

**Moody Early Childhood Center Board of Directors**  
**Regular Board Meeting**  
**Friday February 26, 2021 @ 1:00 p.m.**  
**At MECC at**  
**1110 21st Street**  
**Galveston, Texas 77550**

**AGENDA**

1. Call to order
2. Introduction and welcome (Ms. Massey)
3. Review & Approval of Board Meetings Minutes
  - a) January 22, 2021 and February 23, 2021
  - b) Public Comment
4. Committee Reports
  - a) Governance and Board Development
    - i. Public Comment
  - b) Resource Development
    - i. Public Comment
  - c) Finance
    - i. Public Comment
  - d) Scholarship
    - i. Public Comment
  - e) Government Affairs
    - i. Public Comment
  - f) Board of Advisors
    - i. Public Comment
5. Executive Director's report
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 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
7. Reconvene from Executive Session and take any action warranted
8. Next meeting date March 26, 2021
9. Adjourn

Betty Massey is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/85627199262?pwd=Ulh5MDh2NUlvekcsYWVNYM3V6UjA1dz09>

1:00 p.m. February 26, 2021

Meeting ID: 844 8683 8820

Password: 687 515

One tap mobile

+13462487799,,85627199262#,,1#.078286# US (Houston)

+12532158782,,85627199262#,,1#.078286# US (Tacoma)

Dial by your location

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 669 900 6833 US (San Jose)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 929 436 2866 US (New York)

Meeting ID: 844 8683 8820

Password: 687 515

Find your local number: <https://us02web.zoom.us/j/kDWW9UC8l>

**MECC board January 22, 2021**

**Present: Doherty, Parker, both Browns, Massey, Kinnear**

**Absent: Adams and Prochaska**

**Staff: Miller**

**Consultant: John Peavy, YPTC**

**Guest: Audrey Torres**

Ms. Massey called the meeting to order at 1:00pm, introducing Audrey Torres, TITLE, who is coordinating GISD's due diligence on MECC's proposal for a two part assessment of the partnership between MECC and GISD for the delivery of pre-kindergarten education for Galveston public school students. Each board member present introduced himself/herself to Ms. Torres.

On a motion by Ms. Kinnear and a second by Dr. Brown the minutes of the December 3, 2020 board meeting were approved as distributed. Ms. Brown then asked Mr. Peavy to present the September – December 2020 financial report which had been reviewed in detail with the Finance Committee the previous week. Mr. Peavy did so responding to board members' questions. Of particular note was the \$75,000 that will need to be returned to Internal Revenue Service due to reimbursement check for overpayment of 941's that was sent. Ms. Brown explained that next month's financial report will include a rolling cash flow report as well as more detail in some of the expense categories. Mr. Peavy and Ms. Miller reported that the forgiveness application for CARES Act PPP loan which MECC received last year was filed earlier in the week as well as MECC's application for the second round of PPP funding. Mr. Peavy left the meeting at the conclusion of the Finance Committee report.

In Dr. Prochaska's absence, Ms. Massey reported that the Governance Committee recommended that the board hold off acting on the revisions to MECC's Strategic Plan until the current discussions with GISD are completed. At that time, Ms. Miller and the Governance Committee will incorporate the results of those discussions into the Strategic Plan and present for board review and approval.

Ms. Massey apologized for not convening a January meeting of the Resource Development Committee. She told the board that a \$5.9 million operating request was submitted to The Moody Foundation, and that request will be presented and considered for action at the Foundation's February 18<sup>th</sup> meeting. An operating grant from the Kempner Fund arrived earlier in the week. Ms. Miller made note of several end of the year unsolicited donations.

Mr. Parker reported on behalf of the Scholarship Committee, complimenting Family Engagement Department for their work with the MECC families receiving scholarship assistance and the clear presentation of information to the Committee. Ms. Doherty echoed Mr. Parker's compliments.

Dr. Brown reported on behalf of Government Affairs indicating that she, Ms. Adams and Ms. Kinnear should have a legislative report ready for the February board meeting with interim updates as warranted.

