APPROVED

Ethos Classical Charter School

Minutes

Monthly Finance Committee Meeting

Date and Time
Tuesday August 17, 2021 at 5:00 PM

Committee Members Present
B. Hines (remote), E. Raines (remote), K. Graney (remote)

Committee Members Absent
None

Guests Present
D. Cembrola (remote), M. Moore (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

B. Hines called a meeting of the Finance Committee of Ethos Classical Charter School to order on Tuesday Aug 17, 2021 at 5:05 PM.

C. Approve Minutes

E. Raines made a motion to approve the minutes from June meeting.
K. Graney seconded the motion.
The committee **VOTED** to approve the motion.

II. Finance

A. Monthly Credit Card Review (June)

B. Hines reviewed the CC documentation, and reports nothing unusual or of concern.

B. Financial Update

D. Cembrola presented the financial report:

- Reviewed financial report through 6/30/2021, the unaudited actuals for the full fiscal year. Overall, though a hard year with the pandemic, we ended with a $179k increase to approved budget. Some of this was in savings (such as food service that we did not need due to virtual programming) and higher revenues than projected (example $504k was in our underbudgeting the QBE funding)
- Reviewed monthly cash balance at $288k, slightly lower than our threshold, due to summer spending in advance of the upcoming school year. Committee discussed difference between accounting 'prepaid' expenses and not true amortized. In our case we pay (and account for) the next year school year expenses in the current year. Discussed need to think about this more strategically in the upcoming year, to plan and forecast for the necessary spending spike.
- Reviewed projection of CPF metrics, and estimate 90/100
- Next steps: Submit DE46 to GADOE, resolve FY21 QBE funding discrepancy, develop contingency plans for facilities construction, and year-end audit completion.

Questions from Board with respect to the QBE projection variations (a variance in 5 mills share from projections provided in May vs July; also a variation in what we reported of our scholars with IEP and what state recorded); D. Cembrola and E. Castillo Leon responded, and provided next steps with working with state to resolve (working with SCSC primarily, asking GCSA for advice/advocacy). Current estimate from state is possible adjustment until January.

III. Other Business.

A. Audit Status Report

D. Cembrola reports that the audit is underway, currently no questions came to himself/staff.

B. Facilities Update

E. Castillo Leon reported on facilities project - due to timing and construction costs, the estimate for the building to start construction in December came in much higher than anticipated. Team did value engineering to cut out all extras, which saved some but not enough. Staff and consultants came up with an alternative plan to delay construction to

July 2022, early acquisition of property to save some ongoing costs, move forward with parking lot construction to move and set modulars. This resolves by (a) building cash reserve by time and CSDC savings, (b) lengthening time for capital campaign, (c) and hope that the market volatility for construction costs will calm down.

Questions from Committee: Does this make us revisit the buy/build decision? (drawbacks bc of sunk costs, lack of availability of appropriate property, risk of moving the school too far, etc.) When will we have an idea on the capital campaign? Not until September, feasibility study interviews began last week. Are there timeline risks if we start in July that could jeopardize opening in 2023? Always risks though current owners rep and architects change this summer has changed things materially, reducing risk. Do we have potential to lock in the potential upside cost (so 18 doesn't go to 22)? Yes, the 18 is the GMP.

Vote for BoD on 8/18: Shift timeline Jan to July, acquire building from CSDC, and begin construction for additional parking lot.

C. Executive Session

M. Moore called an executive session of the Committee, requesting D. Cembrola also attend, to discuss executive compensation options. E. Castillo Leon left the meeting; discussion was held.

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:17 PM.

Respectfully Submitted,
B. Hines