

APPROVED



## Pharos Academy Charter School

### Minutes

#### Pharos Academy Charter School Finance Committee Meeting

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**Date and Time**

Wednesday September 9, 2020 at 5:00 PM

**Location**

[781.448.4130](#) Participant PIN 45108

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**Committee Members Present**

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

**Committee Members Absent**

J. Reyes

**Guests Present**

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

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**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 Sep 9, 2020 at 5:02 PM.

**C. Approve Minutes**

R. Granado made a motion to approve the minutes from Pharos Academy Charter School Finance Committee Meeting on 08-18-20.

T. Wethington seconded the motion.

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

**Roll Call**

T. Wethington Aye

J. Reyes Absent

R. Granado Aye

## **II. Finance**

### **A. Finance**

Mary Beth shared the financial report. Current assets are at 7.7 million. Net assets of 7.1 million. Current ratio of 3.204. Cash on hand which includes cash and investments and also the PPE funds, that is at 7.2 million and that equals 302 days cash on hand. Debt service ratio is strong at 6.82.

The next page is a summary of statement of activities. Budgeted enrollment is 670. Most recent enrollment was at 670 for the last billing cycle. The number will fluctuate over the next month or so.

Year to date revenues of just over 2 million and expenses of 1.5 million approximately; on a budgetary basis this is a surplus of 534K whereas the budgeted surplus was 136K. There is an additional calculation for GAAP income and the reason for the difference is depreciation and subtracting that out of the figure.

Robb inquired about scholar enrollment. Courtney shared a general sense of where things sit with scholar enrollment. She also provided an update about weekly tracking and communication around scholar communication to provide regular updates to the Principal. Robb proposed adjusting the budget in October depending on where enrollment sits.

Mary Beth provided a brief update regarding additional funding the school will be receiving that will offset the loss of general funds with any shortage of students. This will help on the revenue side. There may be additional items to adjust via a budget amendment in September.

The next page of the report contains a summary of the reports that come after this; Robb had requested a short description of anything varying more than 25% from budget. The way the reports are coming out of Quickbooks did not allow for all of this to be put on page. There are three reports, the one month Budget vs. Actuals, the Year to Date (July and August together compared to the budget), and finally where we are in comparison to the annual budget.

Some lines have smoothed out including the supply line as well as the FFE line where iPads were purchased for remote learning for teachers. Additionally this is applicable to School Culture with parking expenses coming in low due to a renegotiation of the parking lot agreement resulting in a savings to the school.

For the YTD budget the Professional Fees line stands out since the LHA agreement was extended. There are also some dues and subscriptions that apply here since there is an overlap with the fiscal year.

Dues and subscriptions is an area the team should revisit to see if an amendment is needed.

For FFE there are a few additions that will be capitalized; the new outdoor signs will be just over \$42,000 and also the playdeck padding at the Lower Academy of approximately \$20,000. These will be added to the Fixed Asset schedule and depreciated over the years. The playdeck use of life is five years and the new signage is at ten years.

Robb inquired about the LHA fees of approximately 55K; this was for the one month Service Agreement extension and email/file access.

### **III. Other Business**

#### **A. August Board Meeting Preparation**

There are three Purchase Orders exceeding the 50K threshold where Board approval will be required. These include Promethean boards, Bleeker professional development, and Philadelphia Insurance. Quotes will be included in the Board packet.

Courtney will reach out to the broker to document the process that was taken to secure pricing for the Philadelphia insurance policies.

Brent provided an update regarding the audit. They are trending to have a 273K loss. The increase is due to the preliminary removal of the Chromebooks from the grant. The thought process was that the funds may need to be used in a different way and additional monies could be recognized from the PPP loan. If this cannot be recognized the Chromebooks can be included back on the grant.

With the technology purchase, Title funds may be able to be utilized for a portion or the full ask of what the school is requesting (approximately 97K).

Principal Brown inquired about the Chromebooks that were previously purchased and whether that was in the FY20 or FY21 budget; Brent clarified this was from grant funds in an extended year; if those monies are not claimed they will be carried over to the next school year. Principal Brown shared his recollection was that these were purchased from the Contingency line. A discussion ensued about this particular expenditure and the process for coding.

The school ended FY20 with a deficit and is looking to resolve this matter and not have a deficit.

The Finance Team shared the Chromebooks should be paid via the Title grant or additional revenue should be recognized by the PPP loan.

#### **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 5:45 PM.

Respectfully Submitted,

C. Russell