



**FINANCE/AUDIT COMMITTEE MEETING MINUTES**  
**Monday, January 23, 2012 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: Debi 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 4:03 p.m. Introductions were made.

Mr. Cook requested a motion to approve the draft minutes from the Finance/Audit Committee Meeting of December 19, 2011. Mr. McHugh so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

**II. Review, December 2011 Financial Statement Report**

Ms. Kier explained the spending rate for School Readiness is at 48.24%, the VPK spending rate is 49.91% and VPK administrative expenses are at 4.67%. Ms. Kier stated the administrative expenses will be reduced due to the resignation of a VPK Specialist and some of the administrative expenses can be charged to the VPK Monitoring Award. Additionally, School Readiness is showing a small surplus of \$123,000 and the Executive Committee has approved opening the wait list to fifty (50) children. These slots should be filled within the next two (2) weeks.

A brief discussion followed on the administrative percentage for School Readiness and what is charged to administration. Mr. Cook requested clarification on the Quality Budget dollars that are returned for slots and Mr. Farrelly explained the new quarterly budget format of \$27,500 being allotted for each quarter with unused incentive dollars from that quarter being returned to slots.

Mr. Cook inquired about the administrative percentage for VPK. Mr. Farrelly stated the state will continue to keep the maximum spending rate at 4% with a possibility of eroding this percentage even further in the future. He explained the Coalition has had only two (2) VPK Specialists on staff that monitors all the VPK providers in Pasco and Hernando

Counties. Mr. Farrelly explained it may be possible to relocate one VPK Specialist to School Readiness temporarily to keep the VPK budget at the 4% maximum.

Ms. Kier explained the VPK Specialists monitor each provider at least once each fiscal year and provide additional training for those centers that have been deemed Low Performing Providers (LPPs). She stated in the future, the Specialists may only be able to monitor a sampling of the centers rather than each one.

Mr. Cook requested additional clarification on the Profit and Loss Statement under Copier Maintenance Supplies and was informed that major purchases for high volume items at the end of each fiscal year help keep costs down.

Under Fixed Assets, Mr. Cook inquired if the \$17,958 amount was for the digital filing system. Ms. Kier will confirm and bring back updated information.

Mr. Cook inquired about the amount of funds budgeted for bank fees and was informed by Ms. Kier that the Coalition does have to pay bank fees with the new interest bearing account that the state mandated the Coalition must have in order to return the bank interest earned to the state. She will bring more specific information on the fees to the next meeting.

Mr. McHugh inquired if monies could be reallocated to other line items. Mr. Farrelly stated yes or moved to slots or used to purchase needed supplies for the upcoming fiscal year. All funds in all line items will be spent down in May and June.

### **III. The Numbers Behind the Numbers**

Ms. Kier informed Mr. Cook that the state has not provided her with the updated information on funds spent by other Coalitions as requested by the Chair. She will follow up on the request. Mr. Cook inquired if the Coalition has seen any savings or reductions in paper costs. Mr. Farrelly stated the savings will be seen next year when the Sentry File System will be fully utilized. Ms. Kier stated initial savings will be seen in the reduction in costs of storage space, file cabinets and file folders. Mr. Farrelly stated he would have Ms. Pattie Eacobacci update the Board on the Sentry File System and its anticipated savings at the March Board meeting.

### **IV. Discussion, Match Solicitations**

Mr. Farrelly stated the Coalition must raise \$334,000 for match this fiscal year. He stated the Coalition has put a new Match Policy into effect and a solicitation letter has been sent to ensure that the Coalition is doing all that can be done. The alternative could be the state reducing the Coalition's grant award by the unraised match amount. However, he explained, when the match for all Coalitions is combined, as a state, Florida does raise the 6% federal allocation for the working poor statewide.

Mr. Farrelly explained the Board may have to determine what it can do as a whole to leverage the community. Mr. Farrelly explained that a request could be made that the Board Chair creates an Ad Hoc Committee to raise funds specifically for match.

Ms. Kier stated that if the grant award is reduced, the Coalition may need to show documents from Committee and Board levels that the Board has diligently worked on raising match funds.

Mr. McHugh suggested not using the word “match” in any solicitation requests and Ms. Kier informed the Committee that the Coalition is working with local restaurants to host fund raisers.

Ms. Kier stated the Utilization Reports show that 3,844 were enrolled in the School Readiness program in December and VPK served 4,278 children.

**V. Schedule, Next Meeting Date on February 20, 2012 at 4 p.m.**

The next Finance/Audit Committee Meeting is scheduled for Monday, February 20, 2012 at 4 p.m.

**VI. Public Input**

None.

**VII. Adjournment**

Mr. McHugh moved to adjourn the Finance/Audit Committee meeting at 4:45 p.m. and Ms. Clark seconded the motion. The meeting was adjourned with no further discussion.

Respectfully submitted by,

Ramute “Jak” Jakubauskas,  
Administrative Assistant