

EARLY LEARNING COALITION OF SARASOTA COUNTY
BUDGET AND FINANCE COMMITTEE MEETING
Cavanaugh & Company, LLP, Conference Room, 2381 Fruitville Road, Sarasota
26 June 2009
MINUTES

1. ATTENDANCE.

a. Members:

Janice Mee Janet Kahn Steve Spangler Chris Kofler

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 & ARRA Enrollment & Provider Payments** – This report has been renamed to reflect the ARRA grant dollars. In May we served 1,002 SR children and 284 ARRA children. Slot payments were \$317k for SR and \$114k for ARRA. The total dollars allocated under ARRA is \$253,999 for this Fiscal year. Therefore, we will move another sixty children out of BG8 into ARRA to make sure we utilized the remaining ARRA funds in this Fiscal Year and by doing this, we should end the year within a 1.5% margin.
2. **News's and Terms** – In May the net "Terms" for the month was 75 children. Only mandatory intakes (BG1's and BG3's) have occurred in the last several months of this fiscal year.
3. **BG1 SR Enrollment & Provider Payments** – In May, BG1 costs saw a slight uptick in the number of children served, but the slot payment actually saw a \$1k decrease to \$64k. For next Fiscal Year the preliminary dollar amount budgeted for BG1 is \$790k vs \$650 budgeted in FY2009 to reflect the continued trend.
4. **SR Days Paid & Per Day Costs** - The cost of an average day of service was \$17.85. James had expected this dollar amount to increase slightly this month due to less children being served, while the majority of our costs are fixed. We will average this dollar amount over the next few months until we are able to open enrollment in FY2010.
5. **Board Management Report** – All Financial Expense Indicators in both SR and VPK programs are within their Earmarks. Per the B&F committee request, James has modified this report. He has renamed one column to say "Projected Surplus or Deficit to Budget". This column will show whether we are running (above or below) budget for each financial indicator. For the B&F meetings to be held in FY2010 – it was suggested that this report be given to board members in color. This will help the board see what columns are tied in together (the ones that have the same color – Black, Blue and Green). We also added a Comment line on the report that states whether the category should be – Over, Under or Equal to Budget. The Board does feel that the additional information on this report is very helpful in reviewing the overall financial status and parameters of our overall Budget for the current Fiscal Year.

6. **SR Spending Plan** – Even with the additional ARRA funds allotted to SR slots, we are currently projected to run a \$279k deficit. As of today (June 26th) we still have not received final word from AWI in regards to our request for an additional \$250k in SR funds. James spoke to Bill Ammons of AWI yesterday. Bill still feels that we will receive the additional funds, but not until the end of June or early July. James reiterated Janet’s comment from last month that even with this additional SR money, a slight deficit is still possible because our “net” terminations per month are not running as high as in previous Fiscal years.
7. **VPK Spending Plan** – As of May, we have currently spent all of our allotted VPK slot dollars for FY2009. James is now forecasting a VPK deficit of \$88k for this year. Janet stated that many Early Learning Coalitions within the state are running a deficit this year. Due to the fact that all VPK allocations were reduced during special session. The state has informed us that this deficit will be carried over into FY2010.

b. Accountant Reports.

a. They were multiple items on A/R Aging report that James reviewed with the committee. There were two amounts in the 30-60 day category - \$297,465.69 was received from AWI on June 1st – this was our SR Slot reimbursement dollars from April. The other amount, \$74,299.72 was received on June 2nd – these dollars were from the Sarasota County Human Services Contract – April Invoice. In the 1-30 day category - \$7,388.76 was received from Sarasota County Partnership for Mental Health on June 9th. On the Profit & Loss Budget vs Actual report - All major line items (salaries, occupancy, office supplies etc...) were either slightly above or below the 12 month budget target. James expects no major changes to the overall numbers once the Fiscal Year has been completed. In particular, salaries and operational expenses overall were below the budget.

5. DISCUSSION.

a. Steve inquired as to who was selected to perform our Audit. James and Janet responded that the firm that received the highest score was – Berman Hopkins Wright & LaHam. She also stated the price to perform the audit would be \$11k. James added that next week he will be working with Lily Lindauer of Berman to provide them electronically with as much audit materials as possible. Chris asked who our next choice was. James replied it was “Purvis Grey & Company”. He also stated that this firm only scored 1 point less than Berman, and it was because they could not provide us with a set “week” to be on-site to perform their audit work.

- c. The other item discussed was if the “Monitoring Finding” from the state contracted KPMG financial audit was upheld or reduced to a “Observation”. Janet replied that AWI has come back to us and ruled it a “Observation’. Janet had sent Laura McKinley an email explaining what the coalition procedures are for maintaining PAR’s. After AWI reviewed our procedures, they determined it would be an observation. In order to avoid this issue in the future, we will go back to our previous process for all employees to actually sign all of their sheets in addition to them being sent electronically and reviewed and approved by Janet.

6. **ADJOURN.** The meeting was adjourned at 8:29 am. The next meeting is tentively scheduled for Friday, July 31 at 8:00 a.m.

James Pawlak