

**Cincinnati Preschool Promise
Finance and Audit Committee Meeting**

United Way of Greater Cincinnati Room 201
Minutes of February 7, 2023 – 1:30 to 2:30 PM.

Finance and Audit Committee Members Present: Anthony Hobson (Chair), Christine Fisher, Dawn Reynolds, Jennifer Wagner, and Verline Dotson

Finance and Audit Committee Members Absent: None

Staff:

Chara Fisher Jackson, Executive Director
Héctor Polanco, Finance Director
Tanya Del Valle, Senior Administrative Assistant

Visitors:

Brian Todd, Clark Shaefer Hackett

1. Welcome and Call to Order

Christine Fisher welcomed the Finance and Audit Committee members to the meeting. A roll call of the committee was called, and confirming a quorum of the members, the meeting was called to order at 1:35 PM.

1.1 Approval of agenda:

ACTION: A motion to approve the agenda was made by Christine Fisher and seconded by Verline Dotson. The motion was unanimously approved.

1.2 Approval of minutes of August 9, 2022

Dawn Reynolds requested that the last sentence on number 2 be changed. She said the role filled by LaKeisa Ealy, Marketing and Communications Manager, should be added to clarify.

ACTION: A motion was requested to approve the minutes of August 9, 2022, with the change requested above, was made by Jennifer Wagner and seconded by Christine Fisher. The motion was unanimously approved.

2. FY22 Audit Draft Results

Brian Todd said that the independent auditor's report had a unmodified opinion which is the highest recommendation. It was a clean audit.

Cash was down due to the timing of the deposit of funds by Cincinnati Public Schools, and accounts payable were up due to late billing by 4C for Children.

Staff left the room for ten minutes to allow the committee to discuss any questions with the auditor and then returned. The committee said that the auditor was concerned that there needed to be a Standard Operating Procedure (SOP) for Héctor Polanco's position to ensure a smooth succession with the required institutional knowledge.

Héctor Polanco said that some procedures were written into the spreadsheets documenting those steps in completing each process, but that could be expanded into an SOP.

Chara Fisher Jackson said that the Deputy Director position would have the duty to work on the SOPs with the staff.

Brian Todd said there were no disagreements with management. He said cyber security is important, and companies should continue investing in the area.

Anthony Hobson said the audit was not much different from the years past since we have a clean audit with the highest recommendation.

ACTION: A motion was requested to recommend approval of the FY22 Audit to the Board of Managers made by Anthony Hobson and seconded by Dawn Reynolds. The motion was unanimously approved.

3. FY23 Forecast as of December 31, 2022

Héctor Polanco discussed the Carryover Adjustment Status in FY23 FCST and the key differences in budget minus FCST FY23. The areas below were highlighted. The Attendance Pilot may not happen during this fiscal year.

Carryover Adjustment Status in FY23 FCST

1. TA = Attendance Pilot (+\$150k), Insurance Subsidy for FCC TA providers (\$+35k)
2. QI = Social-Emotional Learning through American Legacy Theater and Learning Through Language Arts (+\$20k), Expanding PB&J (+\$20k), QI Eligibility and Enrollment Videos (+\$9k), Annual In-Person Provider Meeting (+\$7k)
3. COQ = Benefits Pilot to drive teacher retention (+\$50k)
4. Data & Enrollment Systems, Evaluation = Update SES Geocoding data for evaluations (+\$20k)
5. Communications & Outreach = PSA regarding value of preschool and CPP's investment over 5 years (+\$20k), Increased Advertising and Community Outreach at NAACP, 4C, Leading Men Fellow, Learning Grove provider-focused activities (+\$17k)
6. M&A Staff Related = Post talent search wage & retention adjustments (+\$30k), Talent search (+\$25k), UC Urban Impact, Co-ops, and Advancement & Transition projects (+\$25k),

7. M&A Facilities = Software changes to increase program manager capacity (+\$44k)

Key differences in budget minus FCST FY23

1. TA = TA Budgeted ~685 students, FCST ~630 = ~55 under budget (+\$375k), Change TA Calculation removing Head Start & adding 15 students (-\$125k), ELS Budgeted ~550 students, FCST ~465 = 85 under (+\$110k), Budgeting error of extra week of ELS (+\$80k)
2. QI = Outdoor Spaces supply chain issues (+\$200k), Refocus of QI action plans and various items leads to lower Classroom purchases (+\$150k), Coaching stable versus potential increase (+\$100k), Educational Tools paid via post-COVID funds (+\$80)
3. COQ = SSF Budgeted 40 teachers, FCST 20 teachers (+\$60k), Reduced Coopship participation (+\$15k)
4. Data & Enrollment Systems, Evaluation = Delay in renewal (+\$50k)
5. Communications & Outreach = Contractor spending (-\$30k), Consuming prior-year marketing materials (+\$15k), Capacity constraints (+\$30k),
6. M&A General = Unspent Contingency (\$30k), Lower Legal costs (+\$20k), Lower Fundraising costs (\$10k),
7. M&A Staff Related = Difficulty finding staffing (Deputy Director, Program & Evaluation Manager, Community Communications, QI Assistants, P-Team expansion (+\$300k)
8. M&A Facilities = Increased website outsourcing (-\$25k)

Overall, Héctor Polanco said that we would likely have an underspend this year of about \$2,000,000. Héctor Polanco noted that this included changes related to how Tuition Assistance is calculated for Head Start Students. Héctor Polanco explained that the removal of Head Start funding adjustment from the Tuition Assistance calculation meant CPP would make higher TA payments and would no longer be last dollar in for those students. Chara Fisher Jackson said the removal of Head Start funding from the calculation was related to a pilot being implemented related to providers access to wrap-around services provided by Head Start. Jennifer Wagner stated she believed the removal of Head Start from the calculation was contrary to the Master Agreement and requested that additional information about this change be presented to the Cincinnati Public School Board. Chara Fisher Jackson said agreed to do so at an upcoming Board meeting.

4. FYTD23 Results as of December 31, 2022

Héctor Polanco said there was an underspend of \$1,079,377 as of December 31, 2022. Jennifer Wagner asked about the open staff positions. Chara Fisher Jackson noted that the Deputy Director and the two Quality Improvement positions had been filled. However, the Program & Evaluation Manager and a recently vacant Promise

Team member were still open. Centennial is helping with recruitment of the Program & Evaluation Manager.

5. Adjourn

ACTION: A motion to adjourn was made by Verline Dotson and seconded by Jennifer Wagner. The motion was unanimously approved.

Future Meetings

~~February 7, 2023, 1:30 PM – 2:30 PM~~

March 7, 2023, 1:30 PM – 2:30 PM

May 9, 2023, 1:30 PM – 2:30 PM

June 13, 2023, 1:30 PM – 2:30 PM

No July Meeting

August 8, 2023, 1:30 PM – 2:30 PM

October 10, 2023, 1:30 PM – 2:30 PM

November 14, 2023, 1:30 PM – 2:30 PM

No December Meeting

Submitted by Tanya Del Valle, Senior Administrative Assistant
Cincinnati Preschool Promise