Mission: To promote high-quality school readiness, voluntary pre-kindergarten and after school programs, thus increasing all children’s chances of achieving future educational success and becoming productive members of society. The Coalition seeks to further the physical, social, emotional and intellectual needs of Miami-Dade and Monroe County children with a priority toward the ages before birth through age 5.
I. Welcome and Introductions

- Adrian Alfonso, Board Chair, called the meeting to order and welcomed everyone.

II. Approval of Minutes

- Adrian Alfonso, Board Chair, called for the approval of the meeting minutes for March 27, 2013.

  Motion to approve the minutes was made, seconded and passed unanimously.

III. MBAF Audit Results

The accounting firm Morrison, Brown, Argiz & Farra LLC presented the Early Learning Coalition of Miami-Dade and Monroe with the Financial Statements and Audit Report for the fiscal year ending June 30, 2013. Rick Covert, CPA, of the above mentioned firm provided an overview of the Statements of Financial Position (Balance Sheet), Statement of Activities, Statement of Functional Expenses and Statement of Cash Flows. Mr. Covert stated the following:

- The schedule of finding and questioned costs (page 21) of the report delineated the following facts:
  - Under section one, Summary of Auditor’s Results, no findings
  - Under section two, Financial Statement Findings
  - Under section three, Federal Programs and State Projects Findings and Question Costs, current year no findings, prior year no findings.

IV. Risk Management

- Eduardo Copin, Risk Assessment Manager discussed audits currently in process such as Gold Seal Reconciliation and unemployment/SR program benefit improper data match project to assure all providers payments are paid based on provider’s Gold Seal certifications.

- Mr. Copin also discussed upcoming audits such as, Perfect Attendance as it pertains to providers submitting attendance rosters with 100% child attendance. Mr. Copin’s department will also be reviewing children with consecutive absences to assure the absences were justified and with proper documentations.
Mercy Castiglione, ELC Controller, informed the Board, that OEL contracted again this year with Harvey, Covington and Thomas, LLC to perform the annual fiscal monitoring. Ms. Castiglione informed the board that there were no findings and no observations.
Independent Accountants’ Report on
Financial Compliance Advisory Services

Early Coalition of Miami-Dade and Monroe Counties, Inc.
(ELC 31)

Period Reviewed: October 1, 2013 through October 31, 2014
Independent Accountants’ Report on Financial Compliance Advisory Services  
Early Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)  
Period Reviewed: October 1, 2013 through October 31, 2014

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We have performed specific financial compliance consulting services as described in the Florida Office of Early Learning’s 2014-15 Onsite Financial Monitoring Tool for the Early Learning Coalition of Miami Dade and Monroe Counties, Inc. (ELC 31 or the Coalition). These services were contracted by the Office of Early Learning (OEL) to comply with its oversight and monitoring responsibilities as outlined in applicable federal regulations and state statutes.

- 45 Code of Federal Regulations (CFR) Part 74.51(a);
- Chapter 1002.82(2)(p), Florida Statutes; and
- Subpart D, Paragraph .400(d) of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

These advisory services were conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. OEL is solely responsible for the sufficiency of the procedures performed. Consequently, we make no representation regarding the sufficiency of the procedures performed, either for the purpose for which this report has been requested or for any other purpose.

On January 5, 2015 through January 9, 2015 we visited Early Learning Coalition of Miami Dade and Monroe Counties, Inc. (ELC 31) and performed financial compliance consulting services as summarized in OEL’s 2014-15 Onsite Financial Monitoring Tool for the period October 1, 2013 through October 31, 2014. The procedures performed and our related findings begin on page 6 of this report.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Coalition’s compliance with the previously described financial management standards as outlined in applicable Office of Management and Budget Circulars, Code of Federal Regulations, or other state and federal requirements.
Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to OEL.

This report is intended solely for the information and use of OEL and OEL’s management, and is not intended to be and should not be used by anyone other than these specified parties.

HARVEY, COVINGTON AND THOMAS OF SOUTH FLORIDA, LLC
I. Executive Summary

1.0 Findings

We performed financial monitoring procedures based on the testing procedures included in OEL’s 2014-15 Onsite Financial Monitoring Tool, which is available on OEL’s website.

