

**Moody Early Childhood Center Board of Directors**  
**Regular Board Meeting**  
**Friday, September 24, 2021 @ 1:00 p.m.**  
**Rosenberg Library, Randall Room**  
**2310 Sealy ST, Galveston TX 77550**

Join Zoom Meeting

<https://us02web.zoom.us/j/84442597942?pwd=cnVVbGFpWTF4cTdDTU5QbWYwNGo5Zz09>

Meeting ID: 844 4259 7942  
Passcode: 540282

**AGENDA**

1. Call to order
2. Introduction and welcome (Betty Massey)
3. Review & Approval of Board Meeting Minutes (John Prochaska)
  - a) August 27, 2021 (enclosed)
4. Public Comment on Agenda and Non-Agenda Items
5. Committee Reports
  - a) Finance (Angela Brown & Karin Miller)
    - i. 12 Month Financial Reports (enclosed)
    - ii. Notes from September Finance Committee meeting (enclosed)
  - b) Governance and Board Development (John Prochaska)
    - i. 2021/22 committee assignments
  - c) Resource Development (Betty Massey)
    - i. Status of grant requests/reports
  - d) Scholarship (Weez Doherty, Marcus Parker & Karin Miller)
  - e) Government Affairs (Jeri Kinnear, Erica Adams, & Amber Brown)
6. Update: Role of Board of Advisors
7. Executive Director's report (Karin Miller)
8. 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 Sub chapter D and E. Should any final action, final decision, or final vote be required in the opinion of the 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
9. Reconvene from Executive Session and take any action warranted.
10. Next Board Meeting scheduled for Friday, October 29, 2021 @ 1:00pm
11. Adjourn

MECC Board of Directors Meeting  
August 27, 2021

Attendees: Ms. Massey, Dr. Prochaska, Ms. Brown, Dr. Brown, Ms. Kinnear, Mr. Parker, Ms. Doherty, Ms. Miller, Dr. Jones (guest), Ms. Kennedy (guest), Dr. Ratcliff (guest), Mr. Henry (guest)

Absent: Ms. Adams

Call to order at 1:19pm.

No public were present besides the guests of the Board.

A quorum was present.

Motion to approve the minutes from the July meeting by Ms. Kinnear, seconded by Ms. Doherty. Motion was approved.

Ms. Brown presented the financial report for the month of July, including areas that are being monitored, questions for YPTC, and updates on outstanding accounts. The Board discussed the utility of conducting an audit of our electrical bills over the past 5 years. This will be discussed further in next month's Finance Committee.

Ms. Brown presented our contract for audit and IRS form 990. The Finance Committee recommended an approval of a 1-year contract. The committee also recommend that we renew our Moody Bank line of credit.

Motion by Ms. Brown, seconded by Ms. Kinnear, to approve entering into a 1 year contract with our CPA firm to conduct our audit and prepare our IRS form 990. Motion carried unanimously.

Motion by Ms. Brown, seconded by Ms. Kinnear, to renew our Moody Bank \$300,000 line of credit. Motion carried unanimously.

Dr. Prochaska presented the roles of the various Board officers. The Board members discussed potential candidates and interest in serving in these roles. Motion by Ms. Doherty to appoint Ms. Massey as chair, Ms. Kinnear as vice-chair, Dr. Prochaska as secretary, and Ms. Brown as treasurer for the 2021-2022 fiscal year. Seconded by Mr. Parker. Motion carried unanimously.

Discussion of committee assignments will be tabled for the next meeting to give members time to learn more about each committee's role.

Ms. Massey updated the Board on resource development. She included details about forthcoming proposal submissions to various local and regional foundations. She also gave a brief update about our historical success with raising additional philanthropic resources.

Ms. Doherty updated the Board on the monthly review of and decisions made for scholarships, which included 3 families this month.

Ms. Kinnear provided updates on government affairs. She reported that there is pending legislation prohibiting mandatory vaccination requirements of children for COVID, as well as prohibition of mask mandates.

Dr. Brown discussed the idea of transitioning the Board of Advisors to an Ambassadors for MECC panel. They would remain informed and help promote MECC and its activities. There appeared to be consensus to move forward with this.

Ms. Miller presented her Executive Director report for the month as presented in the Board meeting packet.

