



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Wednesday, January 19, 2011 at 4:00 p.m.
15506 County Line Road
Spring Hill, FL 34610

Committee Members Present: Elizabeth Callaghan, Chair; Jim Cook

Committee Members Present via Phone: Susan Arnett, Debora Martoccio

Committee Members Excused: Bonnie Clark, Pat Mulieri

Staff Present: Jim Farrelly, Ramute “Jak” Jakubauskas, Betsy Kier

Guests Present: None

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

Ms. Callaghan called the meeting of the Finance/Audit Committee to order at 4:05 p.m. Introductions were made.

Ms. Callaghan requested a motion to approve the Draft Minutes from the January 19, 2011 meeting. Ms. Martoccio so moved and Mr. Cook seconded the motion. All were in favor with no abstentions and the motion carried.

II. Written Report of the Interim Financial Director

Mr. Farrelly explained that Ms. Sonya Bosanko, Executive Director of the ELC-Nature Coast has been the Coalition’s Interim Financial Director since September, 2010. Two (2) weeks ago, she submitted a seventeen (17) page written report which, at Ms. Callaghan’s request, has now been submitted in full to the Finance Committee for review.

Mr. Farrelly continued stating that Ms. Bosanko had to re-create the financial records for FY 09/10 in their entirety due to errors going back to the first Finance Director and compounded by the following Directors. The completed financials have been sent to the auditor for his review and should be brought before the Board in February-March in the form of the FY 2010 audit.

• Recommendations for Improvement

Mr. Farrelly stated Ms. Bosanko’s report outlined eight (8) recommendations as well as the overall condition of the Coalition. The Recommendations for Improvement form captured five (5) recommendations to be approved by the Finance Committee. These

recommendations plus several additional recommendations will be presented to the Executive Committee for approval and then to the full Board, as necessary.

- **Payback to AWI**

Ms. Callaghan inquired about the payback of \$190,907.29 and Ms. Kier explained the Coalition over billed on expenses that were incorrectly allocated to School Readiness. Even though the Coalition under billed VPK expenses with a net difference of \$17,653.87, the State will not allow the Coalition to reconcile internally by a transfer of funds.

Discussion followed on expenditures and the re-formatting of financial reports for FY 2010-11 based on the new reporting format prepared by Ms. Bosanko.

Ms. Kier explained that the \$190,907.29 will be paid back to the State through funds received from a FY 2010 grant for contracted services. This also included administrative costs. The amount of \$232,598 is now in unrestricted and available funds.

Ms. Arnett inquired what percentage of the program budget did the over billing represent. Mr. Farrelly believed that it was only 1-2% of the overall budget.

Mr. Farrelly then read the five (5) recommendations prepared by Ms. Bosanko and Ms. Callaghan inquired if Ms. Bosanko will assist in developing the new procedures. Mr. Farrelly replied that Ms. Bosanko will help in the development and the new procedures will also be placed in the Fiscal Accounting Procedures as well as the internal policy manual.

Mr. Cook stated the payroll reports should not be done quarterly but weekly or bi-weekly with each payroll.

Ms. Callaghan requested a motion to accept the Recommendations for Improvement subject to further discussion with the Interim Financial Director for a report for each payroll period. Ms. Martoccio made a motion to accept the motion as read and Ms. Arnett seconded the motion. All were in favor with no abstentions and the motion carried.

III. Proposed Approval for Payments over \$5,000

Mr. Farrelly explained that the Board policy requires approval for all invoices over \$5,000 and the following two (2) invoices are being submitted to the Committee for approval:

- Florida Department of Revenue Reimbursement Invoice for Unemployment Tax - \$6,786
- AWI for over billing for School Readiness Funds, FY 2009-10 - \$190,907.29

Ms. Callaghan requested a motion to approve the two (2) invoices for payment. Ms. Martoccio so moved and Ms. Arnett seconded the motion. All were in favor with no abstentions and the motion carried.

IV. Discussion, Next Meeting Date on February 16, 2011 at 4:00 p.m.

The Committee agreed their next meeting date will be Wednesday, February 16, 2011 at 4 p.m.

V. Public Input

Ms. Arnett stated she was glad to see the resolution with Happy Land.

VI. Adjournment

Ms. Callaghan requested a motion to adjourn the Finance/Audit Committee meeting. Ms. Martoccio so moved and Mr. Cook seconded. The meeting was adjourned at 4:45 p.m. without further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas,
Administrative Assistant