2014-15 Onsite Financial Monitoring Tool
http://www.floridaearlylearning.com/coalitions/hot_topics/monitoring_schedule.aspx

Our procedures were performed using firm and professional standards. A summary of the testing categories, or Objectives, used during this engagement and the related monitoring results are summarized here.

<table>
<thead>
<tr>
<th>Objectives (1)</th>
<th>Prior Period Findings</th>
<th>Current Period Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 – Preventive /corrective action plan (PCAP) Implementation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.0 – Financial management systems</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>3.0 – Internal control environment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.0 – Cash management</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.0 – OEL’s statewide information system1</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6.0 – Prepaid program items</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7.0 – Cost allocation and disbursement testing</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8.0 – Travel</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9.0 – Purchasing</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10.0 – Contracting</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11.0 – Subrecipient monitoring</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>2</td>
</tr>
</tbody>
</table>

(1) Objective 5.0 – For 2014-15, testing of this objective is not included in the scoped onsite financial monitoring tasks. This objective has been shown for disclosure purposes only.
Included in the table below is a summary of the results from our review of prior period findings. New findings may occur in the current period if prior period findings which should have been corrected remain unresolved.

<table>
<thead>
<tr>
<th>Finding</th>
<th>Resolved</th>
<th>Partially Resolved</th>
<th>Unresolved</th>
<th>New Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Prior Period Findings</td>
<td></td>
<td></td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

These financial monitoring procedures apply to both the School Readiness (SR) and Voluntary Prekindergarten (VPK) programs. Since Chapter 1002, F.S. does not provide specific financial monitoring steps for the federally-funded School Readiness program or the state-funded VPK program, the minimum federal standards have been applied to both programs.

The attached Schedule of Findings contains detailed information about current period and prior period findings. If the Coalition has current period findings it must submit a preventive/corrective action plan (PCAP) response to OEL within 30 days of receiving this report. Please contact OEL staff with any questions about the PCAP process.
2.0 Observations

Other matters or circumstances may have been noted by us as we completed the indicated monitoring tasks. Detailed information about these observations is provided in The Schedule of Observations and is summarized here.

Observations from 2014-15 onsite visit
The monitoring team noted no observations in the current period.

Items for OEL follow-up
The monitoring team noted no items for OEL follow-up.

This monitoring report is intended solely for the information and use of the OEL and OEL’s management and is not intended to be and should not be used by anyone other than these specified parties.
II. Schedule of Findings

We performed financial monitoring procedures based on the Testing Procedures included in OEL’s 2014-15 Onsite Financial Monitoring Tool, which is available on OEL’s website.

2014-15 Onsite Financial Monitoring Tool
http://www.floridaearlylearning.com/coalitions/hot_topics/monitoring_schedule.aspx

The monitoring procedures performed included tests of details of transactions, file inspections and interviews with the entity’s personnel (1) to determine the status of recommendations from the prior period monitoring visit(s) and (2) to adequately support the current period findings and recommendations. Detailed information for these items is disclosed in the following sections of this report.

1.0 – Preventive/corrective action plan (PCAP) implementation

The current period monitoring procedures were performed to determine if the entity implemented the required preventive and corrective actions as described in the approved preventive/corrective action plan (PCAP) from the most recently closed grant program year.

No findings were noted in the prior period.

2.0 – Financial management systems

The current period monitoring procedures were performed to gain an understanding of the entity’s financial and operational environments through review of policies and procedures, observation of processes, document inspection and interviews of entity personnel.

Finding # ELC 31-2014-15-001
Financial management systems – Lack of written agreement for Citrus Health Network, Inc. office space

Finding/Condition: In November 2013 the Coalition received “free” business office space from Citrus Health Network, Inc., a for-profit entity the Coalition has contracted with to provide developmental screening and intervention services. This space represents approximately 1 office for use by two Coalition staff members each Tuesday and Thursday as a SR eligibility outreach site for families in the Hialeah area.

