APPROVED

Brighten Academy

Minutes

Finance Committee Meeting

Date and Time
Monday October 5, 2026 at 6:10 PM

Committee Members Present
M. Vitale, T. Cabrera

Committee Members Absent
R. Coffee

Guests Present
Aarya Shrivastava, Ankit, C. Johnson, Chuck Canady, D. Davis, Shanika wells

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

M. Vitale called a meeting of the Finance Committee Committee of Brighten Academy to order on Monday Oct 5, 2026 at 6:17 PM.

C. Approve Minutes

Motion to approve the minutes from Finance Committee Meeting on 09-14-26.
The committee **VOTED** unanimously to approve the motion.

II. Finance Committee

A. Presentation of final adjusted 25/26 financial results

Avalon Accounting presented the final adjusted financial results for Brighten Academy Charter School for the fiscal year ended June 30, 2026. The Committee reviewed the final Budget-to-Actual Summary, Financial Statement Snapshot, Balance Sheet, and audited financial statements.

For FY2025/2026, Brighten Academy reported **total revenues of $11,694,230**, which exceeded the budgeted amount of $10,424,538 by approximately **$1,269,692 (12.18%)**. Total expenses were **$10,336,605**, approximately **$40,237 (0.39%) below budget**. The resulting **net income/surplus was $1,357,625**, compared with a budgeted surplus of $47,696. The financial materials noted that the favorable revenue variance was primarily attributable to higher-than-budgeted QBE funding and ERC refunds received during the fiscal year.

As of June 30, 2026, the School reported **total assets of $13,000,618**, including **$4,697,887 in cash and cash equivalents**, **$206,064 in accounts receivable**, and **$7,574,175 in fixed assets**. Total liabilities were **$11,876,636**, and total equity was **$1,123,981**.

The Committee also reviewed key financial health indicators. Cash on hand was approximately **166 days of expenses** based on year-to-date expenditures. The reported **Debt Service Coverage Ratio was 3.35**, compared with a required ratio of 1.10. The current ratio was **5.57**, and the debt-to-assets ratio was **66.08%**.

The financial statement snapshot reported **85 points under the SCSC Financial Performance Framework**, which falls within the range identified as **“Meets Financial Performance Standards.”** The report also identified an **unmodified audit opinion**.

During the review of the June 2026 Financial Statement Snapshot, a question was raised regarding the **Aggregated Three-Year Efficiency Margin**, defined in the report as the change in net assets plus the change in pension-related accounts, divided by total revenue. Avalon Accounting explained that this measure evaluates the School’s **financial efficiency and sustainability over a three-year period by comparing changes in net assets and pension-related obligations to the School’s total revenue**. The metric is intended to indicate whether the School is maintaining or improving its overall financial position over time. Avalon noted that Brighten Academy’s reported three-year efficiency margin was **2.85%**, which met the applicable financial performance standard of greater than 0%.

The Committee acknowledged receipt and review of the final adjusted FY2025/2026 financial results as presented by Avalon Accounting.

B. Avolon Contract for FY26/27

The Finance Committee discussed the updated contract with Avalon Accounting for fractional CFO services, effective October 1, 2026. The updated agreement transitions the School from an hourly billing structure to a **fixed monthly fee for fractional CFO services**. Based on historical service utilization and costs, the fixed-fee structure is expected to provide a more predictable expense and should result in lower CFO costs for the School.

The accounting services portion of the agreement remains unchanged. The contract includes the customary **2% annual cost increase**, which has already been incorporated into the School's budget.

C. School request for a new Special Education teacher position

The School Director of Academics & Operations requested that the budget be opened to accommodate an additional Special Education teacher position. The request is based on a group of students whose IAPs will transition to a small-group instructional model. Additional teacher support is needed to adequately meet the students' service needs and support a productive learning environment.

The Director of Academics & Operations explained that the change in student coding associated with the updated IAPs will also make additional funding available to support the required services.

An internal staff member has been identified as a candidate for the position. The individual is retired, meets the requirements of House Bill 150, and holds Special Education certification. Utilizing this internal candidate would allow the School to address the identified student-service needs in a cost-effective manner, including reduced personnel costs because health benefits would not be required under the applicable House Bill 150 arrangement.

The Finance Committee discussed the request and recommended approval to ensure it's in the School's current budget parameters.

D. SY 27 Facility Mx Plan

Tabled to discuss with Executive Director

E. Absence Management Software Quotes

The Finance Committee discussed a request to implement Red Rover software to streamline the management of teacher absences, substitute scheduling, and related coverage accommodations. The software expense is expected to be less than $5,000.

Implementation of Red Rover would replace the School’s current manual process and reduce the amount of staff time required to coordinate teacher absences and substitute coverage. The Committee discussed the anticipated efficiency benefits and the potential to redirect staff time toward other operational priorities.

The request was presented for approval as a cost-effective solution to improve the efficiency of the School’s absence and substitute management processes.

III. Closing Items

A. Adjourn Meeting

Meeting set to adjourn and return to reguar session
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:14 PM.

Respectfully Submitted,
M. Vitale