

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

1. ATTENDANCE.

a. Members:

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 September, our SR slot payment was \$324,690.00 with 1,068 children served. We are currently budgeted for \$289k in monthly SR slot expenditures over the next six months. At the present time, we are only able to enroll children that will be served under our BG1 (Protective Services) and BG3 (Workforce Training).
2. **News's and Terms** – In September, net "News" were forty-three. At this time, since our SR-ARRA slot dollars have been fully utilized, we will now only bring in children, who are mandated referrals until January, 2011. At that time we will review our overall SR budget and see if we can open enrollment again.
3. **BG1 SR Enrollment & Provider Payments** – September BG1 costs increased to \$60k from \$52k the previous month – while the children served remained the same (126). James stated that this occurred because two providers did not submit attendance last month in August. In September, both these providers were paid for two months attendance, which accounted for the increase in total overall BG1 costs from the previous month.
4. **BG3 SR Enrollment & Provider Payments** – After September reimbursement – our BG3 costs are currently \$20k above this year's budgeted amount of \$450k. James stated that at the beginning of January, he will move additional dollars into this category from other OCA cost centers to cover the current overage in costs.
5. **SR Days Paid & Per Day "OEL" Cost** – September - OEL Cost per Child per Day came in at \$17.57. This compares favorably to last month's number of \$18.02.
6. **Board Financial Indicators** – As of September, we are currently \$15k under budget in both are Admin and Non-Direct costs. James commented that we continue to have our expense costs well contained. The next three indicators covered by James were (Quality, Gold Seal and Infant & Toddler). The Quality cost is \$44k under budget – James explained to the committee that \$25,808 dollars was moved out of our SR Grant Quality OCA and into our SR-ARRA Quality OCA per AWI's direction. He also added that the \$405,051 yearly SR Quality budget figure was lowered by \$25,808 to \$379,243 to reflect this move. 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 \$97,886 – which is \$4,114 dollars below the minimum amount of \$101,616. James stated we continue to monitor this indicator very closely 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 76.4% 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 fall below the \$300k range for the remainder of the year – however he stated we 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 7.1% 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% next month and be below the 4.5% grant earmark by December. For VPK-ARRA – we were allocated a total of \$928,402 for FY2011 – James stated per AWI's direction – these dollars will be totally utilized after October's reimbursement (paid out in November) and then we will use our regular VPK grant dollars for the remaining of this Fiscal Year.

7. **SR Spending Plan** – After three months, our overall SR grant is \$20k over budget, which James replied shows overall we are properly budgeted going forward. He stated to the committee that next month, the ARRA line in the SR spending plan will show that we utilized the remaining \$17,394 in "Quality" OCA costs and that our SR-ARRA grant dollars for FY2011 will be completely utilized.
8. **VPK Spending Plan** – James stated that we currently have a VPK surplus of \$55k – assuming that AWI does not come back and reduce our grant amount – we should be in good shape to finish out FY2011 with a small VPK surplus.

b. Accountant Reports.

James reviewed the A/R aging summary report with the committee. The \$3,032.64 dollars under the (Sarasota County – over 90 day category) represented our May BBB invoice. James reported that these dollars were received and deposited on October 13th. The next item was \$40,858.60 dollars under the (Sarasota County – 61-90 day category) representing the July Main County Contract - \$30,175.33, PBS - \$4,656.87 and BBB - \$6,026.40 contracts. These dollars were received and deposited on October 15th. There were no outstanding items on the A/P report. The next report reviewed was the Budget vs Actual report. James informed the Board that after three months our Coalitions salaries are \$30k under budget, CCC is \$14k under and VPK is \$6k over budget, which is to be expected because of VPK enrollment costs. James also added that during the next six months – as in previous fiscal years our VPK salary costs should decline to a more normalized amount. Steve then asked why our VPK – ARRA income line was 301% over budget, James replied AWI has directed us to use all VPK-ARRA funds first this fiscal year. In addition, James said that next month the line will show that we utilized our total amount of \$970,180.00. Going forward, James told Steve that over the course of the remaining nine months – The "*Percent of budget*" line will gradually be reduced from 301% down to 100% - because no further dollars can be applied to this category. All other Budget lines are within the expectations of their budgeted amount. The last report covered was the Deferred Revenue report. No major expenditures were reported for September.

5. DISCUSSION.

There was one item brought up for discussion to the committee. Steve asked where we stood

with our FY2010 audit. James replied that it would be completed by early next week. Janet added that when it is received, we will forward a copy to the committee member for review and comment. Once it is "Final" – it will be presented to our Board of Directors for approval at our November 17, 2010 meeting. In regards to the Audit – James remarked that it was more like his KPMG yearly financial audit – in which they performed a substantial amount of payment sampling. Janet replied this is good thing for us – because it confirms that we have the proper controls in place in regards to the allocation of our expenses.

James stated our next Budget and Finance meeting is tentatively scheduled for Friday, December 10, 2010 at 8:00 a.m.

6. ADJOURN. The meeting was adjourned at 8:26 am.

James Pawlak