



FINANCE & AUDIT COMMITTEE MEETING MINUTES
Wednesday, December 13, 2017 at 9 a.m.
15506 County Line Road, Suite 103
Spring Hill, FL 34610

Committee Members Present: Neil Thompson, Chair; Dr. Amy Anderson

Committee Members Present via Phone: Adam Horn

Committee Members Excused: Gus Guadagnino

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

Others Present: Dr. Steve Knobl

I. Welcome and Call to Order

Mr. Thompson called the Finance/Audit Committee to order at 9:07 a.m.

II. Public Comment on any Action Items

No public in attendance.

III. Review/Adoption, Draft Minutes from Finance/Audit Committee Meeting of November 15, 2017

Mr. Thompson requested a motion to approve the minutes from the November 15, 2017 meeting as presented. Mr. Horn so moved and Dr. Anderson seconded the motion. All were in favor with no abstentions and the motion carried.

IV. Review/Approval, November 2017 Financial Statements

Ms. Hardy reported that the budget for Direct Services was expected to be expended at 44.19%, but the actual spending was at 42.65% for the fiscal year budget. She explained the spending categories were all within the required minimum and maximum spending rates. The Administration maximum is 5% with the current year to date at 2.92% and Quality minimum of 4% is at 5.37% for the year. Year to date Direct Services of 85.47% combined with Quality indicates over 90% is being expended on children.

Ms. Hardy explained the Coalition received \$839.34 in match funds bringing the match year to date total to \$8,329.16. She reported the majority of funds this month came from the United Way of Hernando grant.

Ms. Hardy reported that a slight Direct Services deficit of \$29,011.49 is being projected for FY 2017-18. With this information, the wait list has been opened to 100 children.

Mr. Farrelly explained the wait list has been closed for the last three (3) months and had over 1,000 children waiting for services. With the projected \$29,000 deficit, normally the wait list would not have been opened. However, after reviewing the budget, a \$400,000 surplus is bene projected in other spending areas which allowed the wait list to be opened. The enrollment of the 100 children will expend approximately \$180,000 through the end of the fiscal year and still leave a projected surplus.

Dr. Knobl commented this same system is utilized in Hillsborough and the wait list there is over 3,700 children.

For VPK, Ms. Hardy reported the current spending rate is at 39.87% with administration at 3.33% for year to date. Ms. Hardy referred to the enrollment report explaining that VPK enrollment was at an all-time high with 5,180 children enrolled.

Mr. Thompson requested a motion to approve the November financial statements. Dr. Anderson so moved and Mr. Horn seconded the motion. All were in favor with no abstentions and the motion carried.

V. Report, Upcoming Financial Changes Required by OEL and Impact on Coalition

Ms. Hardy explained she has recently returned from a quarterly finance directors meeting. OEL is requiring changes be made related to purchasing. The Coalition will now be required to have a purchase order for every purchase made. Services such as phone bills, utility bills and other services will not require a purchase order.

Ms. Hardy stated that OEL wants a uniform purchase order system throughout each of the Coalitions and is working on a standardized form. This Coalition will continue to use our current purchase order procedure.

A brief discussion followed including the potential use of credit cards for small purchases which would result in only one purchase order for the total monthly purchase. Also discussed was the additional work that will be required by the Coalition's Accountant and Operations Manager to process the increased paperwork.

Ms. Hardy stated that OEL expects this new change to go into effect as of July 1, 2018.

VI. Discussion, Desirable Additional Components to Monthly Financial Reports

Mr. Thompson stated he finds the reports helpful, but he feels the Statement of Revenues and Expenses provides little value in determining the actual variation with expenses to help predict the budget for the remainder of the year.

A brief discussion followed and Dr. Knobl explained he has created PowerPoint slides for School Readiness, VPK and variance along with a narrative for his current Board that he will share with Ms. Hardy.

Discussion continued with Mr. Horn suggesting the addition of revenue dollars for more variance detail as well as what is spent each month. Ms. Hardy agreed to show the average monthly spending to show variance and would condense the GL codes for expenses on the new report.

Mr. Horn suggested that under Item #2 on the financial memo that re-wording the information related to Match would help to better understand the concept and what is required. He recommends adding wording that all Coalitions are required to raise Match and it is met annually overall. Ms. Hardy will update the verbiage.

Mr. Thompson stated that seeing a balance sheet would also be useful. Ms. Hardy explained that the balance sheet does not change as the Coalition is not permitted to spend yearly grant funds in other years. The accrual of PDO hours is noted for auditors. Mr. Horn stated that as long as the Committee is aware that funds are accrued, a balance sheet is not necessary.

VII. Next Meeting will be held Wednesday, January 17, 2018

Mr. Thompson stated the Finance/Audit Committee will meet next month on January 19, 2018 at 9 am.

VIII. Public Input

None.

IX. Adjournment

Mr. Thompson adjourned this meeting of the Finance/Audit Committee at 9:55 a.m. without further discussion.

Respectfully submitted by,

Jak Jakubauskas,
Administrative Assistant I