

EARLY LEARNING COALITION OF SARASOTA COUNTY
BUDGET AND FINANCE COMMITTEE MEETING

Cavanaugh & Company, LLP, Conference Room, 2381 Fruitville Road, Sarasota
9 January 2009

MINUTES

1. ATTENDANCE.

a. Members:

Laura Benson Janice Mee Janet Kahn Steve Spangler Linda Mason

b. Staff:

James Pawlak

2. CALL TO ORDER. The meeting was called to order at 8:00 a.m.

3. OLD BUSINESS. None

4. NEW BUSINESS.

a. FY2009 CCC/Business Manager Reports.

1. **SR Enrollment & Provider Payments** – Linda's team has been successful bringing in more children that qualify for our services. In September we served 944 and in November we served 1,193 children – an increase of 21% in the last two months. Steve inquired when this enrollment will show in increased Slot payments. Janet stated it would be four to six weeks before all children are cycled into and providers are reimbursed within the program. Then we need to monitor as we go along. It is always a balancing act to manage utilization.
2. **New's and Terms** – The net New's continue to show a positive trend as we ended 2008. But we noticed that our Term's in November (96) have increased compared to last year (67) at this time. This coincides with a higher unemployment rate reported in Sarasota County during the second half of the year in 2008. We will keep enrollment open during the first three months of 2009. Janet stated that if we continue to have no waiting list, she might consider bringing to the Board an increase specifically in the Infant and Toddler Provider Rate, since no rate increases have been given over the past two years.
3. **BG1 SR Enrollment & Provider Payments** – In FY2009, BG1 costs have averaged 10.3% higher than FY2008. Janet stated while it is a high priority that we try and serve all Protective Service children, it is not mandated that we do so. There is only one specific legislatively mandated protective services referral category, those in the Ryla Wilson category. We have contacted our partner (DCF) to work with them in improving the processing and administering of their referrals. Laura suggested that we bring this issue up with the Board of Directors at our January 21st meeting.
4. **SR Days Paid & Per Day Costs** - The cost of an average day of service was \$16.78. The majority of our costs are fixed and with the increased number of children served over the last two months we expect this cost per day to stay below \$17.00 a day.
5. **Board Management Report** – Janet questioned the SR parameters of (3.4%) for Admin (12.8%) for Non-Direct as we are budgeted to be at 10-11% non direct. After the meeting, James found an error in the spreadsheet formula that determines these percentages. The correct percentages are as follows: SR parameters for Admin are now (2.6%) and Non-Direct (9.8%). These revised percentages show that we are controlling our costs even better than we have been previously reporting. The Grant Earmarks for SR Admin are (5%) and Non-Direct (14%). The VPK Admin parameter (3.9%) was within the Grant Earmark of (5%). Janet stated a reduction in the VPK Admin Grant Earmark to (4.6%) will be

announced shortly by AWI due to a legislative change. However, even with that reduction, James believes that all Board Financial Indicators will stay within the State Grant Earmark's the remainder of FY2009

6. **SR Spending Plan** – We are basically in balance with our FY2009 SR spending (\$3K under budget) at this point in the year (*looking at November data at this point*). With the increase of mandated children utilizing our services, James states we could quickly end up deficit situation in regards to our SR slot payment projections even though we had to pull in children early in the year. We will monitor this for the remainder of FY2009. Going forward James will report New's and Term's on a weekly basis and provide that information to Janet and CCC management staff so that we can adjust as needed without having to wait for EFS data which is always at least one month behind real time data.
7. **VPK Spending Plan** – We are currently running a slight deficit of \$28k in VPK funds. James projects we will be in a slight surplus position by the end of January. The allocation was reduced by legislators in special session and we will need to monitor impact.

b. Accountant Reports.

a. Janet inquired why we are still showing the DOE LPP amount (\$89.57), SB Hardship amount (-\$0.10) and OEL amount of (\$74.00) as outstanding over 90 days. James responded that he thought Eric had removed those items before sending out the November financials. James and Janet will be meeting with Eric next Friday (January 16th) and work with him to have these dollar amounts reconciled and removed from next month's financials. The only other item \$35,655.39 in the 1 to 30 day category is the County invoice. We should receive a check from them in this amount by the end of January.

5. DISCUSSION.

a. A DRAFT copy of ELC's FY2008 audit was distributed to the Budget and Finance Committee. The final audit is to be presented at the January 21st ELC Board meeting for approval. Steve inquired why we did not have a "Comparative Financial Statement" within the audit. He said this should be standard procedure if you are using the same Audit Firm as last year. James made a note of this and will inform "Florida CPA Services" the firm who conducted the audit that we would like that included in next year's audit should we choose to use them again next year. Janet made the comment that it was a "clean audit" with no findings. Steve stated that he will give the Draft copy to his audit department and review if we missed anything technical and do our financial footnotes make sense. He will let us know of his findings before January 21st, which is when the Board of Directors will vote to approve the audit.

b. Janet voiced concern over whether we should be filing a Form 990 with the IRS even though our original exemption letter specifically states that the 990 is not required. While attending a workshop on the topic of the revised 990, she spoke with Mike Pender and asked for his opinion. Mike stated at that time of our application we likely were considered Quasi-Government. At this time, we are unable to locate our original application that was sent to the IRS to see what was stated. Janet believes that while our purpose and mission is still the same as it was when we first started, she wonders whether the makeup of our funding would cause the IRS to view us differently. Steve suggested we should write the IRS requesting a copy of our original IRS form 1023 and the letter that indicates our Exemption. Janet stated we do have the exemption letter and that is what we use as documentation of our Non-Profit status and need for 990. Steve then asked James to PDF a copy of the Exemption letter and he will review it. Janet and James are going to discuss this with Eric, our accountant and ask him to contact the IRS for additional information and clarification. In the meantime, we are in compliance with our original letter.

6. ADJOURN. The meeting was adjourned at 8:35 am. The next meeting is tentatively scheduled for 30 January. (*Note: meeting subsequently cancelled, next meeting February 27th*)

James Pawlak