There is currently no executed lease or other written agreement in place for these facilities to establish the relationship between the Coalition and Citrus Health Network, Inc.
The additional operating circumstances described below are also not addressed.

- What will each party receive?
- What will each party provide?
- Each party’s responsibilities (i.e., what types of liability does the Coalition have?)
- What is the estimated cost or cost range for the goods/services exchanged?
- What is the time period for these terms/conditions?

An initial review of this transaction indicates it represents resource sharing activity. Such activity is allowable but must be disclosed in the Coalition’s cost allocation plan with the details listed above to describe the operating circumstances.

**Criteria:** Section 1002.84(12), F.S., requires Coalitions comply with federal procurement requirements and the procurement requirements of ss. 215.971, 287.057 and 287.058. For activities related to the State’s early learning programs, statutes and state procurement rules require obtaining written terms and conditions necessary to govern the relationship between the Coalition and a “provider” of goods and/or services.

**Cause:** The Coalition was not aware of the requirement for a written contract/memorandum of agreement for in-kind items.

**Effect:** Noncompliance with federal and state grant program cost principles requiring adequate documentation for terms and conditions for contracts. Nonexistent written contracts for services from vendors may result in inadvertent staff errors and increases the risk of unauthorized or improper use of federal and state award monies which could result in potential questioned costs.

**Recommendation(s):** The Coalition should complete tasks that include, but are not limited to, the following.

1. Confirm for OEL the described contract activity. Test results indicate the Coalition has office space at X location, Hialeah, Florida that has a monthly cost of $0 and no related written terms/conditions.

2. Review Coalition operations for the monitoring period to determine if other resource-sharing activities may have occurred. Related items to consider include, but may not be limited to, the following items.

   a. Consider if the Coalition has received goods, services, office space or other items on a routine or ongoing basis with $0 costs incurred.
Early Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

Period Reviewed: October 1, 2013 through October 31, 2014

Schedule of Findings

b. If other items are identified determine if the Coalition has any documentation available for related terms/conditions.

3. Submit summaries from item #2 above along with any related supporting documentation to OEL for review. OEL will provide technical assistance suggestions and instructions on applicable documentation requirements.

4. Review, and revise as necessary, the Coalition’s internal control policies and procedures related to resource sharing agreements and other contracts administration topics to enhance compliance with federal and state contract rules. Coordinate with OEL as needed for technical assistance.

5. Conduct staff training (as needed) to help ensure established and/or revised policies and procedures are shared with and followed by staff.

Finding # ELC 31-2014-15-002
Financial management systems – Sponsorship with incomplete documentation

Finding/Condition: During testing we identified sponsorship transactions paid for from SR funding. The Coalition’s grant agreement with OEL states the OEL logo and a statement of sponsorship will be included on all sponsorship materials. The related event materials inspected did not include appropriate OEL logo disclosures.

- Children First (C1) Envisioning our Future event – held September 7, 2014 at Southwest Miami Senior High School
- Florida Association for the Education of Young Children (FLAEYC) Conference - held October 23-26, 2014 at Marriott World Center Orlando, Florida
- Tickets Fore Charity (TFC), a golf tournament – held March 5-9, 2014 at Trump National TPC Blue Monster golf course at Trump Doral Florida Hotel

Criteria: For logo disclosure requirements, see 2014-15 grant agreement (Exhibit I, A – page 7), Section 2.11.18 – Publication or statement of state sponsorship. Also see section 28 of the 2013-14 grant agreement. Also, see section 286.25, F.S. - Publication or statement of state sponsorship - Any nongovernmental organization which sponsors a program financed partially by state funds or funds obtained from a state agency shall, in publicizing, advertising, or describing the sponsorship of the program, state: “Sponsored by (name of organization) and the State of Florida.” If the sponsorship reference is in written material, the words “State of Florida” shall appear in the same size letters or type as the name of the organization.

