



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Monday, March 16, 2009 at 4 p.m.
15506 County Line Road
Spring Hill, FL 34610

Committee Members Present: James Cook; Chair, Curt Bromund, Elizabeth Callaghan, Dr. Burt Harres

Committee Members Excused: Susan Arnett, Sister Roberta Bailey

Staff Present: Jim Farrelly, Ramute “Jak” Jakubauskas, Maryrose Wersan

Others Present: Carol Eurton, CDS

I. Welcome and Call to Order - Mr. Jim Cook, Chair

Mr. Cook, Chair, called the meeting of the Finance/Audit Committees to order at 4:10 p.m. Roll call and introductions were made. Adoption of Agenda and approval of Draft Minutes from February 20, 2009 Joint Meeting will be held until quorum is reached.

II. Review/Approval of Revised 2008-2009 School Readiness Budget

Ms. Wersan stated that the Coalition received an amended grant award from AWI restoring the 4% appropriation (\$137,508) that was taken earlier this year. The Coalition recommends allocating these funds for slot utilization. Enrollment is fully open with over 300 slots in both counties and no wait list; however, the number of unemployed families is rising affecting the number of children who are eligible for the program.

Ms. Eurton discussed being aware of the number of WAGES clients requesting services because of rising unemployment rates; people will be seeking welfare assistance and referrals for childcare assistance. In addition, Ms. Eurton advised Coalition staff to be aware of “trends” in the enrollment process especially during the spring and summer months and to be aware of projections for the new fiscal year.

Mr. Cook suggested keeping a portion of funds unallocated and drawing down the funds, if needed, for additional slots as there are no waiting lists at this time. Mr. Farrelly stated he has not yet heard anything about funding for next year and has not yet been made aware of how the stimulus package will specifically affect the Coalition.

Ms. Wersan commented that shortly, the State will begin asking Coalitions if they would like to do a re-obligation of funds. Ms. Wersan informed the Committee she has contacted the State regarding the Coalition’s transition and inquired if they had additional funding which would not impact slots or our current administrative costs. Ms. Wersan was advised that the Coalition can request up to \$200,000 and staff is recommending that this Committee make that recommendation. If awarded, this would be for start-up costs including any

capital expenditures for the transition. Ms. Wersan commented she had asked the State when the paperwork would need to be submitted and was informed not to complete the paperwork for the re-obligation request until the end of March when they will have a better idea of how the stimulus will be appropriated. Mr. Farrelly reminded the Committee that any unspent funds need to be returned to the State on June 30 and the State may view the return of any funds as an indication to reduce the annual budget by that amount for the following year.

Mr. Bromund briefly discussed “eligibility errors” that could result in fees charged to the Coalition. These fees must be repaid from unrestricted funds, not program funds.

Ms. Callaghan inquired if these funds, at the end of the year will not be used for slots, could the Coalition purchase another van with these dollars. Mr. Farrelly replied yes, but at the end of May, if the dollars were not needed for slots they could be transferred to Quality dollars where there is a fall back list of items that could be purchased. These items could be purchased quickly and all are items that will build up quality for providers.

Mr. Cook made a motion to place the \$137,508 into an unallocated line item and Dr. Harres seconded. All were in favor with no abstentions and the motion carried.

III. Update/Discussion of Bank Account FDIC Limits

Ms. Wersan stated she has been in communication with the Coalition’s SunTrust representative from the treasury department. The Coalition currently has a “Sweep Master Note Agreement”, but it is only viable as long as SunTrust remains in business. If the bank should falter, they are not obligated for any losses. A director from SunTrust’s treasury department did not recommend sweeping into a U.S. Treasury account because of the 0% investment rate, but did recommend the “Ridgeworth Institutional U.S. Money Market Mutual Fund” which deals with government agencies. The funds are 100% guaranteed; the Coalition does qualify for this fund and will have instant access to the funds. All funds above \$200,000 will be swept every evening and the fees will depend on the Coalition’s average daily balance. Ms. Wersan will be securing the auditor’s recommendation regarding this fund and will be obtaining additional information to present at the next Committee meeting.

IV. Discussion of FY 2009-2010 Independent Audit

Ms. Wersan stated that the Coalition would like to propose Williams, McRanie, Wardlow & Cash, P.A. prepare the audit again next year. The fee for the FY 08 audit was \$15,000 and we are currently awaiting a quote for FY 09 audit, the third year. Last year the Coalition sent invitations to bid and received several bids in excess of \$20,000. The Coalition has been pleased with the firm’s response to staff’s questions throughout the year and they have not charged the Coalition any additional fees for this service. Staff will bring the audit quote to the Committee’s April meeting for review and approval.

Ms. Wersan updated the Committee on the unemployment compensation tax reporting situation and stated all the paperwork had been filed with the State and our payroll records at Paychex have been updated. Paychex will now be doing these reports on a quarterly basis.

The Coalition is currently waiting for penalty fees to be assessed and will then request a waiver. Mr. Farrelly reminded the Committee that Ms. Susan Arnett and her staff's involvement saved the Coalition thousands of dollars.

Ms. Wersan informed the Committee that the Coalition applied for two (2) United Way of Hernando County grants; one for \$50,000 for match in Hernando County and one for \$50,000 to support our Inclusion Services. The grant was submitted on March 7th and United Way contacted the Coalition today to make arrangements to conduct interviews. If the grants are awarded, the funds will be for FY 2009-2010 and would contribute toward the State's match requirement.

Ms. Wersan recapped the re-obligation. She explained that the Coalition may request additional funding from the State, of up to \$200,000 for salaries and facilities for the transition for July 1, 2009. This request will be filed as a Re-obligation Request and may be awarded, if funds are available. Ms. Wersan asked the Committee to make a motion to request these funds. This item will then be placed on the agenda for the March Board of Directors meeting. Ms. Wersan explained the amounts for salaries, facilities, security deposits, leases, etc. have been reviewed and the amount being requested is conservative.

Ms. Callaghan made a motion to request additional funding of up to \$200,000 from the State and Dr. Harres seconded. All were in favor with no abstentions and the motion carried.

V. Schedule of Next Meeting Date

Mr. Farrelly suggested setting a regular date and time for the Finance Committee to meet such as the third Monday of each month. It was agreed the next meeting will be on Monday, April 20, 2009 at 4 p.m.

At this time, the minutes were reviewed and Mr. Cook requested a motion to approve the minutes. Dr. Harres made a motion to approve the draft minutes from the February 20, 2009 Joint Meeting and Ms. Callaghan seconded. All were in favor with no abstentions and the motion carried.

VI. Public Input

None

VII. Adjournment

The Finance/Audit Committee meeting was adjourned, without further discussion, at 4:50 p.m.

Respectfully submitted by,

Ramute "Jak" Jakubauskas
Administrative Assistant