of Broward County, Inc.
Audit Committee Meeting Minutes
February 12, 2021 1:00 PM
 Virtual

Members in Attendance	Chair, Richard Campillo; Michael Asseff, Monica King; Beverley Batson; Twan Russell
Members Absent	
Staff in Attendance	Renee Jaffe, CEO; Christine Klima, CAO; Howard Bakalar, CPO; Stephanie Landreville, Controller; Maggie Laino, Quality Assurance Manager; Elsy Silvestre, Executive Assistant
Others in Attendance	Jacob Jackson, General Counsel; Tanya Bower; Martha Parker

Item	Action/Discussion
Welcome & Call to Order	Chair Richard Campillo called the meeting to order at 1:04 PM. Roll was called and a quorum was established.
CONSENT AGENDA a. Approve June 18, 2020 Audit Committee meeting minutes	<p>Committee Chair stated that there was an error on page 3 wherein October, 2021 is supposed to be October, 2020. This error is in the Audit Committee Action Item A211AUD1 and not in the consent agenda. There were no changes or comments with regard to the Consent Agenda.</p> <p>A Motion was made by Twan Russell to approve the ELC of Broward Audit Committee meeting minutes from June 18, 2020. Seconded by Michael Asseff. Unanimously approved. Motion passes.</p>
Audit Committee REGULAR BUSINESS: a. A211AUD1 – Approve 403(b) Retirement Plan Compliance Review Results	<p>Approve 403(b) Retirement Plan Compliance Review Results</p> <p>CAO introduced Tanya Bower who is an ERISA specialist attorney from the Tripp Scott P.A. law firm.</p> <p>Ms. Bower provided an overview of the scope of the Tripp Scott review of the last 20 years of ELC’s 403B plan compliance history.</p> <p>During the review, Tripp Scott found one area that required corrective action. Specifically, ELC’s Plan Document had not been restated in 2009 as required by ERISA law to include key regulatory updates enacted at that time. The deadline for completing a mandatory 403B Plan restatement passed on December 31, 2009 and ELC is now required to take additional steps to address the failure. Ms. Bower recommends that ELC complete the Department of Labor’s Voluntary Compliance Program (VCP) to bring the plan into compliance prior to the end of the fiscal year.</p> <p>There will be no IRS penalty, just corrective measures. There will be no impact on the audit.</p>

A211AUD2 – Fiscal Year
2020 Annual Audit
Report

CAO mentioned that part of the corrective action is that we will be going to the Governance Committee to get the plan formally adopted and procure for a new 3rd party plan administrator. Ms. Bower is helping us with the scope of work for this procurement.

Fiscal Year 2020 Annual Audit Report

Martha Parker, Partner at Keefe McCullough, provided an overview and a presentation of the financial highlights of Fiscal Year 2020. The Preliminary Draft Audit Report contains no findings. The action plan correcting the problems created by OEL's faulty roll out of EFS Mod noted in the prior year's audit is still in progress but should wrap up in the current year without any negative impact to ELC.

Keefe McCullough highlighted ELC's liquidity ratio as a measure of whether ELC has sufficient assets to weather an unexpected loss of revenue and they noted that ELC is running very lean with very little financial cushion for an organization of ELC's size. There were also very few truly unrestricted dollars available to cover costs that ELC's Government funders might not cover.

Bill Benson, Managing Partner, recommended that ELC consider fundraising as \$300,000 in net assets is too lean for an organization our size. He recommended having 3-6 months of operating expenses on hand as reserves.

Chair mentioned that we would bring the issue of fundraising to the Finance Committee to discuss further. CEO mentioned that we have had this discussion in the past and we agree with the recommendations and we will discuss further. There was a new Board committee that was created for fundraising last year, but has been on hold since the pandemic arose.

Twan wanted to know why the liquidity ratio had dipped below 1:1 in 2018.

CAO explained that FY 2018 was the year ELC brought services in house and there were compliance issues that surfaced which required using unrestricted net assets to cover unallowable expense in the clean-up process during that year. Since that time, we have been very careful with managing unforced errors to prevent having to use our unrestricted assets at all and we are actively working to protect and build them up further. This has been a high priority for us for a while.

Chair asked about possible risk to the local revenues if there is an economic downturn. CAO responded that our local government funders maintain fund balance reserves to weather downturns and the risk is low.

CAO asked the auditors to explain the difference between the final draft vs. where we are now. What will change after final review? Bill explained that any changes at this point will just be cosmetic changes.

Chair thanked Martha and Bill for their hard work.

	<p>A Motion was made by Michael Asseff to approve the 403b Retirement Plan ERISA Compliance Review Results. Seconded by Twan Russell. Unanimously Approved. Motion Passes.</p> <p>A Motion was made by Michael Asseff to approve Preliminary Draft Audit Report for Fiscal Year 2020. Seconded by Monica King. Unanimously Approved. Motion Passes.</p> <p>A Motion was made by Michael Asseff to Approve the Preliminary Draft Form 990 for 2019. Seconded by Twan Russell. Unanimously Approved. Motion Passes.</p> <p>A Motion was made by Michael Asseff to request the Board to Empower the Audit Committee to Approve Finalized Audit Report and Form 990 between Board meeting and March 31, 2021 Submission Deadline. Seconded by Twan Russell. Unanimously Approved. Motion Passes.</p> <p>Michael Asseff wanted to thank the audit team, staff as well as Committee Chair for the great job done with the audit.</p> <p>Committee Chair also wanted to recognize and thank Christine, Stephanie and the rest of the team who were able to do all of this hard work all while dealing with COVID, EFS Mod, Reconciliation and many providers calling. This is a testament to the team that gives board members reassurance and confidence the team is looking out for us, providers and the children.</p> <p>CAO wanted to thank Stephanie Landreville, Controller for her hard work during this audit. She did the heavy lifting for this audit—working tirelessly responding to a constant stream of requests for documents, reconciliations and clarifying information. Through her hard work, professionalism and care in answering their questions she did a great job of teaching them about our business and giving them confidence in our work. She and her team made an outstanding first impression and laid the foundation for a great working relationship with these auditors in future years.</p> <p>CAO also thanked Maggie Laino, Quality Assurance Manager. She put together all eligibility files for the auditors in a way that helped the auditors to learn how our business works and to understand they were looking at. The care she put into her presentation went a long way to their confidence in us.</p> <p>CEO is very proud of the team and acknowledged the amazing job they did. These contributions were priceless.</p>
NEW BUSINESS	No discussion
MATTERS FROM CHAIR	No discussion.
MATTERS FROM COMMITTEE	No discussion.

PUBLIC COMMENT	There was no comment.
NEXT MEETING DATE	TBD
ADJOURN	Richard Campillo motioned to adjourn the meeting. The meeting adjourned at 2:07 pm

These minutes contain the action items of the Board meeting of the Early Learning Coalition of Broward. They do not include all the Committee's discussions or comments on each matter or issue raised during the meeting. A tape recording of the meeting is held in the Coalition office. Corrections from the Committee will be taken prior to approval at the next meeting.