

EARLY LEARNING COALITION OF SARASOTA COUNTY
BUDGET AND FINANCE COMMITTEE MEETING

Cavanaugh & Company, LLP, Conference Room, 2381 Fruitville Road, Sarasota
30 October 2009

MINUTES

1. ATTENDANCE.

a. Members:

Linda Mason 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. FY2010 CCC/Business Manager Reports.

- 1. SR & ARRA Enrollment & Provider Payments** – After the first quarter of FY2010 – There are currently \$65k in excess SR funds. James stated we are in the process of enrolling 60 children over the next two months to utilize these excess SR funds. We also anticipate enrolling 80 children over this same time period to utilize our ARRA funds. James believes that the combined enrollment of children served in both programs (SR & ARRA) should average 1,050 for the remainder of this Fiscal Year (June 2010) currently at 911. This would put us on a target to use all allocated SR and ARRA slot fund dollars.
- 2. News's and Terms** – In September, we enrolled 45 children while we termed 57 – giving us a Net "Term" of 12 children. Linda stated our CCC Eligibility Specialists appointment books are full this month and James expects to see a Net "New" number of children receiving services of 35 to 40 children in October.
- 3. BG1 SR Enrollment & Provider Payments** – Our BG1 costs after the first quarter of FY2010 are currently running only \$4,700 above this year's budgeted amount of \$750,000. We look to be properly budgeted for this category this year.
- 4. BG3 SR Enrollment & Provider Payments** – BG3 average costs per month reached an all-time high (\$31k) – projected out twelve months this would result in spending \$372k in slot payments this compared to \$322k in FY2009 and \$227k in FY2008. This is a direct result of rapidly increasing unemployment in our County over the past two years. We initially budgeted \$290k this year for BG 3. James stated that early next year we will have to allocate additional funds to BG3 to cover these provider payments should the monthly reimbursement amount continue this high.
- 5. SR Days Paid & Per Day Cost** – OEL Cost Per Child Per Day came in at \$17.09 – this cost per day is in line with the amount of children we are currently serving per month – 911.
- 6. Board Financial Indicators** – James stated that after the first quarter of FY2010 our Admin and Non-Direct costs continue to be well contained (\$44k under Budget). However, Janet stated this surplus should start to trend lower as yearly costs start to be applied such as our yearly audit cost (\$11k) and yearly Insurance costs. In addition, while we budgeted for our new space effective July, there is still a delay in moving as the organization in the

space now is not anticipating that their building be ready for another couple of months. We also have received a rent reduction from our current landlord.

James continued with the next three indicators (Quality, Gold Seal and Infant & Toddler) which are all in line to spend what we have currently budgeted for in each category. SR Child care slots were discussed next, we are currently at 71.0% of total expenditures spent (the minimum required by AWI is 70%). James stated we intentionally held back SR intake this year in order to see the flow. Utilization has to be handled carefully each year. Janet added we want to be in line with our FY2010 SR budget so come next year we can be in a position to ask only for our SR overage expense from last year, which was \$88k. We currently are enrolling children into SR ARRA, which will continue until the end of the year. Janet reiterated as she stated last month that we would like to only spend the minimum that AWI requires us to in this Fiscal Year (which is 60% of our grant) or \$476,760. and save the remainder for use in the next fiscal year. Chris stated that this is good, conservative budgeting considering no one expects the economy or unemployment to improve substantially in 2010.

The last two indicators reviewed were our VPK and VPK ARRA slots. Our VPK admin slot expenditure continues to exceed the Grant requirement 6.3% vs maximum 4.8%, which is typical for this time period. However as James stated last month, now that VPK slot payments are set to average \$500k over the next six months, this % should settle in around 3.75% by the end of the year. VPK ARRA slots are now budgeted at \$536k; we are on pace to only spend \$174k of this money, leaving \$362k in excess VPK-ARRA funds. James is working with AWI to ensure that these dollars are either reverted back to our VPK grant or are utilized under this grant in FY2010.

7. **SR Spending Plan** – James stated overall he is comfortable with all our year to date OCA costs. He states now that we are bringing in additional children to serve under both our SR and SR-ARRA programs we will utilize the excess SR slot funds (currently at \$65k) over the next two to three months. Janet did state we will start to cost some dollars under ARRA – using the ARRA-BBA OCA. James and Laura Woodson (currently a temp employee thru Office team) will allocate time to this OCA on which they were working on ARRA reporting tasks. James stated he currently works about 30 hours a month on ARRA (generating AWI's monthly invoice and other reports required by AWI for this grant) – Laura also works substantial hours on ARRA reporting and related projects. By doing this, it will also reduce our regular BBA costs under SR because this work time would have been allocated to this cost center.
8. **VPK Spending Plan** – As noted earlier, James will monitor the status of our VPK and VPK ARRA grant amounts and will work the state to transfer back the \$343k back to our VPK grant from VPK-ARRA. This would be both grants in balance to their actual spending plans.

b. **Accountant Reports.**

James reviewed with the committee the outstanding items on the A/R and A/P aging summary reports. The amount of \$12,853.69 from the "Academy for Early Learning 1" was an EFT that was incorrectly sent to this provider. James stated we received a check from this provider on October 14th to zero out this balance. The other three amounts (\$4,969.20 – OEL, \$10,819.63 – PBS/SAMHSA County and \$41,140.86 – Sarasota County) are all monthly invoices in which the dollars have been received. Moving on to the A/P report there is still one amount outstanding, which was in the 61 to 90 day category. James stated these were overpayment dollars received during FY2009. He went on to say we are currently working with AWI to reimburse them this dollar amount. There is a new process in place in which all payments received must be into our EFS system by Fiscal Year and balanced out before checks can be issued. James is hopeful that this amount will be paid to AWI before the end of October. In regards to our Profit and Loss statement – James stated Salary costs and other line items

overall are in line with expectations. In addition, he informed the committee that “Occupancy” costs this year should come in well under budget due to our monthly Rent at our Ringling offices (3 in all) was reduced by 50% this Fiscal Year. Janet stated we will be looking to eventually relocate the majority of our CCC employees over to our 17th street location early next year; however she stated the Resource Center is likely to remain at its present Ringling location, although no final decisions have been made.

5. DISCUSSION.

a. James gave a status on Yearly audit – all documents required have been sent to Berman & Hopkins. We are currently waiting for a “Draft” of our audited Financial Statements. He will follow up with Carter Lane of Berman & Hopkins next Monday, November 2nd. Once the document is received; James, Eric and Janet will review it with Berman & Hopkins to finalize the document. James will then forward it to the Budget and Finance committee for review and comment. Janet stated she would like the Audit to be presented at November’s Board meeting as we stated this as one of our requirements in our “Invitation to Bid” proposal which were sent out to perspective CPA firms earlier this year. No other items were discussed.

In closing, James stated because of the Thanksgiving Holiday, the next meeting will be held on Friday, December 11th

6. ADJOURN. The meeting was adjourned at 8:33 am.

James Pawlak