Dr. Brown said that she has been conveying updates to the Advisory Board via the new chair, Helena Aucoin. She will consult with Ms. Miller and Ms. Aucoin to set a spring meeting for the Advisors.

Ms. Miller asked Ms. Torres to update the MECC board to the extent she was comfortable on the due diligence process she is charged with leading for GISD as the district considers how to address PreK education in partnership with MECC. Ms. Torres told the board that she was leading a diverse task force, conducting surveys of impacted parties, touring facilities, reaching out to Region IV for advice including information on two early learning centers within the Region, consulting with incoming superintendent Dr. Jerry Gibson. Ms. Miller will travel to Marshall the last week in January to see the MECC that Dr. Gibson operated in that district. Ms. Torres responded to several questions.

Ms. Miller then presented her report, giving the board a "heads up" that she would need to call a special meeting to review the audit so that it could be presented to the GISD board at its February meeting. Ms. Brown, treasurer and chair of Finance Committee, suggested that instead of the audit going first to her committee and then to the board, that the auditors simply meet with the full board.

The board then adjourned into Executive Session at 2:03pm. The board reconvened into open session at 2:30 pm taking no action from matters discussed in the Executive Session. On a motion duly made and seconded the meeting was adjourned.

MOODY EARLY CHILDHOOD CENTER  
Board of Directors Regular Meeting  
Videoconference via Zoom  
February 23,2021

Present: Ms. Massey, Ms. Kinnear, Ms. Brown, Dr. Prochaska, Dr. Brown, Ms. Doherty, Mr. Parker, Ms. Adams. Mr. Neil Hoover (auditor)

Absent: Ms. Miller

Ms. Massey called the meeting to order at 9:04 am.

A quorum was present.

Mr. Hoover reviewed the audit report distributed to the Board earlier. He was pleased to report a clear and unqualified opinion was found. He reviewed several highlights, including our existing PPP loan and plans for pursuing forgiveness, as well as the larger assets contributions receivable, which is due to our Moody Foundation grant being considered a non-conditional promise to give line item in our budget.

Ms. Kinnear moved to accept the audit, seconded by Ms. Doherty. The motion passed unanimously.

The Board discussed the upcoming board meeting and committee meetings. Ms. Massey also updated the Board about the upcoming GISD board meeting where our audit will be presented.

Meeting adjourned at 9:23 am.

Respectfully submitted by Dr. John Prochaska, MECC Board Secretary.

# MEMO

TO: Karin Miller, Executive Director  
FROM: John Peavy, Your Part-Time Controller, LLC  
DATE: February 24<sup>th</sup>, 2021  
SUBJECT: **January 2021 Financial Report for Moody Early Childhood Center**

---

Attached please find the financial reporting package for the five months ended January 31, 2021. It includes:

- Balance Sheets as of January 31, 2020 and 2021
- Income Statements & Budget Analysis for the five months ended January 31, 2020 and 2021
- Statements of Cash Flows for the five months ended January 31, 2020 and 2021
- Rolling Forecast for the year ended August 30, 2021

## **Executive Summary:**

GISD Allotment Revenue continued to make up for shortfalls in Tuition Revenue. Lower payroll, food service and transportation expenses resulted in Total Expenses being below budget.

The first PPP Loan was forgiven in February and the second PPP Loan application (also for \$633k) has been submitted.

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

- Total Revenue of \$2.6 million is above budgeted levels of \$1.8 million.
- GISD Allotment Revenue of \$300k exceeded budgeted levels of \$125k and represented almost half of this year's revenues (excluding the Moody Contribution). Tuition Revenue of \$186k was 65% of expected levels. Federal Child Care Subsidy Revenue (\$77k) was \$26k below budget.
- Total Expenses (\$1.9 million) were slightly under budget of \$2.0 million, primarily due to payroll expenses coming in \$86k under budget. Food services and transportation costs were a combined \$57k under budget.
- Cash on hand ended at \$1.85 million. The number of months cash on hand improved to 4.78 compared to 5.8 a year ago.

