



FINANCE & AUDIT COMMITTEE MEETING MINUTES
Wednesday, March 16, 2016 at 9 a.m.
15506 County Line Road, Suite 103
Spring Hill, FL 34610

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

Committee Members Present via Phone: Gus Guadagnino

Committee Members Unexcused: Cathy Dofka

Coalition Staff Present: Jim Farrelly, Rachel Hardy, Jak Jakubauskas

Others Present: None

I. Welcome and Call to Order

Mr. McHugh called the Finance/Audit Committee to order at 9:05 a.m. and welcomed Committee members.

II. Review and Adoption of Draft Minutes from Finance/Audit Committee Meeting of February 17, 2016

Mr. McHugh requested a motion to approve the minutes of the February 17, 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, February 2016 Financial Statements

Ms. Hardy reported the February 2016 Financial Statements showed the Direct Services spending rate was projected to be 68.59%, but was actually 70.61%. Minimum and maximum rates are well within required levels with 85.36% expended on Direct Services and 5.13% on Quality for a total of 90.49% of funds expended on children for the year.

Ms. Hardy reported that \$4,815.08 was received for Match resulting in a total balance year to date of \$10,114.35. She also reported that the projected deficit has been reduced to \$292,261.81.

The current VPK spending rate is 4.09% for administration for the year and 95.91% on Direct Services. Ms. Hardy explained the administration rate will be below the 4% cap by the end of the fiscal year.

A brief discussion followed on the budget differences for School Readiness vs. VPK and how mandated placements affect the School Readiness budget. Mr. Farrelly explained the original projected deficit was approximately \$377,000, but controls have been initiated including no new enrollments from the waiting list, which now has nearly 1,000

children waiting for services. Additionally, all non-essential spending has been frozen and \$313,000 is being held in Non-Direct Services. However by June, mandated children are expected to eclipse the 1,300 waitlisted children who have been enrolled to date.

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

IV. Initial Discussion of Budget Concepts, FY 2017

Mr. Farrelly explained next year's budget planning will begin in April and the actual budget proposal will be presented for final adoption at the July Board meeting. The new budget will include new funds totaling approximately \$252,000 for School Readiness, but restrictions on these funds have yet to be determined. As these are state funds, it is possible the funds will be reserved for a certain group of parents who are at or below the 85% of Florida's income levels. The VPK budget will also be increased by approximately \$831,000.

Mr. Farrelly explained the Coalition will maintain at least the same level of Direct Services funds as are in this year's budget.

Mr. Farrelly shared his concepts as far as additional costs to the FY 2016-17 budget. First would be the addition of a new staff member, a Compliance Director (working job title) to serve as internal auditor to prepare for all audits. This individual will also audit staffs' work before an outside audit. The salary range for this position would be about \$40,000 - \$50,000 per year.

The second item involves a prospective cost savings. Currently, the Coalition has two (2) full-time Inclusion Specialists who work with children with special needs and their providers. Mr. Farrelly believes it is time to move to a different service delivery model by providing parent training for those with children having special needs. He would like to move an Inclusion Specialist away from working with children to being a trainer and working with parents and providers.

Thirdly, Mr. Farrelly would like to include funds in the budget for 2017 Year of the Young Child events. Yearlong events are being planned along with efforts to inform the community about the importance of early learning. Discussions with the Brazelton Foundation have resulted in beginning to develop a plan for the next several years. This plan will require community collaborations with local school boards, county commissions, United Ways, etc. and may also require a significant commitment of funds from next year's budget.

Mr. Farrelly reported that operating expenses such as purchasing extra supplies may occur at the end of this year, if funds are available. If not, operating expenses, to also include eleven (11) new computers, a new van generator and office supplies may also have to be included in next year's budget.

Dr. Anderson announced that Pasco-Hernando State College will be discussing a new initiative related to K-12 literacy. A panel discussion will be held on April 6, 2016 at the Spring Hill Campus from 11:30 am – 1:30 pm.

V. Review/Approval, Revisions to Tangible Property Policies

Ms. Hardy explained the changes indicated in the policy are being done at OEL's request based on the new OMB circular regulations. This policy is required to be a stand-alone policy with two (2) additions related to the use of property and disposing of equipment valued at \$5,000 or more only with prior written approval from OEL.

Mr. McHugh requested a motion to approve the revisions to the Tangible Property Policies. Dr. Anderson so moved and Mr. Shrieves seconded the motion. All were in favor with no abstentions and the motion carried.

VI. Next Meeting will be held Wednesday, April 20, 2016 at 9 a.m.

The Committee will next meet on April 20, 2016 at 9 a.m.

VII. Public Input

None.

VIII. Adjournment

Mr. McHugh adjourned this meeting of the Finance/Audit Committee at 9:35 a.m. without further discussion.

Respectfully submitted by,

Jak Jakubauskas
Administrative Assistant I