

EARLY LEARNING COALITION OF SARASOTA COUNTY  
**BUDGET AND FINANCE COMMITTEE MEETING**  
Cavanaugh & Company, LLP, Conference Room, 2381 Fruitville Road, Sarasota  
24 September 2010  
**MINUTES**

**1. ATTENDANCE.**

**a. Members:**

Linda Mason     Janet Kahn     Steve Spangler     Chris Kofler     Janice Mee     Nicole Parker

**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. *FY2011 CCC/Business Manager Reports.*

1. **SR Enrollment & Provider Payments** – In August, our SR slot payment was \$307,725 with 1,098 children served. In July, we transferred the remaining 166 children from SR-ARRA into SR. This was done because we have already utilized our FY2011 SR-ARRA slot dollars. Our **Final** SR carryover from FY2010 (including 13<sup>th</sup> invoice expenses) into 2011 is \$29,922.00 (well within 1%).

2. **News's and Terms** – In August, net "Terms" were seventeen. James stated he had actually anticipated an overall net "New" number so we will need to continue to keep intake open. He also added that after September reimbursement numbers have been reviewed, it will be determined whether or not to send out another mailing to those parents who are on our current waitlist.

3. **BG1 SR Enrollment & Provider Payments** – August BG1 slot payment dollars were \$52K. Our BG1 costs are currently \$13k below this year's budgeted amount of \$700k. James has forecasted out a monthly cost of \$57,333 for the ten remaining months of this Fiscal Year. If we continue to spend about \$50k per month over the next two to three months, we will be able to move the excess dollars out of BG1 into our BG3 or BG8 slots. Steve inquired if there were any restrictions on the movement of these monies, James replied – No... we are able to move these dollars within any OCA cost center or Slot category within the School Readiness grant based on where they were needed.

4. **BG3 SR Enrollment & Provider Payments** – After August reimbursement – our BG3 costs are currently \$13k above this year's budgeted amount of \$450k. James remarked that we have not seen a \$40k or less reimbursement month since January. Janet responded that our Local Workforce board also received ARRA dollars which in turn allowed them to see more families. She also noted that other Coalitions Workforce Board's were giving their local ELC's additional funds to help cover their expenses, but ours has not helped us out in this way. She mentioned Fort Meyers got \$500k and while they are much bigger than us, it would be helpful if we could receive some assistance say in the \$25k to \$50k range. Janice asked why they have not offered to help us; Janet responded that our current working relationship with the Workforce Board is not as strong as it has been in years past. Janice suggested to Janet that both of them meet with (the head of the workforce board – Mary Helen Kress, to see if we could receive some additional funds as the mandated referrals keep increasing.

5. **SR Days Paid & Per Day “OEL” Cost** – August - OEL Cost per Child per Day came in at \$18.02. This compares favorably to last year’s August number of \$18.23.
6. **Board Financial Indicators** – As of August, we are currently \$7k under budget in both are Admin and Non-Direct costs. James commented that this was a good way to start the fiscal year having our expense costs well contained. The next three indicators covered by James were (Quality, Gold Seal and Infant & Toddler). The Quality cost is \$23k under budget – James informed the committee that \$25,808 dollars will be moved out of our SR Grant Quality OCA and into our SR-ARRA Quality OCA per AWI’s direction. He also added that it will be likely that the \$404,751 yearly Quality budget figure will be lowered by \$25k to reflect this move in October. The other two indicators - Gold Seal and Infant Toddler are in line with expectations. CCR&R was discussed next – James stated our total projected dollar amount for the year is \$101,346 – which is \$270 dollars below the minimum amount of \$101,616. James stated we will continue to monitor this indicator very closely over the next two months to ensure our expenditures trend higher to exceed the minimum threshold required by AWI. The next indicator is SR Child care slots, James reported that we are currently at 77.2% of total expenditures spent (this % is over the minimum required by AWI - 70%). James informed the committee that this percentage will trend lower over the next few months as overall total expenditures rise and our SR monthly slot payments will likely remain in \$300k range for the remainder of the year – however he is confident that it will still be comfortably over the 70% figure.

