



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Tuesday, January 22, 2013 at 4 p.m.
15506 County Line Road
Spring Hill, FL 34610

Board Members Present: Jim Cook, Chair; Bonnie Clark, Patrick McHugh

Committee Members Present via Phone: Steve Knobl

Committee Members Excused: Gus Guadagnino

Staff Present: Danielle Berche, Jim Farrelly, Jak Jakubauskas, Betsy Kier

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 4:05 p.m. and welcomed Dr. Knobl to the Committee.

II. Review and Adoption of Draft Minutes from December 17, 2012

Mr. Cook requested a motion to approve the minutes from the December 17, 2012 meeting. Ms. Clark so moved and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried.

III. Review, December 2012 Financial Statements

Mr. Farrelly briefly explained the meeting format and the financial reports for Mr. Knobl's benefit as well as the Coalition's two (2) basic spending priorities – School Readiness and VPK. He explained that Ms. Berche prepares the status reports on both programs. Two (2) crucial items are the percentage of administrative spending which is kept at or below 4% and VPK administrative costs which are capped at 4%.

Ms. Berche explained the year to date spending down of the School Readiness budget was expected to be at 51.55%, but actually was 50.04%. Administration spending is at 4.68%; Non-Direct spending is at 3.52%; Quality is at 9.72% and Direct Services is at 82.09%.

Ms. Berche briefly explained the match requirement and that this fiscal year the Coalition has raised over \$20,600 toward match. This total exceeds the total amount raised for match last year.

Ms. Berche referred the Committee to the School Readiness Utilization Report and explained there is a projected surplus of approximately \$161,000.

Ms. Berche explained the VPK utilization report shows lower numbers of children enrolled for December because several schools did not submit their attendance rosters for payment processing on a timely basis. VPK administrative spending is at 3.29% for the month.

Ms. Berche referred the Committee to the Budget vs. Actual Report and explained the first two (2) pages of this report are shown by category as requested by the state. The Expense Summary Report on the following pages is more detailed. She explained the Coalition received a \$3,000 refund from Workman's Compensation for FY 2010-11 and the office rental appears high due to the July prepayment for August. Additionally, over \$9,000 was spent on Quality Initiatives.

IV. Update, Sage Accounting System

Ms. Berche explained SAGE for Dr. Knobl's benefit and its recommended usage by the state vs. using QuickBooks as the Coalition is currently doing. She is on target to begin using SAGE as of April 1 and running it parallel to QuickBooks for April, May and June before it becomes fully implemented and utilized as of July 1, 2013.

Mr. Farrelly stated he had several items for the Committee's information. The first, because the Chair had inquired as to how many sheets of paper have been saved with the Coalition's new web-based Sentry filing system, the Coalition has saved 65,000 sheets of paper. Staff acceptance of the new filing system has been overwhelmingly positive. However, there is a need for faster scanners to upload documents and, if funding permits, these items will be added into the budget.

Mr. Farrelly informed the Committee that at this week's Board meeting, a discussion will begin on the topic of Age Range. He explained the Coalition's age range had been reduced several years ago from 0-12 to 0-8-years of age and to comply with the Coalition's mission, we will begin to discuss reducing it to 0-5 years of age. The 6, 7, 8-year olds currently being served are enrolled in before and after care school programs.

If the Board agrees to discuss Age Range further, a special meeting will be called for February to give parents and providers an opportunity to discuss the issue. He explained that currently only four (4) contracted providers serve ten (10) or more School Readiness children in the 6, 7, 8-year old age bracket. The Coalition has been discussing this state initiative with providers over the last several months including at the recent Provider Meetings.

A final decision will be made at the March Board meeting and if the new Age Range is implemented, it would begin on July 1, 2013. No new 6, 7, or 8-year olds would be enrolled and current children in that age bracket would remain in the program until

December 31, 2013, giving their parents ample time to make other arrangements. Mr. Farrelly explained that special accommodations would be made for siblings.

Mr. McHugh inquired how many children in this population would be affected and Mr. Farrelly stated approximately 342 with 200 providers having school-aged children enrolled.

Mr. Farrelly stated his final concern is the potential impact of federal sequester, which he believes will affect federal spending this and next fiscal year. The possible impact this spring could be as high as \$1.1 million per month in federal funds. A Plan of Action is being put together for the worst case scenario and would result in furloughs and loss of non-essential staff and finally, disenrollment of children. Both Mr. Farrelly and Ms. Kier have been reviewing policies pertaining to disenrollment. The Committee briefly discussed what would constitute non-essential staff.

V. Schedule, Next Meeting Date on February 18, 2013 at 4 p.m.

The next Finance/Audit Committee meeting is scheduled for Monday, February 18, 2013 at 4 p.m.

VI. Public Input

None.

VII. Adjournment

Mr. Cook requested a motion to adjourn the Finance/Audit Committee meeting. Mr. McHugh so moved and Ms. Clark seconded the motion and this meeting of the Finance/Audit Committee was adjourned at 4:35 p.m. without further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas,
Administrative Assistant