



"Giving all Galveston children the opportunity to soar"

Moody Early Childhood Center
Board of Directors Agenda
Tuesday, March 24, 2020 @ 1:00 p.m.
Family Engagement Room at MECC & Video Conferencing

1. Call to order
2. Introduction and Welcome (Massey)
3. Review & Approval of Minutes:
 - a. February 28, 2020 (enclosed)
 - b. March 16, 2020 (enclosed)
4. Public Comment
5. Committee Reports
 - a. Finance – (Brown and Miller)
 - i. Public Comment
 - b. Government Affairs – (Kinnear and Adams)
 - i. Public Comment
 - c. Resource Development – (Massey)
 - i. Public Comment
 - d. Governance and Board Development-(Prochaska)
 - i. Public Comment
6. Adjourn to Executive Session – The Board may recess into Closed Executive Session as permitted by the Texas Open Meeting Act Government Code Sections 551.071- 551.090 Subchapter D and E. Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed meeting then the final action, final decision, or final vote shall be either:
 - a. in the open meeting covered by the Notice upon the reconvening of the public meeting; or
 - b. at a subsequent public meeting of the Board upon notice thereof; as the Board shall determine
7. Reconvene from Executive Session and take any action warranted
8. Presentation/Discussion/Ratification: MOU with UTMB (Miller & Massey)
9. Confirm next meeting date
10. Adjourn

Public participation Phone Conferencing: # 605-475-6720; access code: 329 6753

MOODY EARLY CHILDHOOD CENTER
Board of Directors Minutes
February 28, 2020

Present: Ms. Massey (Presiding), Ms. Kinnear, Ms. Brown, Ms. Doherty and Ms. Adams (Video conference)

Absent: Dr. Prochaska

Staff: Ms. Miller (Executive Director), Liz Ginn (Teen Health), Ms. Garcia & Ms. Palmer (Your Part-Time Controller)

Ms. Massey called the meeting to order at 1:06 pm.

Following introductions, on a motion by Ms. Kinnear and a second by Ms. Doherty the minutes of both the January 17th and February 17th meetings were approved as distributed.

There was no one present for public comment.

Ms. Miller asked that Ms. Ginn from Teen Health Clinic, brief the board on measures being taken within GISD regarding the COVID-19 epidemic. Ms. Ginn distributed copies of a letter she and Ms. Miller received earlier in the day. MECC will continue its health protocols and adhere to the cleaning directions in the letter. Ms. Ginn left the meeting following her report and the subsequent discussion.

Ms. Garcia introduced Ms. Palmer, who will replace her while she is on family leave following the birth of her child in May. Together, they reviewed the financial reports in the board packet. They responded to questions, noting that budget adjustments should be ready for presentation at the next board meeting. Once their report was complete and questions answered, Ms. Garcia and Ms. Palmer left the meeting.

Ms. Massey and Ms. Miller reported on behalf of Dr. Prochaska that Ms. Templer has resigned from the board. On a motion from Ms. Kinnear and a second by Ms. Brown, the board accepted Ms. Templer's resignation with regret. Ms. Miller will approach Dr. Amber Brown, chair of the Advisory Board, about possibly replacing Ms. Templer.

Ms. Massey reported that she had submitted the required report to the Moody Foundation for the first grant (2016-15) and was beginning work on the report on the second grant (2017-15). Once the professional development grant expenditures are complete, a report on that grant will be submitted. Ms. Massey also submitted the Meadows Foundation report and completed the request to the Permanent Endowment Fund for scholarship and family engagement support in the 2020/21 fiscal year. She, Ms. Miller and Mr. Ford will meet with the PEF board on March 2nd. Ms. Miller submitted the request for United Way funding.

Ms. Massey and Ms. Miller continue to work with MAYA consulting as part of the 1882 grant to identify new sources of philanthropic funding.

Ms. Kinnear drew the board's attention to two interim education reports coming out of the Texas legislature.

Ms. Miller reviewed her report, which was part of the board packet. Included in that report was a draft of the MOU with GISD to operate its summer school program for PreK3 and PreK4 students. On a

motion from Ms. Kinnear and a second by Ms. Doherty, the board voted unanimously to authorize Ms. Miller to sign the agreement on behalf of MECC. As part of her report, Ms. Miller asked the board to consider setting tuition rates for the 2020/21 school year. Following a lengthy discussion, Ms. Brown made a motion to set the PreK tuition at a rate that matches GISD --\$430 a month with a 25% discount for GISD employees enrolling their children. The extended day rate would remain at \$65 a week. Following a second by Ms. Kinnear, the motion passed unanimously.

Discussion then turned to the contract with GISD for the upcoming school year. The board reviewed the document, asking Ms. Miller questions about several sections and making minor edits which Ms. Miller and Ms. Massey recorded. Ms. Miller will incorporate the edits and forward to GISD for consideration.