Next meeting is scheduled for September 24th.

Meeting adjourned at 2:55 pm.

## **MECC FINANCIAL NOTES - AUGUST 31, 2021 FISCAL YEAR END**

**Total Revenue** for 2020-2021 Fiscal year – \$4.5 million – We budgeted \$4.3

Major Drivers of increase in revenue:

- \$633,000 - PPP Loan Forgiveness of first PPP Loan
- \$305,000 - TWC Childcare Act Funding
- \$320,000 - GISD Allotment Revenue (2X what we budgeted)

**Total Expenses** \$4.6 million – We budgeted \$4.9 million

Major Drivers of decrease in expenses: All of the following were under budget:

- Payroll            Food Service      Transportation

**Cash on Hand Aug. 31, 2021 - \$974,626**

This Cash includes \$633,000 from second PPP Loan & \$305,000 from TWC Childcare Act Funding

**August Outstanding GISD Receivable** - \$89,000 was paid to MECC in early Sept. (Which would have lowered our Year-End deficit if received one week earlier )

**“Settle-up”** - At the end of our Fiscal Year, MECC & GISD look at “Actual” Expenses and Revenues that were Estimated and paid during the year. Connie (GISD) and Karin (MECC) will have final numbers on this soon

**Remember** -GISD still owes us \$248,000 from past 2 school years of funds held back from the SB 1882 Grant. If we owe money to GISD, our debts could be taken from that money. Or we could receive more GISD funds.

**Overpayment GISD Utilities Bills-** Per Jeri’s suggestion, Karin researched 2 previous years of our Electric payments to GISD. Looks like we overpaid up to \$50,000 to GISD. Karin will talk with Connie (GISD) about this.

**Forgiveness** of our second PPP Loan – John Peavy, our accountant, and Karin are working on this and we will be filing in Oct. We easily meet the criteria for forgiveness.

**Our Cash on Hand** \$974,626 on 8-31-21 included the \$658,000 in our Money Market Account  
We will be drawing down \$300,000 from our MMA for September.

**Fiscal year end** - Deficit of (\$156,093)

Income that we anticipated, but did not receive:

Tuition            Contributions      Federal Head Start Contract      Federal Child Care Subsidy

But -Other Federal Income, not anticipated, was received because of Pandemic

**Moody Grant for January 2022** – We will receive our first draw on our New Moody Grant on Jan. 1, 2022

**Flow Chart – MECC will make it until January’s first Moody Grant Draw**

**“End of the Year” report** - please note that some Expense and Income Line Items varied greatly. We need to be looking at our 2021-2022 Budget at least once during this fiscal year to evaluate and edit when necessary (per the recommendation we heard during our Board training this summer)  
Remember the Pandemic is still with us and we must embrace flexibility.

**In Summary**, to have a such positive report at the end of this Fiscal year is greatly due to the hard work of Karin Miller and her staff. They have dealt with all that the Pandemic could throw at them and persevered.

# MEMO

TO: Karin Miller, Executive Director  
FROM: John Peavy, Your Part-Time Controller, LLC  
DATE: September 15th, 2021  
SUBJECT: **August 2021 Financial Report for Moody Early Childhood Center**

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Attached please find the financial reporting package for the year ended August 31, 2021. It includes:

- Balance Sheets as of August 31, 2021 and August 31, 2020
- Income Statements & Budget Analysis for the year ended August 31, 2021 and August 31, 2020
- Statements of Cash Flows for the year ended August 31, 2021 and August 31, 2020

## **Executive Summary:**

Total Revenues improved year over year, significantly lowering the net deficit compared to fiscal 2020 and budget.

## **Year-to-Date Financial Highlights:**

- Total Revenue of \$4.5 million was above budgeted levels of \$4.3 million and fiscal 2020 Total Revenue of \$3.7 million. PPP Loan Forgiveness (\$633k) and TWC Childcare Act Funding (\$305k) were the major drivers of the increase in Total Revenue. Additionally, GISD Allotment Revenue of \$620k exceeded budgeted levels by \$320k.
- Total Expenses (\$4.6 million) were under budget of \$4.9 million, primarily due to payroll, food services and transportation costs coming in under budget.
- Cash on hand ended at \$1.0 million. **This includes the \$633k from the second PPP Loan and \$305k from the TWC Childcare Act Funding.**

## **Accounts Receivable Summary:**

- Accounts Receivable totaled \$89k at the end of August as a result of GISD invoices that were paid during the first week of September.

