



Early Learning Coalition
Of Indian River, Martin and Okeechobee Counties, Inc.

FINANCE COMMITTEE MEETING MINUTES

October 27, 2016

Children's Services Council of Martin County
101 SE Central Parkway, Stuart

Present: William Laughlin
Cathleen Blair (via teleconference)
Lison Philor-Jonnassaint (via teleconference)
Ann Rodriguez (via teleconference)
Richard Stetson (via teleconference)
Brandon Tucker (via teleconference)

Staff: Jacki Jackson
Zack Hackley
Loretta Toth

I. CALL TO ORDER

Finance Chair, William Laughlin, called the meeting to order at 1:01 pm. Roll call was taken and a quorum was present.

II. ANNOUNCEMENTS AND ADDITIONS/DELETIONS TO THE AGENDA - None

III. ADOPTION OF AGENDA

Motion to adopt the agenda was made by Richard Stetson, seconded by Cathleen Blair and passed unanimously.

IV. CONSENT AGENDA

A. Finance Committee Minutes – September 15, 2016

Motion to approve the consent agenda was made by Cathleen Blair, seconded by Richard Stetson and passed unanimously.

V. OLD BUSINESS – In response to conversations at the last meeting, Mr. Laughlin questioned enrollment status. Mr. Hackley reported that a new Notice of Award was received from OEL, increasing School Readiness funds by \$232,000. As a result, ELCIRMO will enroll in all three counties beginning next week. It is anticipated to enroll 15 children in Indian River, 25 in Okeechobee and 110 in Martin County. The large influx in Martin County is due to the match dollars that are available. Enrollment is not an issue at this time.

VI. NEW BUSINESS

A. Credit Card Bank Change – Mr. Hackley explained issues relating to the current credit card, such as charges being denied. The current credit card with Juniper is tied to ELCIRMO's previous banking institution, BB&T. ELCIRMO will proceed with the necessary steps to open a credit card with the current banking institution, SunTrust. Formal action by the board is not required. Ms. Blair questioned the interest rate. Mr. Hackley responded that interest is not paid as a balance is not carried forward and there is no annual fee.

B. Auditor Discussion – It has come to ELCIRMO's attention that the auditing firm, Moss, Krusick & Associates, received a violation by the PCAOB, a public accounting oversight board. One of the partners, Krusick, "violated PCAOB rules and standards concerning auditor independence." Furthermore, he "violated PCAOB Rule 3502 *Responsibility Not to Knowingly or Recklessly Contribute to Violations*, because he took or omitted to take actions that he knew, or was reckless in not knowing, would directly and substantially contribute to the Firm's violations." (Report released from PCAOB Release No. 105-2016-014 dated April 12, 2016). They were sighted and fined. Moss is the partner associated with ELCIRMO's audit. To date they have completed 90% of the 2015-2016 audit. The contract extends for one more year. Of the 12 other ELC's that use this auditing firm, one ELC has elected to leave them this year. Mr. Tucker questioned the potential damage involved if a change was made this year. Mr. Hackley responded that in addition to all fees owed to Moss,

Krusick, ELCIRMO would be paying a premium to have an audit completed at this late date by another firm. If ELCIRMO stays with Moss, Krusick, the only liability is ELCIRMO's association with them. They are doing a competent job and are fulfilling the audit requirements. Mr. Tucker suggested that it is prudent to stay with them to complete out the year. Mr. Laughlin was in agreement. Mr. Hackley will review the current contract to see if there is any penalty for early withdrawal. Mr. Stetson commented that his organization does a 5-year contract with an annual renewal option based on performance. In addition, certain attachments or provisions may be required by the state for certain types of contracts, one being a stipulation that the auditing firm has to have a certain credibility record. He suggested the contract be reviewed for either of these. Mr. Stetson is in agreement to stay with Moss, Krusick for the remainder of the year, however, he stated we need to be careful if we decide to stay with them or are we required to not stay with them. Mr. Hackley responded that Moss, Krusick has not appeared on the State of Florida "disbarred" lists as of yet. He is not aware of any performance requirements, but will review the contract. Moving forward, he will include performance requirements in the next contract.

VII. FINANCIAL REPORTS – Mr. Hackley reviewed the balance sheet as of August 31, 2016. Total cash was reported at \$1.088 million with accounts receivable of \$1.6 million, the net book value of fixed assets is approximately \$21k, and current liabilities of \$1.2 million. Revenue for the month included \$655k for School Readiness, \$333k for VPK and \$35k for CSCMC. There were no questions.

VIII. BOARD MEMBER COMMENTS – None

IX. PUBLIC COMMENTS – None.

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:17 p.m.

Respectfully submitted,

Approved 1/26/17

William Laughlin, Chair
WL/lt