The board adjourned into executive session at 2:50 pm and reconvened in open session at 3:00 pm with no action necessary to be taken.

Ms. Massey confirmed the next regular board meeting for 1:00pm on March 27th and adjourned the meeting.

MOODY EARLY CHILDHOOD CENTER

Board of Directors Special Meeting – Pay for Employees during COVID-19 Shutdown

March 16, 2020

Present: Ms. Massey (Presiding), Ms. Kinnear, Ms. Brown, Dr. Prochaska, Ms. Adams, Ms. Doherty, Ms. Miller (Executive Director), Ms. Garcia (Your Part-Time Controller)

Absent: None

Ms. Massey called the meeting to order at 3:03 pm.

There were no members of the public present at the meeting for public comment.

Ms. Massey presented to the Board that a resolution is needed to determine continued salary coverage for our MECC employees (exempt and non-exempt) during the COVID-19 shutdown. She and Ms. Miller reported that in general, we are following GISD's lead on responding to the shutdown. GISD had committed to paying its staff through the end of this week and would be voting on future action this evening.

It was recommended that the Board approve paying staff salaries through and including the April 10th paycheck at this meeting. This would allow us time to better assess the situation and get more information before our next regular board meeting next week. The Board was supportive of our staff and desires to keep them funded as best possible during this crisis.

Ms. Miller noted that while teachers are making lesson plans for their students and sharing them, that MECC would be receiving our average daily attendance funding from the State. Our teachers are doing so.

Ms. Garcia reviewed our financial forecasting and the Board discussed her report. Estimated losses to MECC by keeping our staff paid is approximately \$93,000 per month. Ms. Massey and Ms. Miller are meeting with the Moody Foundation later this week to discuss this issue, including potential mechanisms to bridge this gap, including the possibility of a no-interest loan to bridge us until federal or state assistance may come (if at all).

Ms. Miller noted that while we do have business interruption insurance, pandemics are not covered explicitly in the plan. However, our insurance agent has advised us to file a claim regardless, and we are doing so.

The next board meeting will include discussions on this bridge loan idea, updates related to the business interruption insurance claim, unemployment options for staff if such a route ever becomes necessary, and the potential for supporting UTMB in its emergent childcare needs for providers.

Ms. Miller also discussed plans for a possible summer education program for our 3- and 4-year-olds to help make up the days of instruction lost during this shutdown.

Ms. Adams moved, seconded by Dr. Prochaska, to extend salary coverage to all MECC staff through the April 10th paycheck pay period. The motion carried unanimously.

The Board extended support for and well wishes to all MECC staff and families during this crisis.

The meeting adjourned at 3:43pm.

MEMORANDUM

To: Karin Miller, Executive Director, Moody Early Childhood Center

From: Ashley Garcia, YPTC

Date: March 19, 2020

Subject: January 2020 Financial Reports

Attached please find the following financial reports for the five months ended January 31, 2020:

- Balance Sheets at January 31, 2020 and 2019
- Income Statements and Budget Analysis for the five months ended January 31, 2020 and 2019
- Statements of Cash Flows for the five months ended January 31, 2020 and 2019
- Dashboard as of January 31, 2020

Executive Summary:

Moody Early Childhood Center's ("MECC") current cash balance is \$2,054,161. This significant increase in case is attributable to the receipt of \$1.95 million from the Moody Foundation. The Board of Directors voted in December to place these funds in a money market account with Moody Bank and release funds bi-monthly as needed for payroll.

Balance Sheets:

- *Cash:* MECC ended January 2020 with \$2,054,161 an increase of \$1,737,561 from fiscal year ended August 31, 2019 to date. The increase is attributable to a new grant with the Moody Foundation for \$1.95 million. See Executive Summary above.
- *Receivables:* Accounts receivable were \$24,530 at January 31, 2020. The entire receivable balance is attributable to tuition receipts.
- *Payables:* Accounts payable were \$167,857 at January 31, 2020. Significant balances include Payroll Liabilities of \$121,845.

Income Statements and Budget Analysis:

- *Revenue* – Total operations revenues for YTD January were \$2,675,796 representing 100% of the FY2020 budget. This is due to the receipt of the \$1.95 million grant from the Moody Foundation.

- *Expenses* – Total operations expenses for YTD January were \$1,836,563 representing 42% of the FY2020 budget

Other Updates/Work Plan:

As we are still in the clean-up phase, below is a list of accounts and projects still pending and as such, report amounts are subject to change:

- *Development of Policies and Procedures Manual* – Creation and implementation of policy and procedure manual for accounting and business department
- *TxEIS Account Set-up* – Complete the transfer of information from QuickBooks to the new account system

Recommendations:

- *Meet with GISD to develop a process of submitting and receiving invoices* – MECC should create a plan with GISD to develop a process to submit invoices for payment and receive invoices from GISD on a monthly basis.
- *Create procedure for check cutting and accounts payable* – To minimize the need for emergency checks, MECC should establish a procedure for cutting checks and obtaining all accounts payable.
- *Implementation of a credit card policy and procedure* – MECC currently uses a company credit card to purchase maintenance items, meals, and miscellaneous cleaning supplies. MECC should utilize a sign out process and ensure all employees agree to a credit card usage policy.

