



**FINANCE & AUDIT COMMITTEE MEETING MINUTES**  
**Wednesday, February 17, 2016 at 9 a.m.**  
**15506 County Line Road, Suite 103**  
**Spring Hill, FL 34610**

**Committee Members Present: Pat McHugh, Chair; Dr. Amy Anderson, and Sam Shrieves**

**Committee Members Present via Phone: Cathy Dofka**

**Committee Members Excused: Gus Guadagnino**

**Coalition Staff Present: Jim Farrelly, Maria Marcoux**

**Others Present: None**

**I. Welcome and Call to Order**

Mr. McHugh called the Finance/Audit Committee to order at 9:15 a.m. and welcomed Committee members.

**II. Review and Adoption of Draft Minutes from Finance/Audit Committee Meeting of January 20, 2016**

Mr. McHugh informed the Board that the previously reported projected deficit of approximately \$17,000 in December 2015 was incorrect due to an accounting error. The correct projected deficit for December 2015 is approximately \$323,000. The current projected deficit as of January 31, 2016 is \$377,000.

Mr. McHugh requested a motion to approve the minutes of the January 20, 2016 Finance/Audit Committee meeting as presented. Dr. Anderson so moved and Mr. Shrieves seconded. All were in favor with no abstentions and the motion carried.

**III. Review, January 2016 Financial Statements**

In Ms. Hardy's absence, Mr. Farrelly reported on the January 2016 Financial Statements. He explained the Coalition's spending rate was projected to be 60.04%, but was actually 62.20%. Minimum and maximum rates are well within required levels with 85.73% expended on Direct Services and 6.29% on Quality for a total of 92.02% of funds expended on children.

Mr. Farrelly reported that \$3,029.16 was received for Match resulting in a total balance of \$5,299.27. However, this amount is far from the approximate \$366,000 annual match requirement. He explained that statewide match is met due to other Coalitions receiving their match funds from sources currently unavailable to this Coalition.

In response to questions regarding match from Dr. Anderson and Mr. Shrieves, Mr. Farrelly explained that, for example, Miami-Dade receives their match from one source, their Children Services Council, which is a tax funded group raising funds and distributing them to organizations within the county.

Mr. Farrelly further explained that this Coalition's current methods of obtaining match funds include a Match Fundraising Committee consisting of Board members and their efforts to create fundraisers and fundraising foundation.

Mr. Shrieves inquired as to the penalty of not meeting match. Mr. Farrelly explained that since match is met statewide, Coalitions who do not individually meet match have not had any repercussions, to date.

Mr. Farrelly explained the Coalition's Foundation for Early Learning fundraises on behalf of the Coalition and recently donated funds that removed two (2) children from the waist list. The Foundation has also created a "Child of Promise" program wherein the Foundation "adopts" a child and assists parents financially with the fees.

Mr. Farrelly continued to explain that the Coalition is fully solvent. There have been no new enrollments since December and School Readiness enrollment is at approximately 3,800, the highest enrollment since 2012.

Mr. Farrelly explained a plan is in place to prevent the error that occurred in the December 2015 projected deficit calculation and a plan has also been created to minimize/eliminate the projected direct services deficit. Mr. Farrelly distributed the (attached) document which indicates the steps that will be taken to reduce the projected deficit by June 30, 2016. Mr. Farrelly highlighted the main points of this plan.

Mr. Farrelly reported that 4,976 children are enrolled in VPK which is the highest enrollment since 2009. This reflects approximately 90% of all 4-year olds in Pasco and Hernando counties.

Dr. Anderson inquired when VPK administrative costs would decrease below the 4% maximum. Mr. Farrelly explained that costs would decrease in the spring.

Mr. McHugh requested a motion to accept the January financials as presented. Dr. Anderson so moved and Mr. Shrieves seconded the motion. All were in favor with no abstentions and the motion carried.

#### **IV. Report of Budget Re-Allocations**

Mr. Farrelly reviewed the Budget Reallocations. There were no questions.

**V. Interim Report of Results, FY16 State Financial Audit**

Mr. Farrelly explained the findings of the 2016 Financial Audit were minimal and included five (5) minor items.

In Ms. Hardy's absence lack of a written report regarding the 2016 Financial Audit, Mr. Farrelly suggested a more thorough review of the same occur when the written report is presented.

Mr. Farrelly also informed the Committee that he was compelled to make a written complaint, citing six (6) concerns, to OEL regarding the conduct of the Audit team during the 2016 Audit at Coalition headquarters.

**VI. Next Meeting will be held Wednesday, March 16, 2016 at 9 a.m.**

The Committee will next meet on March 16, 2016 at 9 a.m.

**VII. Public Input**

None.

**VIII. Adjournment**

Mr. McHugh adjourned this meeting of the Finance/Audit Committee at 10 a.m. without further discussion.

Respectfully submitted by,

Maria Marcoux,  
Administrative Assistant