



FINANCE & AUDIT COMMITTEE MEETING MINUTES
Tuesday, January 20, 2015, 8 a.m.
15506 County Line Road, Suite 103
Spring Hill, FL 34610

Committee Members Present: Pat McHugh, Chair; Dr. Amy Anderson

Committee Members Present via Phone: 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 8:05 a.m. and welcomed Committee members.

II. Review and Adoption of Draft Minutes from Finance/Audit Committee Meeting of December 15, 2014

Mr. McHugh requested a motion to approve the minutes of the December 15, 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, December 2014 Financial Statements

Ms. Hardy reported that the Coalition's spending rate for direct services was at 47.53% and the budget categories were well within the minimum and maximum spending ranges. She reported that no match funds were received in December. Additionally, the Utilization Report is forecasting a projected surplus of \$880,759 utilizing an attrition rate of 4%. The wait list continues to remain open.

Ms. Hardy reported that VPK's administrative rate for Direct Services was below the 4% maximum.

Mr. Farrelly reported that the Quality Committee's budget for this fiscal year had been reduced significantly with funds realigned to Direct Services. The current budget is currently approximately \$12,000. As the Committee Chair is concerned about the Quality minimum requirements for the state being met, Ms. Hardy will present at the next Quality meeting on the Gold Seal program for providers.

Additionally, two (2) other items, QRIS and the state's new pilot project for quality will be discussed for re-purposing under Quality.

Mr. McHugh questioned why the 4% attrition rate is being used for forecasting. Ms. Hardy explained that zero is not realistic as children are removed from the program on a regular basis. Historically, the Coalition's attrition rate has been between 6-8%. With a 6% rate the surplus would be approximately \$1.2 million and at 8% it would be \$1.5 million.

Mr. Farrelly explained the Coalition is being conservative with its spending due to the projected surplus and the current open enrollment, but will be watching the numbers closely so funds are not overspent. Ms. Kier stated that an announcement for open enrollment will begin to appear in today's local papers.

IV. Second Reading, Revised Fraud Policy

Ms. Kier explained this policy is a mandated requirement by OEL. Since the first reading, several minor changes have been implemented including the addition of an organizational chart, at OEL's request. They are again reviewing this draft copy, but once approved by Committee, it will be presented to the full board.

Mr. McHugh requested a motion to approve the revised Fraud Policy. Dr. Anderson so moved and Ms. Dofka seconded the motion. All were in favor with no abstentions and the motion carried.

V. Report of Internal Budget Reallocations below 10%

Mr. Farrelly explained that Board policy states the Executive Director is permitted to reallocate budget line items if they are not over 10%. But to keep the Committee aware, Ms. Hardy has recently reallocated \$3,000 from the website line item to the audit line item for contracted services.

Mr. McHugh inquired how Ms. Hardy was able to save the Coalition \$14,000 in Worker's Compensation fees. Mr. Farrelly replied that he had requested Ms. Hardy to look into what the Coalition is being charged and Ms. Hardy had discovered that the insurance company had misclassified Coalition staff at a much higher class of risk. As each class has a different rate, the savings were substantial. The insurance company has recalculated for last year and will do so again for this fiscal year. The funds will go to Direct Services.

VI. Forecasting for SR Direct Services Spending

Mr. McHugh inquired if a survey could be prepared and sent to the other Coalitions to share information on their forecasting systems. Ms. Kier stated that a reliable tool must be found as the one used in the past is no longer viable. Ms. Hardy will prepare a survey for Mr. Farrelly to share with Coalition Executive Directors.

VII. Schedule, Next Meeting Date on Monday, February 16, 2015 at 4:00 p.m.

The next Finance/Audit Committee meeting has been scheduled for Monday, February 16, 2015 at 4 p.m.

VIII. Public Input

Mr. Farrelly informed the Committee that the Coalition has received the initial audit from Fontana CPAs and there are no findings. The state's auditors will be on-site beginning Monday, January 26, 2015 and have supplied Ms. Hardy with a list of the documents they will be reviewing.

IX. Adjournment

Mr. McHugh requested a motion to adjourn. Dr. Anderson so moved and this meeting of the Finance/Audit Committee was adjourned at 8:29 a.m. with no further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas
Administrative Assistant