Please let me know if you have any questions or would like to discuss.

Moody Early Childhood Center
Balance Sheets
As of January 31, 2020 and 2019

	<u>January 31, 2020</u>	<u>January 31, 2019</u>
ASSETS		
Cash - Operating	\$ 327,942	\$ 255,833
Cash - Professional Development	44,526	348,952
Cash - Scholarship	100,636	125,536
Cash - Capital	6,699	35,016
Cash - Special Projects	2,563	6,117
Cash - Money Market	1,571,795	-
Prepaid Expenses	-	6,000
Accounts Receivable	<u>24,530</u>	<u>68,947</u>
Total Current Assets	<u>2,078,691</u>	<u>846,401</u>
Property and Equipment, Net		
Fixed Assets	<u>694,061</u>	<u>769,888</u>
Total Property and Equipment, Net	<u>694,061</u>	<u>769,888</u>
TOTAL ASSETS	<u><u>\$ 2,772,752</u></u>	<u><u>\$ 1,616,289</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 167,857	\$ 124,668
Line of Credit	<u>300,000</u>	<u>-</u>
Total Current Liabilities	<u>467,857</u>	<u>124,668</u>
Total Liabilities	<u>467,857</u>	<u>124,668</u>
Net Assets		
Net Assets Without Donor Restrictions	2,008,615	952,816
Net Assets With Donor Restrictions	<u>296,280</u>	<u>538,805</u>
Total Net Assets	<u>2,304,895</u>	<u>1,491,621</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,772,752</u></u>	<u><u>\$ 1,616,289</u></u>

Moody Early Childhood Center
Income Statements & Budget Analysis
For the Five Months Ended January 31, 2020

	ACTUALS		BUDGET COMPARATIVE		PRIOR YEAR COMPARATIVE	
	Current Month	Year-To-Date	Year-to-Date	\$ Variance Favorable/ (Unfavorable)	Year-To-Date	\$ Variance Favorable/ (Unfavorable)
REVENUES						
Contributions	\$ 40,150	\$ 192,618	\$ 208,333	\$ (15,715)	\$ 189,704	\$ 2,914
Contributions - Moody	1,950,000	1,950,000	166,667	1,783,333	1,200,000	750,000
GISD Allotment	41,694	208,471	368,075	(159,604)	-	208,471
Title Funds	-	36,502	-	36,502	56,507	(20,005)
Federal Food Services	4,767	20,761	25,000	(4,239)	5,619	15,142
Federal Child Care Subsidy	13,191	56,629	12,675	43,954	-	56,629
Fundraising	-	1,327	-	1,327	-	1,327
Other Income	959	3,626	-	3,626	3,450	176
Tuition	18,078	205,862	333,333	(127,471)	280,436	(74,574)
TOTAL REVENUES	2,068,839	2,675,796	1,114,083	1,561,713	1,735,716	940,080
EXPENSES						
Payroll and Related Expenses	355,634	1,349,823	1,481,042	131,219	1,194,749	(155,074)
Food Services	10,909	42,381	53,333	10,952	42,016	(365)
Transportation	6,333	31,667	31,667	-	-	(31,667)
Family Engagement	1,635	2,016	9,792	7,776	-	(2,016)
Occupancy	-	16,644	42,500	25,856	-	(16,644)
Utilities	11,115	11,115	-	(11,115)	-	(11,115)
Professional Development Charges	29,291	66,991	-	(66,991)	7,206	(59,785)
Board Expenses	-	1,087	-	(1,087)	730	(357)
Contract Services and Professional Fees	7,912	68,548	77,917	9,369	93,794	25,246
Supplies	11,270	37,486	35,833	(1,653)	34,008	(3,478)
Repairs and Maintenance	24,021	80,417	-	(80,417)	21,624	(58,793)
Depreciation	6,803	36,994	-	(36,994)	-	(36,994)
Insurance	3,405	25,494	44,875	19,381	17,315	(8,179)
Interest Expense	1,550	7,040	10,000	2,960	-	(7,040)
Printing and Postage	744	3,907	2,083	(1,824)	-	(3,907)
Dues and Subscriptions	4,601	10,362	-	(10,362)	6,965	(3,397)
Bank Fees	1,520	9,585	-	(9,585)	7,681	(1,904)
Travel	-	5,688	-	(5,688)	955	(4,733)
Information Technology	341	1,326	8,021	6,695	1,900	574
Marketing	359	399	5,000	4,601	230	(169)
Other Expenses	27,219	27,593	-	(27,593)	18,419	(9,174)
TOTAL EXPENSES	504,662	1,836,563	1,802,063	(34,500)	1,447,592	(388,971)
TOTAL NET INCOME (LOSS)	\$ 1,564,177	\$ 839,233	\$ (687,980)	\$ 1,527,213	\$ 288,124	\$ 551,109