The last two indicators reviewed were our VPK and VPK ARRA slots. Our VPK admin expenditures are 16.3% vs the target of 4.5%. James reminded the committee that this is normal occurrence at the start of each Fiscal Year as VPK enrollment costs are high in July and August while the VPK payment slots do not ramp up until the September reimbursement period – he also added we will likely report an admin percentage of 6 to 7% next month and be below the 4.5% grant earmark by December. Janet did state to the committee that legislation lowered our Admin percentage from 4.8% to 4.5% for FY2011. James replied that in FY2010 – our VPK admin expense finished at 3.8% - so barring any significant VPK funding reduction, we should be well within the grant earmark. For VPK-ARRA – we were allocated a total of \$928,402 for FY2011 – James stated per AWI’s direction – we will utilize those dollars first and then use our regular VPK grant dollars.

7. **SR Spending Plan** – After two months, our overall SR grant is \$12k over budget, which James replied shows overall we are properly budgeted going forward. He stated to the committee that the monthly ARRA line in the SR spending plan will show only “Quality” OCA costs now that all children are being served under our regular SR grant.
8. **VPK Spending Plan** – James reiterated to the committee over the next two months we will utilize our VPK-ARRA funds first and then move on using our regular VPK grant funds.

**b. Accountant Reports.**

James reviewed the A/R aging summary report with the committee. The \$42,919.57 dollars under the (OEL – 61-90 day category) represented our 13<sup>th</sup> invoices with AWI. James reported that all dollars were received and deposited on September 10<sup>th</sup>. The next item was \$3,032.64 dollars under the (Sarasota County – 61-90 category) represented our May “Building Better Behaviors” May invoice. These dollars were received on July 13<sup>th</sup> and therefore should not have been on this report. James will inform Eric of this after the meeting. The last item was \$40,858.60 dollars under the (Sarasota County – 31-60 day category) representing the July Main Contract - \$30,175.33, PBS - \$4,656.87 and BBB - \$6,026.40 contracts. As of today, these dollars have not been received. There were two outstanding items on the A/P report. The first item - \$7,904.00 dollars under the (AWI – 61-90 day category) represented Overpayment dollars that will be returned to AWI in October. The other

item was a \$40 NSF fee for Provider "A Step above Child Care" on a \$150.00 check payable to ELC for a Provider Conference registration fee. James stated that he will take the \$40 dollar fee and \$150.00 Provider conference fee out of their next month's SR reimbursement. The next report reviewed was the Budget vs Actual report. James informed the Board that after two months our Coalitions salaries are \$20k under budget, CCC is \$11k under and VPK is \$4k over budget, which is to be expected after the first two months of VPK enrollment costs. Chris asked why our Coalition Bank fees were 298% over budget, James replied that each year at this time we pay the Association of Early Learning Coalitions membership invoice which was paid in August – so like last year, it shows a high percentage now, but the percentage will work its way down over the next few months. The last report covered was the Deferred Revenue report. James stated that we received our allotment for our Helios Grant - \$75,000.00. No other major expenditures were reported for the first two months.

## **5. DISCUSSION.**

There was one item brought up for discussion to the committee. Janet stated that each year in late June or early July – AWI sends us an invoice which shows VPK additional payment dollars to the school district for special consideration called the "Round Up". This occurs when less than 10 children are in a classroom, the school district gets paid as if they had 10 children – hence the term "Round Up". However this year, this invoice was not sent to us until last Friday, September 17<sup>th</sup>. We had already completed our 13<sup>th</sup> invoices, as required which were sent to AWI on September 2<sup>nd</sup> and we already received our FY2010 AWI revenue confirmation from James Kimbrel on Friday September 10<sup>th</sup> for our annual Audit on FY 2010. Janet informed Marlin Seay (Fiscal Mgr) of AWI that we would use our FY2011 VPK funds. Marlin replied as much as he would like to use FY2011 funds as well, there are funds remaining in our FY2010 grant that must be utilized. Janet and James both requested a revised revenue confirmation from AWI which they say cannot be done in time for our current audit. Janet wants this on the record that AWI told us to proceed in this manner, should this because an Audit issue sometime down the road with the difference in the amount expended vs the revenue confirmation. The committee agreed that this issue should be recorded in the minutes.

James stated our next Budget and Finance meeting is tentatively scheduled for Friday, October 29<sup>th</sup> at 8:00 a.m.

**6. ADJOURN.** The meeting was adjourned at 8:29 am.

James Pawlak