Cause: Management overlooked the related documentation and compliance requirements for these events.
Effect: Noncompliance with OEL grant agreement section 2.11.18 Exhibit I, A – page 7), Section 2.11.18 – Publication or statement of state sponsorship. Sufficient documentation to demonstrate costs incurred by grant programs are reasonable, necessary and provide a benefit to program operations is required to avoid potential questioned costs that could be determined to be unallowable. Without this documentation the Coalition has increased operating risks for sponsorship activities with unclear purpose and/or benefits to the grant program(s) charged.

Recommendation(s): The Coalition should complete tasks that include, but are not limited to, the following.

1. Confirm for OEL the results reported here. Tests indicate multiple events were held to benefit local early learning program activities.

2. Review Coalition operations for the monitoring period to determine if other similar events may have occurred. Prepare a summary schedule of any events held in program year 2014-15. The summary should include a list of events by title, date, source of any funding used (SR or VPK program dollars), and total amount(s) spent.

3. Submit summary from item #2 to OEL for review. Upon review, OEL will provide technical assistance suggestions and instructions on applicable documentation requirements and remitting any funds determined to be incurred for unallowable costs (if applicable).

4. Review, and revise as necessary, the Coalition’s internal control policies and procedures related to sponsorship agreements in order to be in compliance with Federal and State statutes. Coordinate with OEL as needed for technical assistance.

5. Coordinate with OEL for additional technical assistance on logo requirements.

3.0 – Internal control environment

The current period monitoring procedures were performed to gain an understanding of the entity’s internal control environment through testing of key internal controls and observation of entity operations to ensure compliance with Federal laws, regulations and grant program compliance requirements.

No findings were noted in the current period.
4.0 – Cash management

The current period monitoring procedures were performed to determine if sampled documentation demonstrated appropriate and sufficient cash management procedures are in place and being followed. The processes examined include cash management procedures related to sources of other non-grant revenues.

No findings were noted in the current period.

5.0 – OEL’s statewide information system reconciliation and reporting – N/A for 2014-15

6.0 – Prepaid program items

The current period monitoring procedures were performed to identify any prepaid program activity for this entity. If such activity was found, monitoring procedures were applied to determine if all prepaid program items were appropriately safeguarded, managed, tracked and reported.

Based on results obtained from inquiries made to and an inspection of data items provided by entity personnel the monitors noted no current year prepaid program item activity.

7.0 – Cost allocation and disbursement testing

The current period monitoring procedures were performed to determine if sampled disbursements were appropriately incurred and posted within the entity’s financial records. Sampled items were tested to ensure the activity: is allowable, has appropriate approval (including pre-approval from OEL if needed), and meets the period of availability requirements for the grant monies used to fund disbursements. Sampled items are also tested to verify appropriate allocation in accordance with applicable cost principles, grant program compliance requirements and guidance issued by OEL.

No findings were noted in the current period.
Early Coalition of Miami-Dade and Monroe Counties, Inc. (ELC 31)

Period Reviewed: October 1, 2013 through October 31, 2014

Schedule of Findings

8.0 – Travel
The current period monitoring procedures were performed to determine if the entity’s sampled travel-related expenditures are paid in accordance with applicable federal/state laws and rules, and entity-established policies.

No findings were noted in the current period.

9.0 – Purchasing
The current period monitoring procedures were performed to determine if the sampled procurement transactions comply with the appropriate federal or state procurement laws, as well as the entity’s procurement policies.

No findings were noted in the current period.

10.0 – Contracting
The current period monitoring procedures were performed to determine if the sampled contract transactions demonstrate the entity’s contracting processes comply with federal and state requirements, as well as the entity’s own contracting policies.

No findings were noted in the current period.

11.0 – Subrecipient monitoring
The current period monitoring procedures were performed to identify any subrecipient activity for this entity. If such activity was found, monitoring procedures were applied to determine if the entity’s disclosure requirements and subrecipient monitoring activities comply with federal grant program requirements, state laws and the entity’s own policies and procedures.

No findings were noted in the current period.
III. Schedule of Observations

1.0 Observations from 2014-15 onsite visit
The monitoring team noted no observations in the current period.

2.0 Items for OEL follow-up
The monitoring team noted no items for OEL follow-up.