

APPROVED



Pharos Academy Charter School

Minutes

Pharos Academy Charter School Finance Committee Meeting

Date and Time

Wednesday July 8, 2020 at 4:30 PM

Location

813.967.8308 passcode 74216

Committee Members Present

M. Rousseau (remote), R. Granado (remote), T. Brown (remote)

Committee Members Absent

J. Reyes, T. Wethington

Guests Present

B. Elliott (remote), C. Russell (remote), M. Dorsey (remote)

I. Opening Items**A. Record Attendance****B. Call the Meeting to Order**

R. Granado called a meeting of the Finance Committee of Pharos Academy Charter School to order on Wednesday Jul 8, 2020 at 4:33 PM.

C. Approve Minutes

R. Granado made a motion to approve the minutes from BLCS Finance Committee Meeting on 06-10-20.

T. Brown seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Finance

SBAS - Mary Beth Rousseau discussed financial documents and provided insight on current financial status.

Highlighted Items of Discussion:

Financial Matrix YTD school finances at a great spot.

SBAS still working to confirm that all accruals will pass.

Due to COVID 19 circumstances, there were additional expenses and usage of funds which may reflect a negative net income.

SBAS will prepare to review net income in the next month to confirm end of year numbers.

Chromebook expense of \$97K, to be reviewed and discussed with auditors to determine if it can be recorded as a prepaid expense for FY21.

Concern that the large Chromebook expense may cause and adverse effect on the net income.

SBAS has established a cut off date of July 24, 2020 for school expenses to be recorded for FY20 School Year. Any financial activity recorded after that date will be recorded in FY21 financials.

Current auditor, Michelle, has great knowledge related to financial details related to DOE.

Mary Beth will continue to reach out to Michelle as an added resource to understand DOE financial expectations.

Robb Granado expressed concerns related to:

The perspective on running a deficit and the possible need for board resolution.

Inquired if the option to capitalize expenses can be utilized to avoid negative income.

As the School approached Board Renewal we want to maintain and present a positive net income.

In the event a loss is reported, Robb Granado would like to document with complete explanations.

Mary Beth will review and discuss capitalization and prepaid expense with auditors and revisit this matter in August.

BVA - Budget versus Actual report presented to provide full report line by line with variance details.

Highlighted Items of Discussion:

Revenue lines related to Federal Resources off budget due to delayed invoicing for Title III and Title IV. Mary Beth Rousseau will meet with Maria Dorsey to discuss possible

expenditures that can be reported under Title IV. Expenses related to child programs and field trips can be recognized as Title IV.

Food Services budgets lines are slightly off due to COVID 19 and the change in anticipated usage of services and expenditures.

Staff Expenses changes incurred due to the Student Loan and Tuition activities.

Student Loans are not tax free benefits, therefore they had to be taken out of benefits and placed into wage expenses because the employees were required to pay tax. The recent change in the Care Act has changed the tax burden until the end of the year.

Tuition up to \$5,250.00 is tax free. All funds beyond are taxable and had to be recorded as wages and removed from Taxes and Benefits.

The line changes did not cause an increase, just a change in where funds can be recorded.

A few areas mentioned due to slightly higher expenditures:

Technology Supplies & Equipment

Insurance, Telephone

E-Rate consultant recommended to be used to manage the telephone, network costs.

Garber Consulting has been confirmed and will be used for E-Rate consulting services for the FY21 School Year.

III. Investment Accounts

A. Investment Accounts

SBAS- Brent Elliott provided investment activity update:

Investment Balance discussed from original value to present value.

No material changes and confirmed that we are in compliance with our investment policy.

Interest earned is up to 44% but a large amount of that can be contributed to account closures and related funds transferred.

Robb Granado would like to see the interest earned versus the additional funds.

Request to review the total interest earned on a quarterly basis. Brent Elliott will update and present for final review.

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 5:06 PM.

Respectfully Submitted,

R. Granado