Moody Early Childhood Center
Statements of Cash Flows
For the Five Months Ended January 31, 2020 and 2019

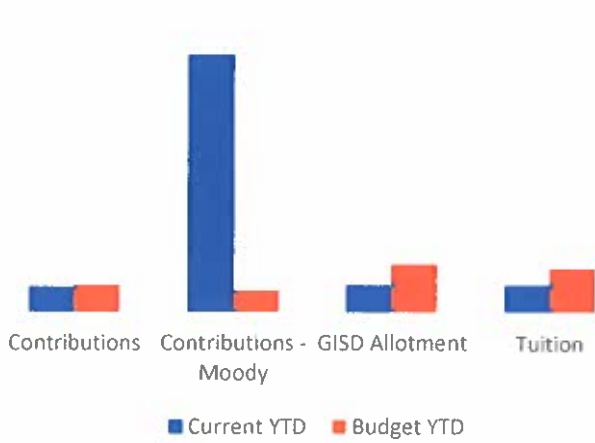
	<u>Year-to-Date</u> <u>January 31, 2020</u>	<u>Year-to-Date</u> <u>January 31, 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Total Net Income (Loss)	\$ 839,233	\$ 288,124
Adjustments to Reconcile Total Net Income (Loss) to Net Cash (Used)/Provided by Operating Activities:		
Depreciation	36,994	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	826,362	(59,202)
Accounts Payable and Accrued Expenses	<u>(59,728)</u>	<u>63,251</u>
Net Cash (Used)/Provided by Operating Activities	<u>1,642,861</u>	<u>292,173</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Fixed Assets	<u>(5,300)</u>	<u>(31,353)</u>
Net Cash Provided/(Used) by Investing Activities	<u>(5,300)</u>	<u>(31,353)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Line of Credit Draw (Repayment)	<u>100,000</u>	<u>(100,000)</u>
Net Cash Provided/(Used) by Financing Activities	<u>100,000</u>	<u>(100,000)</u>
CHANGE IN CASH	<u>1,737,561</u>	<u>160,820</u>
Cash, Beginning of Period	<u>316,600</u>	<u>610,634</u>
Cash, End of Period	<u>\$ 2,054,161</u>	<u>\$ 771,454</u>

**Moody Early Childhood Center
Dashboard
As of January 31, 2020**

Months Cash on Hand (excluding Restricted)

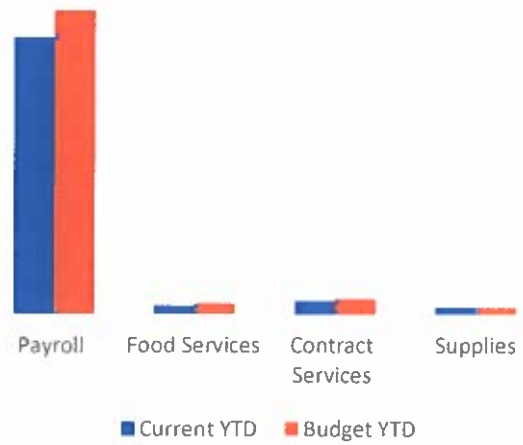
	<u>YTD</u>	<u>Prior YTD</u>
Total cash on hand	\$ 1,899,737	\$ 255,833
Average monthly operating expenditures	\$ 367,313	\$ 289,518
Number of months cash on hand	5.17	0.88
<i>Recommended benchmark is 3-6 months.</i>		

Budget to Actual - Revenue



The above shows revenue under budget for each major revenue category except for Contributions - Moody

Budget to Actual - Expenses



The above shows actuals in line with budgeted expenses for major budget category

Moody Early Childhood Center	MECC Monthly	Monthly Cost
Expenses:		
Payroll for All Employees	\$163,000	\$301,800
K&K	\$9,200	\$4,600
Utilities	\$10,000	\$10,000
TRS	\$38,000	\$28,500
Insurance	\$30,100	\$15,050
IRS	\$26,500	\$19,875
Supplies	\$12,000	\$18,000
*Avg Meals		\$46,035
Total	\$288,800	\$443,860
Moody Foundation		\$171,000
Tuition		\$144,000
TOTAL		\$128,860

*Meals	\$8.25		
	24-Apr	21-May	23-Jul
	\$49,104.00	\$42,966.00	\$45,012.00
			\$47,058.00