If you have any questions or would like to discuss in further detail, please feel free to contact me.

**Moody Early Childhood Center**  
**Balance Sheets**  
**As of August 31, 2021 and August 31, 2020**

<b>ASSETS</b>	<u>8/31/2021</u>	<u>8/31/2020</u>
Cash - Operating	\$ 263,965	\$ 104,993
Cash - Second PPP Loan	633,100	-
Cash - Professional Development	-	800
Cash - Scholarship	50,000	150,000
Cash - Capital	770	-
Cash - Special Projects	-	-
Cash - Money Market	25,252	674,840
Accounts Receivable	88,770	171,831
Prepaid Expenses	3,424	22,357
Other Assets	4,120	1,832
<b>Total Current Assets</b>	<u>1,069,400</u>	<u>1,126,653</u>
Property and Equipment		
Fixed Assets	1,063,242	1,063,242
Accumulated Depreciation	(415,752)	(299,127)
<b>Total Property and Equipment, Net</b>	<u>647,490</u>	<u>764,116</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,716,891</u>	<u>\$ 1,890,769</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 28,575	\$ 35,535
Payroll Liabilities	75,909	69,649
Line of Credit	282,725	295,000
Refundable Advance	633,100	633,100
<b>Total Current Liabilities</b>	<u>1,020,309</u>	<u>1,033,284</u>
<b>Total Liabilities</b>	<u>1,020,309</u>	<u>1,033,284</u>
 Total Net Assets	 <u>696,581</u>	 <u>857,484</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 1,716,891</u>	 <u>\$ 1,890,769</u>

UNAUDITED - FOR MANAGEMENT PURPOSES ONLY

Moody Early Childhood Center  
Income Statements & Budget Analysis  
For the Year Ended August 31, 2021

	ACTUALS		BUDGET COMPARATIVE		PRIOR YEAR COMPARATIVE	
	Current Month	Year-To-Date	Year-to-Date	\$ Variance	Year-To-Date	\$ Variance
				Favorable/ (Unfavorable)		Favorable/ (Unfavorable)
<b>REVENUES</b>						
Tuition	\$ 90,657	\$ 514,346	\$ 685,080	\$ (170,734)	\$ 530,512	\$ (16,166)
Contributions	315,575	418,301	603,000	(184,699)	373,708	44,593
Contributions - PPP Loan Forgiven	-	633,100	-	633,100	-	633,100
Contributions - Moody	-	1,966,667	2,202,000	(235,333)	1,966,667	-
Grants	-	-	-	-	-	-
GISD Allotment	34,214	620,228	300,000	320,228	489,295	130,933
Title Funds	-	-	-	-	36,502	(36,502)
Federal Food Services	1,839	36,038	60,000	(23,962)	35,356	682
Federal Child Care Subsidy	17,417	184,521	250,000	(65,479)	251,713	(67,192)
Interest Income	120	2,129	-	2,129	5,775	(3,646)
Federal Head Start Contract	10,177	94,996	193,000	(98,004)	-	94,996
Other Income	160	10,961	21,400	(10,439)	24,294	(13,333)
<b>TOTAL REVENUES</b>	<b>470,159</b>	<b>4,481,285</b>	<b>4,314,480</b>	<b>166,805</b>	<b>3,713,821</b>	<b>767,464</b>
<b>EXPENSES</b>						
Payroll and Related Expenses	409,292	3,782,666	4,112,177	329,511	3,332,970	(449,696)
Food Services	-	33,341	143,000	109,659	66,834	33,493
Transportation	-	39,729	76,000	36,271	44,333	4,604
Family Engagement	-	882	3,000	2,118	2,586	1,704
Occupancy	-	-	-	-	-	-
Professional Development Charges	9,214	26,662	-	(26,662)	74,238	47,577
Board Expenses	-	-	1,200	1,200	1,087	1,087
Contract Services and Professional Fees	7,986	167,593	205,000	37,407	293,779	126,186
Supplies	16,912	106,927	68,000	(38,927)	71,039	(35,888)
Repairs and Maintenance	10,902	89,446	10,000	(79,446)	31,545	(57,902)
COVID-19 Expenses	7,082	71,948	60,000	(11,948)	63,057	(8,891)
Depreciation	9,748	116,625	-	(116,625)	100,806	(15,819)
Insurance	22,196	65,208	40,000	(25,208)	40,236	(24,972)
Fundraising	-	495	-	(495)	-	(495)
Interest Expense	1,472	12,725	18,000	5,275	16,090	3,366
Printing and Postage	3,039	17,920	10,000	(7,920)	14,602	(3,318)
Dues and Subscriptions	-	15,698	16,250	552	15,607	(91)
Bank Fees	426	8,987	13,000	4,013	10,877	1,890
Utilities	4,000	41,629	99,250	57,621	67,256	25,627
Travel	-	2,527	5,000	2,473	5,791	3,264
Information Technology	993	13,941	-	(13,941)	4,211	(9,730)
Marketing	498	13,245	12,500	(745)	16,642	3,397
Other Expenses	164	13,184	11,500	(1,684)	19,318	6,135
<b>TOTAL EXPENSES</b>	<b>503,924</b>	<b>4,641,378</b>	<b>4,903,877</b>	<b>262,499</b>	<b>4,292,906</b>	<b>(348,472)</b>
<b>TOTAL NET INCOME (LOSS)</b>	<b>\$ (33,765)</b>	<b>\$ (156,093)</b>	<b>\$ (589,397)</b>	<b>\$ 433,304</b>	<b>\$ (579,085)</b>	<b>\$ 422,992</b>

