



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Wednesday, April 21, 2010 at 4 p.m.
15506 County Line Road
Spring Hill, FL 34610

Committee Members Present: Elizabeth Callaghan, Chair

Committee Members Excused: Susan Arnett, Bonnie Clark

Committee Members Present via Phone: Debora Martoccio, Pat Mulieri

Staff Present: Jim Farrelly, Ramute “Jak” Jakubauskas, 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 4:04 p.m. Introductions were made. Ms. Callaghan requested a motion to approve the Draft Minutes from the March 23, 2010 meeting. Ms. Mulieri so moved and Ms. Martoccio seconded the motion. All were in favor with no abstentions and the motion carried.

II. ARRA Spending Update

- **ARRA Funds Allotted to VPK Program**

Mr. Kleinsorge stated that more children will be moved from ARRA funded slots to School Readiness because the School Readiness funds will expire at the end of the fiscal year and the ARRA funds may be carried over into next year.

- **Projection of ARRA funds for FY 2010-2011**

Mr. Farrelly stated the original projection of carrying over \$400,000 in ARRA funds to next year is an accurate amount.

III. Review, Operating Expense Report

Mr. Kleinsorge distributed the February 2010 Operating Expense Report (attached). He noted there is a change from the January 2010 Report in that Direct Services expenses are listed in February's report because they were not included in last month's report. He stated this is an estimate of what the Coalition's fund balance will look like at the end of the year.

Ms. Callaghan inquired about the deficits and if funds would be reallocated at the end of the year. This was confirmed by Mr. Kleinsorge. Ms. Callaghan inquired about any left over funds and how they would be spent. Mr. Farrelly stated that dollars may be utilized for advanced purchases for next year and that decision will be made closer to the June 30, 2010 deadline.

Ms. Callaghan stated there will be a half percent cut from the VPK budget according to Tallahassee. She commented that any remaining ARRA funds left over from this year will help take care of the deficit expected during the next fiscal year.

Ms. Martoccio asked what the variance was on the Dues, Subscriptions and Fees line item. Mr. Farrelly stated that our former finance director only budgeted \$3,500 for this line item and the statewide fees to the Association of Early Learning Coalitions alone far exceeded that amount. The other deficit in the equipment line item had to do with a server that was purchased for the computer system and the \$10,000 under Contract Services was for services provided by CDS.

IV. Status/Transfer to SAGE Accounting System

Mr. Kleinsorge stated that staff was continuing to move forward and a telephone conference training will be held on April 30, 2010 that will include Ms. Kier, Ms. Jakubauskas and Mr. Kleinsorge. The training will go over the chart of accounts and the best way to switch records over from QuickBooks to the new system. The new system will have two (2) levels of backup.

V. Discussion, Annual Audit FY 2009/2010

Mr. Kleinsorge stated he would like the Coalition to retain the same auditing firm for the fourth year. Mr. Kleinsorge believes that because he is a new employee and this firm is familiar with the Coalition, it would be better to have an experienced auditor on site. He has checked with the State and the firm is exempt from the bidding rules as long as the Board is in agreement. Mr. Farrelly stated that is if this plan is agreeable with the Committee, he suggests obtaining a quote from the auditor for services for FY 2010-2011 to present to the Board for approval at the next meeting. Mr. Farrelly believes the estimated cost of the audit would be between \$17,000-\$18,000.

VI. Discussion, Next Meeting Date on May 19, 2010

Ms. Callaghan stated that she would not be in available for the next meeting. The meeting will still be scheduled for May 19, 2010 and only rescheduled if quorum is not achieved.

VII. Public Input

None

VIII. Adjournment

Ms. Callaghan requested a motion to adjourn the meeting. Ms. Martoccio so moved and Ms. Mulieri seconded the motion. The Finance/Audit Committee meeting was adjourned at 4:15 p.m. without further discussion

Respectfully submitted by,

Ramute “Jak” Jakubauskas,
Administrative Assistant