

APPROVED



Pharos Academy Charter School

Minutes

Pharos Academy Charter School Finance Committee Meeting (Zoom)

Date and Time

Wednesday July 14, 2021 at 5:00 PM

Location

Courtney Russell is inviting you to a scheduled Zoom meeting.

Topic: Courtney Russell's Personal Meeting Room

Join Zoom Meeting

<https://bronxlighthouse.zoom.us/j/5239033349>

Meeting ID: 523 903 3349

One tap mobile

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Find your local number: <https://bronxighthouse.zoom.us/j/acMqEqFDW3>

Committee Members Present

K. Shah (remote), R. Granado (remote)

Committee Members Absent

T. Brown, T. Wethington

Guests Present

C. Russell (remote), K. O'Brien (remote), Kate Van Bramer (remote), L. Cruz (remote), M. Dorsey (remote), Michelle Cain (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 14, 2021 at 5:02 PM.

C. Approve Minutes

R. Granado made a motion to approve the minutes Pharos Academy Charter School Finance Committee Meeting (Zoom) on 06-11-21.

K. Shah seconded the motion.

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

II. Auditor Presentation

A. Auditor Presentation

Michelle Cain and Kate VanBramer (from MMB, the school's auditing firm) provided a presentation regarding this year's audit. They provided an overview of the process, discussed the impact of COVID on the organization, and more. The team is consistent from last year's audit.

The interim fieldwork was completed the week of June 16; year end work is scheduled for the week of August 16.

From the June 16 work, nothing major has come to the auditing firm's attention.

MMB has worked extensively with CSBM, the school's financial firm.

The Client Assistance Memo is provided in preparation for the audit so the teams are aware of what is being asked for.

Michelle recapped a February 2021 conversation she had with Courtney regarding the PPP loan forgiveness, CARES funding, etc.

Because charter renewal will be in progress, a note will be included in the memo to state that the school is undergoing renewal.

III. Finance

A. Monthly Financials

CSBM shared the June finance report. The financial summary page showed Cash on Hand is 2.367 million. We are in good standing at a 2.0 months cash on hand.

After paying sure all FY21 obligations have been settled, we are looking to carry over approximately 2.184 million.

On the balance sheet the current assets are 6.779 million.

Current liabilities are 1.672 with a working capital ratio of 4.05.

Total assets - we will end the school year with 10.753 million.

Total liabilities are 3.230 with a Debt Ratio of 0.31 which is very strong.

Total net assets are 7.342 projecting this is how we will end June.

For revenue and expenses Total Revenue for the year is 14.621 million; total expenses are 14.230 leaving us with a net surplus of 391,000. The surplus has a variance higher than what was budgeted for while considering depreciation of 260,000. Without including depreciation there is a net surplus of 651,000. Without you see the 391,000.

On the summary page the Budget vs. Actuals are full year projections are outlined. State revenue there was no change from the prior report. Federal there was a decrease since the May report of 103,000 approximately. This was due to the Title funding. Some amount would be spent during the summer so recognized for FY22. Also for ESSER in reviewing the books there was 22,000 recognized in FY20 therefore the number was reduced so we are not double counting. Also the Title I - some Title monies of approximately 54,000 would be spent in the summer with 30,000 carried over to the next year. This all accounts for the total revenue variance.

For expenses we are taking into consideration the payroll accruals for the next three payroll periods. It would be 73,000 over budget due to bonuses, custodians hired during the year, related taxes, and more. From prior reporting this is an increase of 165,000 since we are looking at actual numbers.

Staff development there is a projection to end up 483,000 over budget by 108,000 mostly due to staff development. This is an increase of 88,000 since May. In June there was an influx of invoices.

For professional fees there is a 288,000, an increase in 11,000 in supplemental services. These are some expenses such as Taylor Media.

Supplies there was a savings of 64,000 such as in textbooks. Also with FFE the equipment that was budgeted here, items were moved into Fixed Assets which is the result of the large variance. This was approximately 103,000 in case any additional bills came in, we now have a cushion in these lines.

There were savings in that we did not need to use the contingency or reserves.

The cleanup was CSBM going into expenses to see if the Fixed Assets were properly allocated. Deep dives regularly happen to ensure all items are properly coded, etc.

The next attachment was Navigating Forward. Some items were moved into Capital Assets. For example Chromebooks, Kindles, cases for the Chromebooks, Google licenses, etc. The total for the vendor was \$349,000. CSBM reviewed the expenses and shared that some additional expenses may come in. The total is 483,000 for Navigating Forward.

IV. BLCS Property Holding Company

A. BPHC

The BLCS Property Holding Company Board will meet with Orrick legal counsel Alison Radecki tomorrow, July 14, at 6:00 p.m.

The only pending item is the entity being dissolved. Monies have been moved to the school's operating account to use for student scholarships. The Bank of America accounts have been closed out.

V. Other Business

A. July Board Meeting Preparation

Courtney Russell spoke about the benefits process. She will ultimately recommend the Board approve continuing with Trinet as our PEO and benefits provider for staff.

VI. 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 5:49 PM.

Respectfully Submitted,
R. Granado