## **Accounts Receivable Summary:**

- Accounts Receivable totaled \$17k at the end of January. This included \$14k due in Tuition, \$14k in payments that had not yet cleared Bill.com and negative \$10,516 in Allowance for Doubtful Accounts.

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 January 31, 2020 and 2021**

<b>ASSETS</b>	<b>January 31, 2020</b>	<b>January 31, 2021</b>
Cash - Operating	\$ 307,446	\$ 94,269
Cash - Professional Development	44,526	800
Cash - Scholarship	100,636	100,000
Cash - Capital	6,699	-
Cash - Special Projects	-	-
Cash - Money Market	1,588,296	1,656,324
Accounts Receivable	12,005	17,351
Prepaid Expenses	12,271	12,818
Other Assets	7,289	3,270
<b>Total Current Assets</b>	<b>2,079,168</b>	<b>1,884,831</b>
Property and Equipment		
Fixed Assets	974,246	1,063,242
Accumulated Depreciation	(235,315)	(367,137)
<b>Total Property and Equipment, Net</b>	<b>738,930</b>	<b>696,106</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,818,098</b>	<b>\$ 2,580,937</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 40,549	\$ 7,221
Payroll Liabilities	124,019	157,881
Line of Credit	300,000	291,911
Refundable Advance	-	633,100
<b>Total Current Liabilities</b>	<b>464,568</b>	<b>1,090,113</b>
<b>Total Liabilities</b>	<b>464,568</b>	<b>1,090,113</b>
Net Assets		
Net Assets With Donor Restrictions	202,633	202,633
Net Assets Without Donor Restrictions	2,150,897	1,288,191
<b>Total Net Assets</b>	<b>2,353,530</b>	<b>1,490,824</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,818,098</b>	<b>\$ 2,580,937</b>

-



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)
<b>REVENUES</b>						
Tuition	\$ 26,821	\$ 186,259	\$ 285,450	\$ (99,191)	\$ 205,862	\$ (19,603)
Contributions	30,000	70,430	251,250	(180,820)	192,618	(122,188)
Contributions - Moody	-	1,966,667	917,500	1,049,167	1,966,667	-
Grants	-	-	-	-	-	-
GISD Allotment	47,678	299,946	125,000	174,946	197,435	102,511
Title Funds	-	-	-	-	36,502	(36,502)
Federal Food Services	24,708	28,185	25,000	3,185	20,761	7,424
Federal Child Care Subsidy	11,039	77,541	104,167	(26,626)	56,629	20,912
Interest Income	350	743	-	743	-	743
Federal Head Start Contract	-	-	80,417	(80,417)	-	-
Other Income	-	1,473	8,917	(7,444)	4,953	(3,480)
<b>TOTAL REVENUES</b>	<b>140,597</b>	<b>2,631,244</b>	<b>1,797,701</b>	<b>833,543</b>	<b>2,681,427</b>	<b>(50,184)</b>
<b>EXPENSES</b>						
Payroll and Related Expenses	281,090	1,627,145	1,713,407	86,262	1,310,062	(317,083)
Food Services	2,268	15,147	59,583	44,436	42,381	27,235
Transportation	18,044	18,044	31,667	13,623	31,667	13,623
Family Engagement	-	-	1,250	1,250	2,016	2,016
Occupancy	-	-	-	-	-	-
Professional Development Charges	-	277	-	(277)	16,119	15,842
Board Expenses	-	-	500	500	1,087	1,087
Contract Services and Professional Fees	6,510	83,051	85,417	2,366	146,489	63,437
Supplies	2,414	35,443	28,333	(7,110)	26,217	(9,226)
Repairs and Maintenance	9,421	11,604	4,167	(7,437)	23,582	11,978
COVID-19 Expenses	5,971	22,930	25,000	2,070	1,450	(21,480)
Depreciation	19,491	68,010	-	(68,010)	36,994	(31,016)
Insurance	2,931	17,285	16,667	(618)	17,844	560
Fundraising	-	99	-	(99)	-	(99)
Interest Expense	-	-	7,500	7,500	7,040	7,040
Printing and Postage	528	2,670	4,167	1,497	3,978	1,307
Dues and Subscriptions	773	2,209	6,771	4,562	7,250	5,041
Bank Fees	72	3,166	5,417	2,251	9,752	6,585
Utilities	17,747	25,747	41,354	15,607	27,759	2,012
Travel	-	-	2,083	2,083	5,688	5,688
Information Technology	204	891	-	(891)	1,589	698
Marketing	-	313	5,208	4,895	399	86
Other Expenses	-	2,868	4,792	1,924	45,104	42,236
<b>TOTAL EXPENSES</b>	<b>367,464</b>	<b>1,936,899</b>	<b>2,043,283</b>	<b>106,384</b>	<b>1,764,467</b>	<b>(172,432)</b>
<b>TOTAL NET INCOME (LOSS)</b>	<b>\$ (226,867)</b>	<b>\$ 694,344</b>	<b>\$ (245,582)</b>	<b>\$ 939,926</b>	<b>\$ 916,960</b>	<b>\$ (222,616)</b>

