



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Monday, December 17, 2012 at 4 p.m.
15506 County Line Road
Spring Hill, FL 34610

Board Members Present: Jim Cook, Chair; Gus Guadagnino, Patrick McHugh

Committee Members Present via Phone: None

Committee Members Excused: Bonnie Clark, Kathryn Starkey

Staff Present: Danielle Berche, Jim Farrelly, Jak Jakubauskas

Guests Present: None

I. Welcome and Call to Order – Mr. Jim Cook, Chair

Mr. Cook called the meeting of the Finance/Audit Committee to order at 4:08 p.m. and welcomed attendees.

II. Review and Adoption of Draft Minutes from November 14, 2012

Mr. Cook requested a motion to approve the minutes from the November 14, 2012 meeting. Mr. Guadagnino so moved and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried.

III. Review, November 2012 Financial Statements

Ms. Berche explained the spending down of the School Readiness budget expected to be at 44.09%, but actually was 42.22%. She explained the higher monthly Administration expense of 7.22% was due to salaries of staff members for their time during the conference. Non-Direct spending is at 3.93%; Quality is at 4.65% and Direct Services is at 84.42%. Mr. Farrelly stated he believes the state may have raised the minimum requirements for Direct Services from 70% to 72% as of July 1, 2012; Ms. Berche will verify.

Ms. Berche explained the year to date Administration expense of 5.48% is the result of several larger one-time expenses. Additionally, the wine tasting event produced \$2,228.95 towards the Coalition's match total.

Ms. Berche referred the Committee to the School Readiness Utilization Report and explained the numbers indicated in red were surplus/deficit funds used up by excess funds from opening the wait list.

Mr. Farrelly explained that due to the possibility of a “fiscal cliff”, the state has advised Coalitions not to enroll new children, but the Coalition did open its wait list to enroll an additional 110 children due to the projected surplus of \$200,000. With the addition of the new children, the projected surplus may be reduced and the December financial information will reflect that. However, with the holiday season, there may be fewer children in classrooms during December.

Ms. Berche explained the VPK administration expense is 1.52% for the month and 3.79% for the year due to relatively fewer children being enrolled resulting in less staff time being allocated.

Ms. Berche referred the Committee to the Expense Summary Report and explained that more OCA codes have been added. Some of the larger, one-time expenses this month included the cost of producing the annual report, a payment to the audit firm and the renewal of a three-year software technical support contract for Sentry File.

Mr. Cook requested a motion to approve November’s Financial Statements. Mr. McHugh so moved and Mr. Guadagnino seconded. All were in favor with no abstentions and the motion carried.

IV. Update, Sage Accounting System

Ms. Berche distributed the (attached) proposed Implementation Schedule for Sage and explained that the month of January would involve setting up the database structure and the Chart of Accounts. Accounts Payable information would begin to be entered in February and Accounts Receivable information in March. Sage would run parallel to QuickBooks for April, May and June before becoming fully implemented and utilized as of July 1, 2013.

Ms. Berche explained the following training costs involved with Sage. A web-based training would cost \$150 per hour while an in-house training would cost \$185 per hour plus the cost of travel, food and accommodations for the trainer. A total of 47.5 total training hours is being estimated.

Mr. Guadagnino moved that Ms. Berche should move ahead with the best training plan for her needs and time schedule; Mr. Cook seconded this motion. All were in favor with no abstentions and the motion carried.

At this time, Mr. Farrelly informed the Committee that the state’s auditors were on-site last week and their final findings would not be available for at least six (6) weeks. However, they did bring up two (2) items; the first is an issue from 2010 when the Coalition received a \$200,000 grant from Mid Florida Community Services. The auditors wanted to discuss this issued at the exit interview, but Coalition staff had no paperwork to refer to as the files are currently in storage. Mr. Farrelly stated he is seeking support to submit a letter to the auditors requesting them to put together a list of

comprehensive questions for the Coalition. Mr. Guadagnino moved to allow Mr. Farrelly to submit a letter and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried.

Mr. Farrelly explained the second issue related to a list of recommendations the auditors feel the Coalition could benefit from including technical assistance on four (4) items: exceeding the annual VPK administrative expense budget; difficulty in raising match and fundraising; accounting issues in years without a Finance Manager and orientation training and technical assistance for the new Financial Director. The auditors are recommending that the state come in to help address these issues.

Mr. Farrelly stated he is seeking support to submit a letter thanking the auditors, but the Coalition currently does not require any assistance. Mr. Guadagnino moved to allow Mr. Farrelly to submit a letter and Mr. Cook seconded the motion. All were in favor with no abstentions and the motion carried.

V. Schedule, Next Meeting Date on January 14, 2013 at 4 p.m.

The next Finance/Audit Committee meeting is scheduled for Monday, January 14, 2013 at 4 p.m.

VI. Public Input

None.

VII. Adjournment

Mr. Cook adjourned the Finance/Audit Committee meeting at 4:40 p.m. without further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas,
Administrative Assistant