



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Monday, May 21, 2012 at 4 p.m.
15506 County Line Road
Spring Hill, FL 34610

Board Members Present: Jim Cook, Chair; Gus Guadagnino, Mike Ramos

Committee Members Present via Phone: Bonnie Clark, Pat Mulieri

Committee Members Excused: Patrick McHugh

Staff Present: Kim Borrego, Sonya Bosanko, Jim Farrelly, Jak Jakubauskas

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 4:05 p.m.

Mr. Cook requested a motion to approve the draft minutes from the Finance/Audit Committee meeting of April 16, 2012. Mr. Guadagnino so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

II. Review, April 2012 Financial Statement Report

Ms. Bosanko explained that two (2) budget reports are prepared. The Budget vs. Actual is designed for state invoices and the CLASS report was created for the Board to easily review the functional expenses. She reviewed the OCA spending rates and reported they are in line with state and federal requirements. Ms. Bosanko explained the School Readiness administrative spending was at 3.04%, non-direct services at 4.60%, Quality was at 10.64% and direct services at 81.72%.

Mr. Farrelly explained that Gold Seal provider payments are included in the Quality spending category as this category does not require match funds to be raised. Ms. Bosanko explained the Coalition must earn 6% in match of the budget for the Working Poor category.

For VPK, Ms. Bosanko explained the spending rate is 86.27% and that the Coalition and the state are required to serve all 4-year olds. She reported the state cut VPK funding last month based on a state flat line projection. Ms. Bosanko has been in communication with the state to restore the funding. She also explained the overspending in VPK administration which has a cap of 4%. Coalitions have been reporting to the governor's office that they cannot perform the required administrative services with only 4%. Also, the increased number of VPK Low Performing Providers requires additional technical services, but there are no funds to provide these services.

Ms. Bosanko explained the Coalition will show a deficit for VPK administration at the end of the fiscal year of approximately \$60-70,000, but this amount can be billed in the FY 2012-13 budget or additional funds may be requested from the state. Additionally, as new enrollments begin for the new school year, this will cause an increase in staff workloads which will affect the administrative budget.

A brief discussion followed on possible ways to reduce the VPK administrative expenses. Ms. Bosanko stated that certain costs are mandated and are required to be part of the shared cost pool.

Ms. Bosanko explained the CLASS report indicated two (2) account deficits. A budget realignment will be prepared for next month. She also reported that the indicated surplus of \$333,862 does not take into consideration the 300 children enrolled last month. The surplus will decrease by next month and an additional 100 slots has been authorized by the Executive Committee which should further decrease the surplus amount.

Mr. Farrelly explained that formal discussions regarding options for VPK administration costs will begin in June.

III. Update, Numbers Behind the Numbers

Mr. Cook explained that a special presentation is being planned for the May Board meeting.

IV. Policy Review

- **Fraud and/or Misrepresentation Policy**

Mr. Farrelly explained this is a new policy and that state and federal authorities have a renewed interest in fraud, in particular, clients who are receiving services while collecting unemployment insurance benefits. He explained this policy will re-focus what Coalition staff is currently doing. The policy will be brought back to the June meeting for a second reading.

Mr. Cook suggested that page 2 should include the Executive Director as a contact if the Assistant Executive Director is unavailable. Additionally, somewhere in the policy it should read that the Board of Directions will be informed of any potential fraud.

- **Fiscal and Accounting Policies**

Mr. Farrelly stated that these policies will also be brought back to the June meeting for a second reading as Ms. Bosanko is recommending some additional changes that will be incorporated. Mr. Cook suggested that page 27 should indicate the titles of the authorized signers.

V. Schedule, Next Meeting Date on June 18, 2012 at 4 p.m.

As several Committee members will be unavailable on June 18, a doodle.com will be sent to the Committee to determine June's meeting date.

VI. Public Input

None.

VII. Adjournment

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

Respectfully submitted by,

Ramute "Jak" Jakubauskas,
Administrative Assistant