



## FINANCE COMMITTEE APPROVED MINUTES

Monday, April 5, 2021, at 3:00 pm  
Zoom Meeting

### MEETING ATTENDANCE

**Facilitator:** Luke Buzard, Chair

### Committee Members Present:

Luke Buzard\*, Dianne Jacob\*, Candy Olson\*, and Dr. Shawn Robinson\*

### Committee Members Absent:

Joe McElroy

### ELCHC Staff:

Alison Fraga\*, Gordon Gillette\*, Kelley Minney\*, Kiyana Scott\*, Abigail Perez\*, Gary Meyer\*, Yarima Hernandez Tamayo\*, Lorinda Gamson\* and Helen Sovich\*

### Other Attendees:

Jeff Goolsby\*, Sheena Cisneros\*, Tonia Williams\*

\*Indicates attendance by Zoom Meeting platform.

### CALL TO ORDER

#### Quorum Verification

Noting a quorum was present, Committee Chair, Luke Buzard, called the meeting to order at 3:04 pm.

#### Approval of February 1, 2021 Finance Committee meeting minutes

*Dianne Jacob made a motion to approve the February 1, 2021 Finance Committee meeting minutes. Candy Olson made a second. The motion carried unanimously.*

### PUBLIC COMMENT

There was no Public Comment.

### FINANCIAL REPORT

#### MSL Report on FY 19-20

Jeff Goolsby, Shareholder, and Sheena Cisneros, Audit Manager from Moore, Stephens, Lovelace (MSL) CPAs & Advisors, presented the audited Financial Statements for Years Ended June 30, 2020 and 2019. Mr. Goolsby reported that MSL issued an unqualified clean opinion; no findings.

Mr. Goolsby provided the committee with an update on the Forensic Audit Procedures that were performed and noted that no unusual items were discovered during testing.



### **IRS Form 5500/990 FY 13-18 Compliance Update**

Mr. Goolsby reported that the Early Learning Coalition of Hillsborough County (ELCHC) received two (2) penalty notices totaling \$31,000 from the Internal Revenue Service (IRS) for tax years 2015 and 2016 due to the 401(k) Deferred Compensation Plan (Form 5500) not being filed. Mr. Goolsby informed the committee that after an internal investigation, it was noted that the 401(k) third-party service provider entered the incorrect Employee Identification Number (EIN) for tax years 2013-2018. Mr. Goolsby reported that the 401(k) third-party service provider has filed to amend the form 5500 for tax years 2013-2018, and on March 22, 2021, MSL submitted a penalty abatement letter to the IRS. MSL is awaiting official confirmation from the IRS to waive the penalties for all tax years, but the confirmation may be delayed due to the COVID-19 pandemic.

Mr. Goolsby updated the committee on the issue of the ELCHC receiving a penalty notice in the amount of \$19,000 from the IRS due to the annual return Form 990 not being filed on time for tax year 2017. Mr. Goolsby reported the following resolutions:

- Form 990 for tax year 2017 was filed timely
- A response letter was submitted to the IRS in October 2020
- MSL had a call with the IRS and received a full waiver of the penalties

Mr. Goolsby stated that the ELCHC would receive a letter from the IRS confirming the resolution and penalty waiver.

### **IRS Form 990 FY 19-20 Update**

Gary Meyer, Chief Financial Officer, reported that the Form 990 for FY 2019-2020 preparation is on course to meet the May 17, 2021 filing deadline.

Chair Buzard agreed to review the Form 990 before the Board of Directors' review and approval at the Board of Directors April 19, 2021 meeting.

### **Budget to Actual FY 20-21/Forecast**

Mr. Meyer reported the Budget to Actual FY 2020-2021 and Forecast and highlighted the following:

- ELCHC was awarded \$5.8M for the School Readiness Provider Rate Increase, and based on the forecast, \$1M of the awarded amount may not be utilized. ELCHC is considering additional ways to use all funds.
- The forecast assumed reducing the School Readiness Wait List.
- Hillsborough County Infant & Toddler Initiative funds not spent in the FY 2020-2021 can be spent in the first quarter of FY 2021-2022.
- ELCHC staff authorized to work overtime and on Saturdays to reduce the School Readiness Wait List. Focused efforts by ELCHC have been made to minimize the impact of overtime.

### **ACTION ITEMS**

#### **A. Audit Report and Financial Statements for Years Ended June 30, 2020 and 2019**

Jeff Goolsby and Sheen Cisneros presented and received the audit for financial statements for years ended June 30, 2020, and 2019.

***Chair Buzard called for a motion to approve the Audit Report and Financial Statements for Years Ended June 30, 2020, and 2019. Candy Olson made a motion. Dianne Jacob made a second. The motion carried unanimously.***

## CEO REPORT

### A. School Readiness Provider Rate Increase Implementation

Mr. Gillette provided an update on the implementation of School Readiness Provider Rate Increases and answered questions from Committee members.

### B. House Bill 419

Mr. Gillette highlighted the following on House Bill 419:

- VPK Enhancements, Coordinated Screening and Assessment, VPK accountability, and requirement of annual submission of the Executive Director's performance evaluation
- The governance of the Coalitions by the Department of Education
- The current House Bill 419 may be consolidated with House Bill 7011
- Continuation of School Readiness Wait List and School Readiness Provider Rate Increase funding

### C. 40 Hour Work Week

To align with OEL's policy guidance and an audit finding, Mr. Gillette informed the committee that the ELCHC moved from a 37.50 hour work week to a standard 40 hour work week effective March 29, 2021.

## DISCUSSION ITEMS

There were no Discussion Items.

## ADJOURNMENT

***Dianne Jacob made a motion to adjourn the meeting at 3:53 pm. Candy Olson made a second. The motion carried unanimously.***

Read and approved by:  Date: 

Dr. Stephanie Holmquist-Johnson, Secretary