

Connections for Independent Living

Board of Directors Regular Meeting Minutes

Wednesday, February 16, 2022 @10:00 a.m.- via Zoom.

Attendance in the meeting:

President-Mary Jo Brockshus, Secretary-Elizabeth Mahoney, Treasurer-Lou Steinberg, Member-Kate Howell, Member-Erica Barraza, Member-Tony Gonzalez Executive Director-Rochelle Miller, Finance and Admin. Manager-Carol Cochrane Childress Accounting Consultants-James Childress, BDO Audit Partner-Erin Breit, BDO Audit Senior-Kseniia Cassidy

President Brockshus called the meeting to order at 10:09 a.m.

BDO audit team members introduced themselves and presented the 2020-2021 fiscal year audit findings to the board. Ms. Breit's presentation began with the statement that BDO issued an unmodified opinion, which is a clean opinion with no additional paragraphs. She explained that with the adoption of Accounting Standard 134 this changed the format of the opinion, increased the disclosure of the responsibilities of management and made clearer the roles of auditor and of management. Next Ms. Breit progressed through the financial packet noting items of interest and discussing them with the board. Some of the items mentioned included various auditing standards, the timely collection of receivables, the addition of restricted funds, the change in cash and assets being consistent with the prior year, program expenses in line with best practices and the PPP loan forgiven shortly after the Sept. 30, 2021 date of the financial statements which resulted in that loan still being shown outstanding due to the timing of the forgiveness. As to the scope of the audit Ms. Breit informed the board that no items came up that required a change in scope or in risk assessment. Other than having a new team on the audit, which resulted in a steeper learning curve on understanding the organization and the revenue streams, the audit went very well. Items were received in a timely and transparent manner. There was no bias in estimates and they were reasonably formulated. The few audit adjustments found were not concerning and there is no finding as a result of audit adjustments. There were two internal control deficiencies, the lowest of available rankings for discovered items for improvement. The first was missing auditor accepted documentation of the Executive Director's approval of a few wage increases. Capitalization of some items that were under the \$5,000 adopted capitalization minimum amount was the second item. There were no fraud or integrity issues. BDO is independent and there is nothing to disclose. Ms. Breit asked for any

questions or comments and hearing none she ended her presentation by saying that this was a pretty clean audit. ED Miller and various board members thanked her for her time and stated that it was good to see the turnaround of Connections. Ms. Breit and Ms. Cassidy left the meeting at 10:48.

Financial Report

Mr. Childress and the board discussed the audit presentation. Next he presented the January 2022 financial package concentrating on the budget vs. actual for the month and year to date being on target. He discussed the upcoming RFP to be sent to potential auditing firms for the next fiscal year end audit and the need to cast the net wide due to staffing and time constraints of many firms. He offered his services if Connections would like to add key performance indicators (KPI) to the financial packages. Mr. Childress suggested going to full accrual and utilizing prepaid expenses to help with visibility. Returning to the current month financials he stated that current assets are 1.5 of average monthly expenses. Proceeding to the much improved A/R Aging report he discussed with the board and Executive Director Miller the additions of new customers and the possibility of utilizing other departments to promote the ASL services to expand the customer base. Mr. Childress left the meeting at 11:06 a.m.

The board and Executive Director briefly discussed the prior two presentations. Treasurer Steinberg stated that the audit looked good and the two items found were a non-issue. Connections is in line with best practices with their expenditure percentage of 82% for programs and 18% for administration.

Moving on to the approval of the January 2022 board minutes Secretary Mahoney mentioned that two spacing issues needed to be corrected. Secretary Mahoney moved to approve the January board minutes with these corrections. Treasurer Steinberg seconded. Vote taken. Motion passed unanimously.

Treasurer Steinberg asked if members present had any questions concerning the December 31, 2021 balance sheet. Hearing none he proceeded to the December 2021 Statement of Profit and Loss mentioning that as Connections functions with a pay and then receive reimbursement process, there is a loss of \$18,000 for the month. He requested that board members look at the financials prior to the board meeting and ask questions if needed. ED Miller mentioned that some of the vaccine expenses will be invoiced in January and are not tabulated in the December revenue. Next Treasurer Steinberg discussed the red highlighted amounts on the AR Aging report. ED Miller stated that one was paid in January and the credits are with government agencies that will take them when appropriate. Money expected to be received from the large overdue amount will be split approximately 50:50 between operating and reserves.

The financial dashboard indicates that Connections is in the range of expected revenue and expenses for the month and year to date as compared to the budget. ED Miller stated that even with the anomaly of the vaccine grant and expenses for December we are still at 26% of the budgeted numbers for the first quarter of the fiscal year.

ED Miller stated that per best practices it is time to send out request for proposals (RFP) for the next financial audit as BDO has audited Connections for over 3 years. BDO was notified of this intent. She suggested that any northern Colorado or Southern Wyoming firm with knowledge of, or experience in, auditing non-profits be sent an RFP letter and stated that we are not a single audit client. Additionally, she requested that the board offer suggestions of firms before the targeted release of the RFP in March 2022.

Secretary Mahoney moved to release in March the RFP for the 2021 fiscal year audit. Member Howell seconded. Vote taken. Motion approved unanimously by members present.

Operations and Executive Director Report

ED Miller presented the highlights of the ED Report. The SAMS and Secretary of State registrations were renewed. The job description for the new COVID funded position is in process of being written. The vaccine bus tour to Kersey, Holyoke, Julesburg and Akron is next week. The class *Compassion Without Fatigue* will be offered to staff, interpreters and the board in March. This is an attempt to alleviate some of the stress direct reports are undergoing due to the pandemic and the continuous crisis that people are experiencing. Additional tools of communicating status of self and discussing how to handle crucial conversations are being utilized. Connections is opening for walk-in consumers starting April 4 for two days a week - Monday and Wednesday.

The Independent Living Centers are requesting from the government a reinstatement of the 14% reduction in funding. Additionally Connections has increased ASL interpreting fees and is pursuing grants to gain additional funding. The goal for the next audit is to have zero loss and to rebuild the reserves that sustained us through the pandemic.

Old Business

The board training and meeting on the ILRU site requires registration by the end of February. There have been some issues regarding firewalls blocking access. The group discussion of these classes will be in May. The *Compassion Without Fatigue* training class is March 16. Sam, who presents the Strengths Training Classes, is working on a schedule to restart this training. Sending invites to all to begin from the first class, if they so desire, will occur shortly with the main training beginning in May or June.

New Business

An RSVP is needed for the class Compassion Without Fatigue on the 16th of March.

The ED and board discussed the issues with the Fort Collins Independent Living Center as well as some items that the state might institute to help alleviate this from happening in the future. Most of the centers have undergone these difficulties.

Secretary Mahoney left the meeting at 11:52 a.m..

A group discussion for all Centers for Independent Living in Colorado will be hosted by the Association for Colorado Centers for Independent Living in March. An invite will be sent to all Centers. Strategic Development Goals for the collective centers will be the topic of the discussion.

The next Connections board meeting is scheduled for March 23, 2022.

The board adjourned at 12:12 p.m.

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

APPROVED AT BOARD MEETING held March 23, 2022.

Affirmed by:  Date: 4/5/2022 | 11:53 AM PDT
Elizabeth Mahoney, Board Secretary