**Moody Early Childhood Center****Statements of Cash Flows**

For the five months ended January 31, 2020 and January 31, 2021

	<u>Year-to-Date</u> <u>January 31, 2021</u>	<u>Year-to-Date</u> <u>January 31, 2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Total Net Income (Loss)	\$ 694,344	\$ 916,960
<b>Adjustments to Reconcile Total Net Income (Loss) to Net Cash (Used)/Provided by Operating Activities:</b>		
Depreciation	68,010	36,994
<b>Changes in Operating Assets and Liabilities:</b>		
Accounts Receivable	168,207	23,220
Contributions Receivable	-	811,036
Prepaid	8,889	(12,271)
Accounts Payable and Accrued Expenses	<u>59,917</u>	<u>(90,805)</u>
<b>Net Cash (Used)/Provided by Operating Activities</b>	<u>999,367</u>	<u>1,685,135</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Fixed Assets	<u>-</u>	<u>(38,717)</u>
<b>Net Cash Provided/(Used) by Investing Activities</b>	<u>-</u>	<u>(38,717)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Refundable Advance	-	-
Line of Credit Draw	(3,899)	(7,610)
Unrestricted Net Assets	<u>0</u>	<u>(51,627)</u>
<b>Net Cash Provided/(Used) by Financing Activities</b>	<u>(3,899)</u>	<u>(59,236)</u>
<b>CHANGE IN CASH [increase/(decrease)]</b>	<u>995,468</u>	<u>1,587,181</u>
Cash, Beginning of Period	<u>934,633</u>	<u>30</u>
<b>Cash, End of Period</b>	<u><u>\$ 1,930,101</u></u>	<u><u>\$ 1,587,212</u></u>



**CASH FLOW ADJUSTMENTS:**

Net Income	(226,867)	(268,190)	(268,190)	(268,190)	(268,190)	(268,190)	(268,190)	(268,190)
Depreciation	19,491	19,490	19,490	19,490	19,490	19,490	19,490	19,490
Change in Receivables	39,664	-	-	-	-	-	-	-
Change in Other Current Assets	337	-	-	-	-	-	-	-
Change in Payables	(29,118)	-	-	-	-	-	-	-
Change in Other Current Liabilities	30,340	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-	-	-	-
Change in Loans	(1,357)	(1,357)	(1,357)	631,743 <sup>3</sup> PFL	(1,357)	(1,357)	(1,357)	(1,357)
<b>NET CASH FLOW</b>	<b>(167,510)</b>	<b>(250,057)</b>	<b>(250,057)</b>	<b>383,043</b>	<b>(250,057)</b>	<b>(250,057)</b>	<b>(250,057)</b>	<b>(250,057)</b>
Beginning Cash	2,018,903	1,851,393	1,601,336	1,351,278	1,734,321	1,484,264	1,234,207	984,150
Ending Cash	1,851,393	1,601,336	1,351,278	1,734,321	1,484,264	1,234,207	984,150	734,092

