



Finance Committee Meeting

11/17/2010

5:00 PM

6301 NW 5th Way, 4th Floor

Fort Lauderdale, FL

Members in Attendance:

Andrew Bray, Chair, Sidney Calloway, Laurie Sallarulo

Members Absent:

Cindy Arenberg Seltzer, Jeffrey Dwyer

Staff in Attendance:

Penny Westberry, CEO, K Lee Tirpak, CPO, Andrea Braynon, CFO, Leticia Strasser, ECE Program Specialist, Gordia Ross, ECE Program Specialist, Debbie Bainton, Executive Assistant

Others in Attendance:

Burnadette Norris-Weeks, General Counsel, Dr. Barbara Weinstein, Ainsworth Geddes, Ronald Thompkins

Welcome and Call to order

Andrew Bray called the meeting to order at 5:15 pm

Approval of Minutes September 1, 2010

Motion made by Sidney Calloway to approve the Minutes of September 1, 2010. **Seconded** by Laurie Sallarulo. Unanimously approved.

Action items:

Keep minutes on File

Person responsible:

Executive Assistant

Deadline:

11/29/10

Financial Statements

Mr. Bray referred the Committee to the Financial Statements handed out at the meeting. Mr. Calloway asked if there were anything in the financial statements that reflects something material. Andrea Braynon, CFO, noted that an adjusted July Financial Statement was submitted based on the closeout with AWI which reflects a new beginning balance.

Motion made by Sidney Calloway to approve the September 30, 2010 Financial Statements pending the annual audit performed by a qualified independent certified public accounting firm. **Seconded** by Laurie Sallarulo. **Unanimously approved**

Action items:	Person responsible:	Deadline:
Keep Financial Statements on File	CFO	12/6/10

FY 2010-2011 Budget Amendment 1

Andrea Braynon gave a brief summary of the amendments. Penny Westberry, CEO, pointed out that the amendments are merely clean up items so the budget is reflective of the board’s decisions and does not change the bottom line.

Motion made by Sidney Calloway to approve the budget amendments as submitted. **Seconded** by Laurie Sallarulo. **Unanimously approved.**

Action items:	Person responsible:	Deadline:
Keep on file	CFO	11/18/10

Utilization Report

Mr. Bray asked Ainsworth Geddes, CFO Family Central, if everything is on track. Mr. Geddes responded yes pointing out that VPK children are above projection. Ms. Westberry stated that most kids that are in the program by this point so the number will stay higher than projected but probably will not climb much higher.

Consideration of Rotation of Auditors

The Chair indicated that this item is a follow up from previous discussions noting that it appears to be the best practices in the industry to institute a program of regularly rotating auditing firms so as to give the opportunity to have a “fresh look on the books”.

Mr. Thompkins, Partner Watson Rice, distributed to the Committee Members a an article referring to a study recently completed by the GAO (US General Accounting Office) which revealed that mandatory audit firm rotation may not be the most efficient way to strengthen auditor independence and improve audit quality. Mr. Thompkins also pointed out that it is not cost effective. Mr. Thompkins confirmed

Mr. Bray's comment that despite what the Committee has heard the rotation of auditing firms is not necessarily the standard.

Andrea Braynon stated that the action statement says:

- Incorporate a policy have an RFP every five years
- If same firm for two consecutive terms – rotation of managing partner

The Committee discussed the pros and cons of rotating the engagement partner versus the concurrent review partner

Motion made by Sidney Calloway to revise the policy and procedures by adding item 8 that is proposed by staff and accept that proposed language with a modification of the language in the last sentence where it says the firm would be required to rotate the engagement partner strike the engagement add in the word concurrent review partner at least every five years also to include our own policy conclusion that we feel it is best practice based on having read the documents and heard the presentation from our present auditor among others that it is a best practice for this organization at least to not require the engagement partner to be rotated out but to mandate that the concurrent review partner. **Seconded by Laurie Sallarulo**

Unanimously approved.

The Committee agreed to Penny Westberry's request for the liberty to revise the recommendation that it reflects the motion and is clear.

Mr. Bray thanked Mr. Thompkins for his presentation stating that it was very helpful.

Action items:	Person responsible:	Deadline:
Place recommendation of Rotation of Auditors on Coalition Agenda	CEO	
Unfinished Business - none		
New Business - none		
Next Meeting date: January 26, 2011		
Public Comment - None		
Adjourn		
Meeting adjourned 5:48 pm		

These minutes contain the action items of the meeting of the Finance Committee of the Early Learning Coalition. They do not include all the Committee's discussions or comments on each matter or issue

raised during the meeting. A tape recording of the meeting is held in the Coalition office. Corrections from the Committee will be taken prior to approval at the next meeting.

Submitted by

Debbie Bainton

Reviewed by

Andrew Bray, Treasurer & Chair of Finance Committee

Andrea A. Braynon, Chief Financial Officer