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**Moody Early Childhood Center**  
**Statements of Cash Flows**  
**For the Year Ended August 31, 2021 and August 31, 2020**

	<u>Year-to-Date</u> <u>August 31, 2021</u>	<u>Year-to-Date</u> <u>August 31, 2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Total Net Income (Loss)	\$ (156,093)	\$ (579,085)
<b>Adjustments to Reconcile Total Net Income (Loss) to Net Cash (Used)/Provided by Operating Activities:</b>		
Depreciation	116,625	100,806
<b>Changes in Operating Assets and Liabilities:</b>		
Accounts Receivable	78,313	681,319
Contributions Receivable	-	-
Prepaid	18,933	(22,357)
Accounts Payable and Accrued Expenses	<u>(4,700)</u>	<u>(150,189)</u>
<b>Net Cash (Used)/Provided by Operating Activities</b>	<u>53,079</u>	<u>30,494</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Fixed Assets	<u>-</u>	<u>(140,624)</u>
<b>Net Cash Provided/(Used) by Investing Activities</b>	<u>-</u>	<u>(140,624)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Refundable Advance	-	633,100
Line of Credit Draw/(Repayment)	<u>(13,085)</u>	<u>95,030</u>
<b>Net Cash Provided/(Used) by Financing Activities</b>	<u>(13,085)</u>	<u>728,130</u>
<b>CHANGE IN CASH [increase/(decrease)]</b>	<u>39,993</u>	<u>618,000</u>
Cash, Beginning of Period	<u>934,633</u>	<u>316,633</u>
<b>Cash, End of Period</b>	<u><u>\$ 974,626</u></u>	<u><u>\$ 934,633</u></u>

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*"Giving all Galveston children the opportunity to soar"*

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**MECC: Executive Director  
Board Report  
September 24, 2021**

- A. Enrollment/Recruitment
  - i. Enrollment
    - 1. 138 PK
    - 2. 75 Infant/Toddler
  - ii. Continued Recruitment
    - 1. Flyers/Banners/Signs
    - 2. Neighborhood canvassing
- B. Partners
  - i. Worksource Funded Classes
    - 1. Vendor Application Approved
  - ii. GISD
    - 1. Utility Review requested
    - 2. WIC Office Review
    - 3. Phones out in my office area for 2 weeks.
  - iii. MECC Pumpkin Patch (Partnering with SMART Family Literacy)
    - 1. Oct. 19<sup>th</sup> for PK
    - 2. Oct 20<sup>th</sup> for IT
- C. News
  - i. Get well cards are being sent to Erica by all classes.
  - ii. Antonio out for next two weeks