



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Wednesday, March 23, 2010 at 4 p.m.
15506 County Line Road
Spring Hill, FL 34610

Committee Members Present: Elizabeth Callaghan, Chair; Bonnie Clark

Committee Members Excused: Susan Arnett

Committee Members Present via Phone: Debora Martoccio, Pat Mulieri

Staff Present: Ramute “Jak” Jakubauskas, Betsy Kier, Bill Kleinsorge

I. Welcome and Call to Order - Ms. Elizabeth Callaghan, Chair

Ms. Callaghan called the meeting of the Finance/Audit Committee to order at 4:03 p.m. Introductions were made. Ms. Callaghan requested a motion to approve the Draft Minutes from the February 17, 2010 meeting. Ms. Mulieri so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

II. Fiscal & Accounting Policies & Procedures, Amended (3rd review)

Ms. Callaghan inquired if Mr. Kleinsorge had an opportunity to review the policies. He stated yes and that is an in-depth policy. He stated there was a typographical error on page 52, “grand” should be “grant.” Ms. Kier also informed the Committee that since the second reading, an additional safeguard had been added to page 28 under the wording for Check Signing, due to the recent audit finding.

Ms. Callaghan requested a motion to approve the Fiscal and Accounting Policies and Procedures. Ms. Mulieri so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

III. ARRA Spending Update

Ms. Kier stated the Coalition is now moving children from ARRA funds back into School Readiness funds to spend out these funds by the end of the fiscal year. She added the Coalition is in a better financial situation than originally believed with the ARRA funds due to natural attrition of children terminating from the program. Currently, there are 373 children on the wait list in Pasco and 197 in Hernando (as of March 19, 2010).

Ms. Callaghan requested to see a projection of the ARRA funds for FY 2010-2011.

IV. Review, VPK Notice of Award Revision

Ms. Kier stated the Coalition received this notice on March 10, 2010 stating that \$1.3 million will be returned to the State from the VPK budget. She stated a budget revision will be prepared for the next Board meeting. She explained that ARRA funds had also been allocated for the VPK program and that these funds can only be spent on VPK services. Due to the availability of funds currently in the VPK budget, the Coalition has not needed to request additional ARRA VPK funds from AWI.

A discussion followed on the VPK program and how substantial budget cuts to the program by the State may impact providers. There will be less money available per child and a change in ratio may also be implemented. The Committee was informed that School Readiness dollars may be held harmless.

At Ms. Callaghan's request, Ms. Kier will prepare a report for the Committee of the ARRA VPK dollar amount that AWI has slated for the Coalition.

Ms. Callaghan requested a motion to approve the budget revision of \$1.3 million due to the de-obligation of funds for the VPK program. Ms. Clark so moved and Ms. Mulieri seconded the motion. All were in favor with no abstentions and the motion carried.

V. Discussion, Annual Audit FY 2009/2010

Mr. Kleinsorge informed the Committee that his main concern was the internal controls deficiencies. He is in the process of applying the fifty-seven (57) journal entries found by the audit into QuickBooks to match the auditor's financial statements. He will then examine all the expenses and revenues in preparation for the June 30, 2010 audit.

Ms. Callaghan requested that the Operating Expense Report she receives from Ms. Kier prior to the full Board meeting be discussed at the Finance Committee meetings prior to being presented to the Board.

Mr. Kleinsorge distributed a copy of the Operating Expense Report (attached) and stated there were four (4) items of concern for the fiscal year end projections. The largest concern is the negative balance in the Salaries/Benefits category. Ms. Callaghan inquired why the Annual Audit was not a line item since there was a deficit. Ms. Kier stated that due to the increased amount of work performed by the auditors this resulted in an increased line item amount. Mr. Kleinsorge explained there is a remaining balance of \$37,325 and that funds could be moved within the line items, as necessary.

VI. Status/Transfer to SAGE Accounting System

Mr. Kleinsorge informed the Committee that he has spoken with the SAGE representative and indicated the Coalition's ultimate goal is to be up and running by July 1st. He also spoke to the representative about running SAGE and QuickBooks in tandem

beginning June 1st to make sure SAGE is running properly. But, to do this, Mr. Kleinsorge first has to make all the necessary corrections in QuickBooks.

VII. Discussion, Next Meeting Date on April 14, 2010

The Committee agreed their next meeting date will be Wednesday, April 14, 2010 at 4 p.m. Ms. Martoccio indicated she would be unavailable to attend this meeting.

VIII. Public Input

None

IX. Adjournment

Ms. Callaghan requested a motion to adjourn the meeting. Ms. Mulieri so moved and Ms. Martoccio seconded the motion. The Finance/Audit Committee meeting was adjourned at 4:30 p.m. without further discussion

Respectfully submitted by,

Ramute "Jak" Jakubauskas,
Administrative Assistant