



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

Board Members Present: Jim Cook, Chair; Bonnie Clark, Patrick McHugh

Committee Members Present via Phone: Debora Martoccio

Committee Members Excused: Pat Mulieri

Staff Present: Jim Farrelly, Jak Jakubauskas, Betsy Kier

Guests Present: None

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

Mr. Cook called the meeting of the Finance/Audit Committee to order at 4:02 p.m.

Mr. Cook requested a motion to approve the draft minutes from the Finance/Audit Committee Meeting of August 17, 2011. Mr. McHugh so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

II. Review, August Financial Statement Report

Ms. Kier noted that spending rates are in line with this time of year and the Coalition is projecting a large deficit in School Readiness. September's financials will show a more concise picture as children begin to terminate from the program. Mr. Farrelly explained that parents are required to recertify every 90 days and 7-8% fail to be re-validated for services each month.

Mr. Cook inquired about the discrepancy in School Readiness and VPK administration expenses between August and July. Ms. Kier explained what constitutes the expenses and the state's written definition. She also explained that the increase in VPK expenses will be spread out over time and if they continue to be high, staff time may need to be reallocated as 4% is the maximum.

Mr. Cook inquired on Item #1 how the 17.70% figure is obtained. Ms. Kier stated this is a cumulative total divided across the year.

On Item #5, Mr. Cook inquired what if any changes will need to be enacted to ease the overspending in VPK administration. Mr. Farrelly stated these figures will be re-evaluated next month and a staff member may need to be reassigned as a partial School

Readiness Provider Specialist. He explained the Coalition only has two (2) VPK Specialists for both Pasco and Hernando Counties. Ms. Kier provided a brief description of the type of administrative work performed and if the child never enters the VPK program, the Coalition is not reimbursed for this administrative time, only for the children who actually register and enter the program.

Under School Readiness Line Item #2, Mr. Cook inquired how the \$12.14 per child figure is obtained. Ms. Kier explained this figure will fluctuate each month depending on the total number of days in care and the number of children enrolled. She explained the provider reimbursement rate remains the same per child. A discussion followed on changing the terminology used.

A discussion followed on the VPK utilization report format and Ms. Kier explained the Board had requested that both School Readiness and VPK be presented in the same format to use for forecasting purposes and to indicate the funds remaining in the program at the end of each month. However, VPK is an entitlement program and the State is mandated to pay for additional children, which is not the case with School Readiness. Ms. Clark suggested developing a report that is better suited to VPK.

Mr. Farrelly informed the Committee that the new Financial Director will be in attendance at the next Committee meeting and would be able to discuss the financials in greater detail and recommend a new reporting format.

Mr. Farrelly explained how natural attrition will result in lowering the current \$903,000 deficit by the end of this fiscal year. He also informed the Committee that the Coalition has received an additional approximate \$100,000 for School Readiness funds. Mr. Farrelly stated that if natural attrition does not occur at the usual rate of 7-8% to reduce the deficit, the Coalition would have to resort to disenrollment.

III. Numbers Behind the Numbers

Mr. Cook inquired if the Committee had anything specific they would like to see to be reflected in the financials to better inform the entire Board.

This month, he compared the number of children served by each of the thirty-one (31) state-wide Coalitions. Miami-Dade is at #1 and is the largest and Santa Rosa is #31 and the smallest serving 1,387 children. PHELC is #10, Hillsborough is #2, Orange is #4, Pinellas #7 and Broward is #3.

For VPK, Miami-Dade is still #1 and Santa Rosa is #31 but PHELC is #9.

Mr. Farrelly stated that a report should be done to show where the Coalitions stand in relation to the ratio of children served, to budget. His expectation is that PHELC would be at/near the top.

IV. Revision, Finance & Accounting Policy

Ms. Kier stated that KPMG, the state’s auditors, needed further clarification on the Coalition’s “stale check policy.” The highlighted verbiage has been recommended by KPMG.

Mr. Cook requested a motion to approve the revision to the Stale Check Policy. Mr. McHugh so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

V. Discussion, Revised Finance/Audit Committee Meeting Dates – 2nd Monday

Ms. Kier stated that if the meetings would be held on the second Monday of the month, any delays in reimbursement may delay the financials for November, January and April and they may not be available to present to the Committee. The financials are usually completed on or about the 9th of each month.

The Committee members agreed to change the meeting date to the 3rd Monday of the month. A new listing of dates for the remainder of the fiscal year will be distributed to the Committee.

VI. Discussion, Next Meeting Date on October 17, 2011 at 4:00 P.M.

The next Finance/Audit Committee meeting is scheduled for Monday, October 17, 2011 at 4 p.m.

VII. Public Input

None.

VIII. Adjournment

Mr. Cook requested a motion to adjourn the Finance/Audit Committee meeting. Ms. Clark so moved and Mr. McHugh seconded the motion. The meeting was adjourned at 4:58 p.m. with no further discussion.

Respectfully submitted by,

Ramute “Jak” Jakubauskas,
Administrative Assistant