



FINANCE & AUDIT COMMITTEE MEETING MINUTES
Wednesday, June 21, 2017 at 9 a.m.
15506 County Line Road, Suite 103
Spring Hill, FL 34610

Committee Members Present: Dr. Amy Anderson, Adam Horn, Neil Thompson

Committee Members Present via Phone: Gus Guadagnino

Committee Members Excused: Sam Shrieves

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

Others Present: None

I. Welcome and Call to Order

Mr. Farrelly called the Finance/Audit Committee to order at 9:00 a.m.

II. Annual Selection of Committee Chairperson as per By-Laws

Mr. Farrelly explained that committees are reorganized annually and a new chair must now be elected. Mr. Guadagnino, as current chair may serve a second term and, as chair, this individual also serves on the Executive Committee. Mr. Guadagnino moved to nominate Mr. Thompson as chair of the Finance Committee; Mr. Horn seconded the motion. As there were no other nominations from the floor, Mr. Thompson accepted the nomination. All were in favor with no abstentions and the motion carried.

III. Review/Adoption, Draft Minutes from Finance/Audit Committee Meeting of May 17, 2017

At Mr. Thompson's request, Mr. Farrelly continued to chair this meeting. Mr. Farrelly requested the committee review the minutes from the May 17, 2017 meeting. The minutes were reviewed and accepted without action due to lack of quorum as new members were not present at the May meeting.

IV. Review/Approval, May 2017 Financial Statements

Ms. Hardy reported that the fiscal year School Readiness budget for Direct Services for May had forecast that the spending rate would be 84.43%, but actual spending was at 87.11%. She explained the spending categories and reported all were within the required minimum and maximum spending rates.

Ms. Hardy explained the Coalition was allowed a maximum of 5% of the School Readiness budget for administration and for May the current spending in this category was at 2.68% with a year to date total of 2.35%

A 4% minimum is required to be expended on Quality and the Coalition year to date total in this category is 5.69%. Direct Services, funds expended directly on services for children, requires a 78% minimum; year to date total in this category is 85.19%.

Ms. Hardy explained that because School Readiness is funded with federal dollars, Coalitions must secure a 6% annual match which, for this Coalition, is a total of approximately \$386,000. To date the Coalition has secured a total of \$24,230.76 and with the inclusion of in-kind donations, the year to date total is \$39,098.38. A brief discussion followed on match funds and how match in Florida is secured.

Ms. Hardy explained the Direct Services forecast shows a surplus of \$367,491.63 and children continued to be enrolled into the School Readiness program weekly. This surplus amount will be reduced further by the end of June. Ms. Hardy explained natural attrition and Mr. Farrelly explained that federal laws for financial assistance have changed which has reduced the natural attrition from about 4% to 1.5-2%.

Ms. Hardy explained the VPK program is a state mandated program for all 4-year olds residing in Florida. The Coalition's maximum spending for administration for VPK is 4% and currently it is at 3.72% for the year with the remaining funds going to direct services.

Mr. Farrelly explained the VPK program is losing providers. The state has increased the requirements for testing and reporting, but wages have not increased. Currently, the state pays about \$2,400 per child per year to the providers and an anticipated increase of \$50 per child in this year's state budget was not realized. Hernando County is also seeing a decline in VPK student enrollment. He explained the Executive Committee has approved an initiative to recruit VPK providers and parents of eligible children through increased marketing. Additionally, Coalition eligibility offices will have increased hours to include evenings and Saturdays in both counties.

In response to Mr. Horn's question about the differences in School Readiness daily rates on the Utilization Report between Pasco and Hernando counties, Ms. Hardy explained the ages of children and income levels attribute to the differences.

Mr. Farrelly reported that as of May 31, 2017, 4,379 children were enrolled in the School Readiness program and 4,968 in the VPK program, both historically high enrollments. Mr. Horn inquired if a breakdown of providers by county could be prepared; Ms. Hardy will provide this information.

Mr. Farrelly requested a motion to accept the May financial statements as presented. Dr. Anderson so moved and Mr. Horn seconded the motion. All were in favor with no abstentions and the motion carried.

V. Third Presentation, Proposed FY 2017-18 Coalition Budget

Mr. Farrelly reported the Coalition may not know until early July what the actual budget will be. The draft budget being presented is based on a hold harmless budget using the same funds received for this fiscal year.

Mr. Farrelly explained if the Coalition receives no additional funds in the coming year, the proposed budget will have Direct Services funds reduced by \$65,000, but early indications show the supply side will increase by about \$700,000 increasing Direct Services funds by about \$500,000. Within this proposed budget is a 3% increase for staff, a replacement Executive Director to parallel Mr. Farrelly, due to his retirement, for two (2) months, increasing the Executive Director search advertising budget to \$5,000 for nationwide searches, continuing YOTYC funding of \$50,000 for a second year which includes initiatives for marketing efforts; and two (2) additional staff members.

Mr. Farrelly explained the new staff members would include an additional Trainer and a third Inclusion Specialist to target special needs early learners who are bright students needing additional challenges in the classroom to keep them engaged. The new budget also includes an increase for attorney fees, video looping systems in the eligibility offices and staff performance incentives to be awarded separate from salary increases.

Ms. Hardy reviewed the Budget Proposal explaining the increase in salary/benefit expense is due to the added positions. Other categories were reviewed and briefly discussed.

VI. Next Meeting will be held Wednesday, July 19, 2017

The Finance/Audit Committee will next meet on July 19, 2017 at 9 a.m.

VII. Public Input

None.

VIII. Adjournment

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

Respectfully submitted by,

Jak Jakubauskas,
Administrative Assistant I