

**Connections for Independent Living
Board of Directors Regular Meeting Minutes
Wednesday, December 09, 2020 @ 11:00 a.m.**

Attendance in the Meeting:

President-Mary Jo Brockshus, Treasurer-Josh Fulenwider, Secretary-Elizabeth Mahoney, Member Kate Howell, Member-Lou Steinberg, Executive Director-Rochelle Miller, CPA – James Childress, Auditor – Rosie Sanchez, Executive Associate – Carol Cochrane

President Brockshus called the meeting to order at 11:04 a.m.

Financial Report

Mr. Childress began the Financial Report while waiting for the Auditor to arrive:

- The Balance Sheet at 11/30/20 shows funds available in the amount of \$218,000. Accounts Receivable has 267% of the average monthly position.
- Due to the timing of the board meeting, the Profit and Loss Statement received in the packet is not complete. The live file of the last four months shows the proper monthly expenses and revenue earned. This historical presentation shows that peaks and valleys are normal and that the average SILS Grant billing is \$55,000. Treasurer Fulenwider asked about the presentation of the P&L by class. Mr. Childress responded that this was added for last quarter and does have a timing issue.
- Ms. Rosie Sanchez from the audit firm BDO (formerly Anton, Collins, Mitchell) entered the meeting at 11:09 and began her presentation of the audit findings for FY Oct. 1, 2018 – Sept. 30, 2019. She stated that this audit wrap requires communications of results and specific items required under Generally Accepted Auditing Standards (GAAS). Ms. Sanchez then explained that an audit provides reasonable assurance that the financials presented on the GAAP basis are accurate when an unmodified opinion is issued, as is this instance. There is a reconciliation of cash in the cash flow statement. The audited financials include added Emphasis of Matter statements. These include the fact that COVID-19 impacted every organization and could have an impact on the financials and resulted in various delays of the audit process. The delays were not due to management as items were provided timely. Ms. Sanchez then proceeded to highlight various sections of the audited financial package and discuss them with the board members. These topics included liquidity, functional expenses, ASU 2016 Topic 958, significant estimates and internal controls. She then presented and discussed with the board the two listed significant deficiencies – 1. Expense Cutoffs: some transactions were found in the incorrect period and there was a lack of monitoring and controls were not in place for the proper period placement and 2. Payroll: wage approvals were not retained in the files and errors in tax recording occurred. ED Miller stated that both of these items have been addressed as the company implemented Bill.com in February 2020 for payables and switched to ADP in October 2019 for payroll and is placing signed, dated, and specific documentation of salary changes in the personnel files. Mr. Childress added that the tax recording errors were related to calendar year 2018 and have been addressed. **Treasurer Fulenwider left the meeting at 11:24.** Ms. Sanchez then continued with the highlights of various sections. The organization is in compliance with the state and there are no significant difficulties.

Revenue recognition and the proper method was discussed along with the related standards regarding contribution revenue, exchange revenue and the clarification of what is an exchange, what is conditional, and what is non-conditional. She stressed that proper recording is essential and this comes from proper guidance and a thorough reading of each contract. The new Lease Standard with all leases listed on the Balance Sheet is delayed. ACM, which was hired to perform the audit, has become part of BDO, the fifth largest CPA firm in the world during this audit time. Since there is a change in audit firm from ACM to BDO, details of this are listed in the audit report. If there are no further subsequent events, BDO will release the audited financials as soon as possible upon receipt and review of the management representation letter.

- Ms. Sanchez then discussed with the board the beefing up of the going concern documentation for the next year's audit. Additionally Audit Partner, Aaron, may have questions concerning the grants for 20 and 21 including the part C, the new master for part B, and the SEEKS Grant. The differences between restricted vs. unrestricted and conditional vs. unconditional were discussed among those present to provide clarification of classification of funds and expenses. Ms. Sanchez then reiterated that the next steps for releasing the audited financial statements are the signing and dating of the Management Representation Letter and then sending it to BDO. The date of the Management Representation Letter becomes the date of the report, the footnote is updated and BDO lets Connections for Independent Living know it is ready to issue. Ms. Sanchez left the meeting at 11:52.
- James Childress, ED Miller and the Board of Directors briefly discussed the findings of the audit, the deficiencies and emphasis of matter. All expressed their approval of the improvement of this audit over the prior year audit. The Board thanked the staff of Connections and Mr. Childress for their hard work and efforts. Other items discussed included allocations for rent utilities and depreciation; revenues increasing, key disclosures for program expenses, liquidity of funds, concerns by readers of the audit report of signs of stability, uncertainty about the COVID-19 pandemic and timing of valuation.
- Mr. Childress resumed the financial presentation. The Accounts Receivable aging as of today totals \$234,000. \$12,000 is in the greater than 90 day column. This report needs some cleanup and reclassifying to apply credits to the proper invoices in order to eliminate the timing issue of credits appearing in a different aging column than the corresponding invoice. UNC and our interpreting staff and Mr. Childress's team are working with UNC to help them understand the need to process the bills that are not in dispute while working on a resolution of the disputed items. If the dispute is not settled, an escalation to the stoppage of services will ensue after the semester break is begun. The Walmart training office is keeping the lines of communication open in order to resolve the unpaid balance. Finally, Mr. Childress stated that he expects his firm's hours to drop over the next few months as the transition of tasks occurs and there is a new baseline for the new normal in Accounting. He left the meeting at 12:10.

