



**FINANCE & AUDIT COMMITTEE MEETING MINUTES**  
**Monday, December 15, 2014, 4 p.m.**  
**15506 County Line Road, Suite 103**  
**Spring Hill, FL 34610**

**Committee Members Present: Pat McHugh, Chair**

**Committee Members Present via Phone: Dr. Amy Anderson, Cathy Dofka**

**Committee Members Excused: Deacon Scott Conway**

**Committee Members Unexcused: Gus Guadagnino**

**Coalition Staff Present: Jim Farrelly, Rachel Hardy, Jak Jakubauskas, Betsy Kier**

**Others Present: None**

**I. Welcome and Call to Order**

Mr. McHugh called the Finance/Audit Committee to order at 4:00 p.m. and welcomed Committee members.

**II. Review and Adoption of Draft Minutes from Finance/Audit Committee Meeting of November 17, 2014**

Mr. McHugh requested a motion to approve the minutes of the November 17, 2014 Finance/Audit Committee meeting as presented. Dr. Anderson so moved and Ms. Dofka seconded the motion. All were in favor with no abstentions and the motion carried.

**III. Review, November 2014 Financial Statements**

Ms. Hardy reported that the Coalition's spending rate for direct services was at 38.36% and the budget categories were well within the minimum and maximum spending ranges. For the current period, 85.04% of the budget was being expended on Direct Services. She reported that \$310 in match funds was received in November. Additionally, the Utilization Report is forecasting a projected surplus of \$407,188. Currently the Coalition has a zero wait list with open enrollment.

Mr. Farrelly explained the surplus is the basis used to determine the wait list. He reminded the Committee that last year a \$200,000 surplus was reported and was used up quickly by June. He stated the surplus this year will be used conservatively. Ms. Hardy further explained the \$407,000 surplus has a zero attrition rate and the surplus will remain if all children currently enrolled remain enrolled. However, at a 4% attrition rate the surplus will be \$1.4 million and at 6%, the Coalition's historic attrition rate, the surplus would be \$1.8 million.

Mr. Farrelly reported the wait list was at zero in all four (4) priority categories with an open wait list for all walk-in clients and the children are being placed immediately.

Ms. Hardy reported that November's VPK spending for Direct Services is currently at 96.39%.

Mr. McHugh requested a motion to adopt the November financials as reported. Ms. Dofka so moved and Dr. Anderson seconded the motion. All were in favor with no abstentions and the motion carried.

#### **IV. Misallocation of Costs**

Mr. Farrelly explained that some costs were misallocated by the previous Finance Director under OCA's (Other Cost Accumulators) last year which in turn affected this year's formulas. These were automated formulas in SAGE that were not changed. Ms. Hardy found the error, adjusted the formulas and the net difference is zero. She explained expenses are coded to OCA pools and then spread out as percentages which were not updated. However, the correct amounts were billed to the state.

#### **V. Report of Internal Budget Reallocations below 10%**

Mr. Farrelly explained that Board policy does not require budget reallocations below 10% to be reported, but from a management perspective several reallocations were made and are being reported. They were:

- \$5,400 was moved from health insurance to state unemployment
- \$1,000 was moved from accounting fees to website maintenance
- \$3,000 was moved from equipment repair to building maintenance

#### **VI. Review, Revised Fraud Policy**

Ms. Kier explained a new Anti-Fraud Plan is needed and the current Fraud & Misrepresentation Policy is being rewritten. This is an OEL requirement brought about by HB 7165 and OEL has provided a detailed check list of items which the draft policy does contain. Ms. Kier has also submitted this draft policy to OEL for review. The policy must be implemented by January 1, 2015; however, OEL has been informed that the Coalition's Board does not meet until January 22, 2015 and that approval is not guaranteed at this meeting.

Ms. Kier suggested bringing this policy back to the January Finance meeting for a second reading. She explained the policy focuses mainly on clients and others who could commit fraud.

#### **VII. Forecasting for SR Direct Services Spending**

Ms. Hardy has not had an opportunity to meet with colleagues at ELC of Big Bend, but she explained the attrition percentage is being monitored closely every month as it affects the surplus amount.

**VIII. Schedule, Next Meeting Date on Tuesday, January 20, 2015 at 4:00 p.m.**

The next Finance/Audit Committee meeting is being scheduled for Tuesday, January 20, 2015 at 4:00 p.m. due to the Martin Luther King Holiday. Mr. McHugh is not able to attend a 4:00 meeting so the meeting time was changed to 8:00 a.m. for the morning of Tuesday, January 20, 2015.

**IX. Public Input**

None.

**X. Adjournment**

Mr. McHugh adjourned this meeting of the Finance/Audit Committee at 4:22 p.m. with no further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas  
Administrative Assistant