Assumptions for Rolling Forecast

Monthly Rolling Forecast

	Budget	Average YTD	Forecast
<b>REVENUES</b>			
Tuition	\$ 57,090	\$ 37,252	\$ 57,090
Contributions	50,250	14,086	50,250
Contributions - Moody	183,500	393,333	-
Grants	-	-	-
GISD Allotment	25,000	59,989	25,000
Title Funds	-	-	-
Federal Food Services	5,000	5,637	5,000
Federal Child Care Subsidy	20,833	15,508	20,833
Interest Income	-	149	-
Federal Head Start Contract	16,083	-	-
Other Income	1,783	295	1,783
<b>TOTAL REVENUES</b>	<b>359,540</b>	<b>526,249</b>	<b>159,957</b>
<b>EXPENSES</b>			
Payroll and Related Expenses	342,681	325,429	342,681
Food Services	11,917	3,029	11,917
Transportation	6,333	3,609	6,333
Family Engagement	250	-	250
Occupancy	-	-	-
Professional Development Charges	-	55	-
Board Expenses	100	-	100
Contract Services and Professional Fees	17,083	16,610	17,083
Supplies	5,667	7,089	5,667
Repairs and Maintenance	833	2,321	833
COVID-19 Expenses	5,000	4,586	5,000
Depreciation	-	19,490	19,490
Insurance	3,333	3,457	3,333
Fundraising	-	20	-
Interest Expense	1,500	-	1,500
Printing and Postage	833	534	833
Dues and Subscriptions	1,354	442	1,354
Bank Fees	1,083	633	1,083
Utilities	8,271	5,149	8,271
Travel	417	-	417
Information Technology	-	178	-
Marketing	1,042	63	1,042
Other Expenses	958	574	958
<b>TOTAL EXPENSES</b>	<b>408,656</b>	<b>393,268</b>	<b>428,146</b>
<b>TOTAL NET INCOME (LOSS)</b>	<b>\$ (49,116)</b>	<b>\$ 132,981</b>	<b>\$ (268,190)</b>

**MECC: Executive Director  
Board Report  
February 26, 2021**

- A. Finance
  - i. Audit
    - 1. Presentation to GISD 2/20/21
  - ii. PPP Loan
    - 1. Forgiveness Granted
    - 2. 2<sup>nd</sup> Draw Approved
  - iii. NAEYC
    - 1. Impacts Funding
      - Could place us at TRS 3 or 4 facility
      - TRS 4 Star Providers maximum reimbursement rate set equal to the 75th Percentile of the 2017 Market Rate Survey
      - TRS 3 Star Providers – 90 percent of the 4 Star Rate
      - TRS 2 Star Providers – 90 percent of the 3 Star Rate
- B. Quarterly Report
  - i. GISD – February 20, 2021 Presentation
- C. Community Partners
  - i. UHCL
    - 1. Intern for Spring started
  - ii. Early Head Start/Head Start
    - 1. CLASS Training (PK)
      - Assessors - March 2 & 3
    - 2. Family Coordinator hired
- D. Enrollment
  - i. As of 2/25/21
    - 1. 1 GISD
    - 2. 31 ASC
    - 3. 105 PK
    - 4. 7 virtual PK
    - 5. 69 IT
- E. GISD
  - i. Curriculum
    - 1. PK Adoption
  - ii. Site Visit
    - 1. GISD Task Force to visited MECC
    - 2. Trip to Marshall ISD to visit Marshall Early Childhood Center
  - iii. Proposal
    - 1. Proposal was approved
      - 2021-2022 PK3 and PK4 from IT

- Contract negotiations beginning 3/1/21
2. Meeting with Dr. Gibson
    - i. 2022-2023 Assist with expansion