



Celebration Community Services (CCS)

BOARD OF DIRECTORS MEETING

851 Celebration Avenue, Room 104

Monday, February 27, 2019, 5:00 PM

MINUTES - Revised

Call to Order

David Anderson, CCS Board President, called the meeting to order at 5:00 PM. Also present was Debie McDonald, Vice President; and Brian Kensil, Treasurer. Representing CCMC was Steve Waring, Executive Director, and Suzan Kearns, Community Manager. A quorum of Directors was declared and the meeting, having been properly noticed, was ready to proceed with business.

The Board discussed if the meeting should be recorded. Brian Kensil stated that it would be preferential for the Board to record the meeting as opposed to phone recordings or ensuing confusion as to what was stated, David Anderson stated that the meeting would be recorded and that it would be posted the next day. He also reminded folks that the preference was there be no private recordings and sharing of the meeting.

Adopt the Agenda

Brian Kensil motioned to adopt the agenda. Debie McDonald seconded and the motion passed unanimously.

Minutes

A discussion was held regarding the minutes from the February 4, 2019 meeting. Debie McDonald motioned to approve the minutes from February 4 with the following changes, Brian Kensil seconded and the motion passed unanimously.

- Attach the statement submitted from Debie McDonald to the minutes, after reflection of the changes agreed by Debie/Brian on the draft document at the meeting.
- Add that a request was made for copies of cancelled checks for 2016, 2017 and 2018 for CCS within 10 days (e-mailed to the Board of CCS on Saturday, February 9, 2019.)
- Add that a discussion was held regarding conducting a forensic audit by an independent auditor.

Normal Business

Debie McDonald expressed her desires regarding the need, criteria and selection of an external auditor as well as whether the current CROA attorney should be used to render an opinion on the status and future of CCS. She requested that a forensic audit by an independent, experienced and qualified auditor be conducted as well as an independent attorney be used to render an opinion as to nature of the activities of CCS.

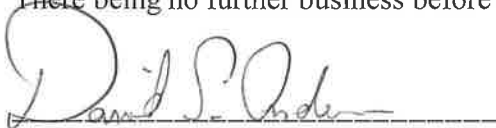
Brian Kensil stated that there has historically been little financial activity for CCS as demonstrated in the financials and that a financial audit should be all that was necessary to establish validity of the balance sheet and income statement. He also noted that Debie McDonald's concerns regarding the financial transactions of CCS was really a tax question in relationship to the utilization of a 501(c)4 entity.

Action Items

1. Debie McDonald motioned to have an independent audit conducted for the years of 2014-2018 within 90 days. Brian Kensil clarified that this would be for the December 31, 2013 balance sheet and financial years 2014 – 2018. David Anderson seconded and the motion passed unanimously.
2. Debie McDonald motioned that CCS seek the opinion of an independent attorney to render an opinion on who comprises the membership of CCS, address any concerns resulting from the independent audit specifically regarding pass thru of funds to Lexin as related to Article 5 in the governing documents and recommendation regarding future best practices of CCS. Brian Kensil seconded and the motion passed unanimously.

Adjourned

There being no further business before the board, they adjourned at 6:08 PM.



David Anderson, President

Debie McDonald February 4, 2019 CCS Redacted Statement as Noted in the Minutes Above

The history goes back to 2005 when Mr. Nunez approached the Celebration Foundation to accept grant funds from the Convention & Visitors bureau. The Foundation declined. In 2006, Lee Moore and Pat Wasson formed the CCS. The articles of incorporation & By Laws were signed & filed. The information about CCS was just sent to the board members last week. From what I researched and read, it is concerning.

The main purpose of CCS appears to be for the benefit of Lexin and their events. Hundreds of thousands of dollars in grants have been written by CCMC employees for Experience Kissimmee for Lexin events, and the funds have been accepted by Celebration Community Services.

The majority of this grant money has in turn been given back to Lexin. Experience Kissimmee grant regulations require that surveys be taken at the event and receipts for all marketing be recorded and provided upon request.

Lexin states that during the last "Now Snowing" event that 380,000 people attended, and that 38,000 surveys were conducted. I have not been able to obtain any surveys, receipts of actual expenditures, or justification for why this board is accepting funds and writing checks to Lexin without the boards or communities knowledge.

As a board member I became aware of CCS in 2016 while on the CROA Board. While notice is required to the CROA Board, I was never notified of the one meeting in 2016. In 2019, I requested a meeting be held. To my knowledge this is the 2nd meeting in 13 years.

No budget has been set as required by our By Laws; audit requirements for Experience Kissimmee have not been met for the disbursement of funds. I have requested copies of checks to determine who is signing these for \$10,000 and above and have not received copies. I feel this organization has not been transparent, and may have violated IRS and Experience Kissimmee rules.

I am also concerned about CCMC electronically signing someone's name to corporate reports. They signed my husband's name to an annual report filed with the state without his consent or knowledge. It's a concern on so many levels. All past presidents have had their signatures signed and 3 in this room did not have knowledge of it.

I'm concerned that it might be a violation of Internal Revenue Code for a tax-free non profit to distribute money to a FOR profit corporation - the majority of the checks are written to Lexin - a for profit corporation to use for Now Snowing, Hearts of Reality, Fall Festival, and others.

Posh Pooch does receive a grant from Experience Kissimmee, but a local business has offered to sponsor with no return phone call. She has given up trying.

From what I can discern Annual Reports with the state have been electronically signed without prior & current board's knowledge.

There is a line item on the email I've received that shows an audit expense, but I have verified there has not been an audit in 13 years.

I suggest that CROA suspend all CCS activities until a complete audit and legal review are presented to the CROA board and members. I cannot vote for any activity for this corporation for many reasons, all of which concern me.