Director Steinberg moved and Director Howell seconded the approval of the November Board meeting minutes. The four Board Members in attendance passed the motion unanimously. (Note: this was done out of order to accommodate the schedules for the audit presentation.)

Operations and Executive Director Report

- ED Miller responded to Secretary Mahoney's question on transitioning items from the Childress team back to Connections Finance Department. She stated that the invoices are now approximately 1/3 each for the audit/interpreting/general charges. USked, for interpreting and the 2020 audit charges are now significantly reduced. Connections plans on utilizing the Childress Accounting team for outside of scope issues such as the state and federal grant billings which are not part of the specific duties of currently assigned staff.
- After a ten minute break ED Miller spoke to the issues of the new Employee Handbook which were delineated at the prior board meeting. A section concerning the "bonus" awarded PTO is defined. The funeral leave policy is adjusted for flexibility and compassion. There is a detailed section concerning one paid volunteer day and a section concerning the disallowance of smoking on and in Connections for Independent Living premises and property. Director Steinberg questioned the possibility of adding a requirement in the employee handbook for employees to receive the vaccine for COVID-19 when available. It was discussed and determined that this would be better presented in a policy written at a later time, rather than included in the handbook. Director Steinberg made a motion to approve the Employee Handbook. Secretary Mahoney seconded. Motion passed unanimously.
- ED Miller next updated the board on items surrounding the handling of grief in the passing of Independent Living Services Director Colin Morey. The staff is incredibly upset. A few members went to the Lights of Hope event at the Community Grief Center hosted by Dr. Debby Baker. We had a special page on the Colorado Gives Day sight for people who wished to make contributions in Colin's memory. Staff is supporting and checking in on each other. In January we plan to have Dr. Debby Baker begin a virtual multi-week grief handling seminar for those staff and board members who wish to attend. Also in January, Connections plans to post the job opening for the ILS Director.
- ED Miller guided the board through a new dashboard report that delineates grant funding, project updates and marketing statistics. Board members commented that potential board members might appreciate a snapshot of Connections so it might be easier for them to access their fit with the organization. It is also important to go into the Strategic Plan to invite prospective board members with desired qualifications. The Colorado Gives day contribution amount increased from \$306.82 in 2019 to \$890.00 in 2020. President Brockshus appreciates the specificity of grants as this provides a better understanding of where the contributions are spent. Director Steinberg questioned the SEEKS Grant status after the passing of ILS Director Morey. ED Miller responded that before this opening is filled, Mr. Kevin Thompson has accepted the Interim Independent Living Specialist Director position. This was made official on December 1 and documented via letter and temporary pay increase. IILSD Thompson is attending SEEKS Grant meetings along with ED Miller as well as fulfilling the role of Interim ILS Director.

Old Business

- Secretary Mahoney stated that the potential identified board member has declined to accept the role for personal reasons unrelated to Connections. We are actively seeking new board members that will fit into the matrix. The matrix will be resent before the next board

meeting. Discussion ensued regarding what a “disability” is in the eyes of the CDLE. It was suggested that a disability is something that affects daily life might be the proper definition. Another area of interest in the discussion was the desire to achieve diversity.

- ED Miller is meeting with the Finance Committee and ANB bank on the 17th of December. A brief discussion ensued concerning the importance of an audit and sound financial decisions in order to protect the board members in their fiduciary capacity. The ways of handling funds and the possible misappropriation of them must be sound and have a mechanism for ensuring that errors do not show up in the subsequent audit. If we have sound investment policies with good funds and the Accounts Receivable is in a good position, we will be in better shape on the next audit.
- Clifton Strengths is on track to resume. It is hoped that a date at the end of January will be achieved. The scheduling of the sessions is still in process.
- The Board training sessions with Mountain Sage Consulting are set for the remainder of 2021.
- The By-Laws Committee has not yet met and plans are to meet either at the end of December or in the first part of January. The initial review and potential discussion is planned for presentation to the board during the end of February or March regular meeting.
- The Building Task Force will meet in January. Topics of discussion will include priorities and plans for the building.
- A memorial for Colin, at a date to be determined, will be at the First Christian Church in Windsor. We will have a lantern for Colin in the Connections office on loan for one year. This will be decorated by employees and returned to the 2021 Lights of Hope event at the Greeley Grief Center for presentation. There is grief assistance both through the ADP website for employees and with Dr. Debby from the Community Grief Center through an 8 week seminar series. The death of Colin has jolted many staff members into considering estate planning and other end of life matters.
- ED Miller will be speaking at the Greeley Centennial Rotary meeting on the 1/14/21. We will also be presenting at Kiwanis of the Rockies on 1/15/21
- The board portal on the new website will be accessible by invite only. Public viewing of board minutes is not required. On the website a news section will make the public aware of new information and stories of interest about Connections.

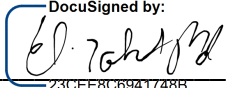
Secretary Mahoney moved to adjourn the meeting. Director Steinberg seconded. Motion passed unanimously.

The Board adjourned at 1:35 p.m.

Respectfully submitted, done to the best of my belief and ability, by Carol Cochrane.

January 20, 2021

APPROVED AT BOARD MEETING held _____.

Affirmed by:  _____ Date: 1/21/2021

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Elizabeth Mahoney, Board Secretary