

GMCS Finance Committee Meeting Minutes

May 15, 2024 at 2:30pm

Meeting ID

meet.google.com/sej-ugce-qrr

Phone Numbers

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PIN: 786 937 595#

3:30pm Meeting called to order

3:30pm Introduction of Members and guests

- Jesse Bean, Charter Choices business manager
- Becky Uppercue, Board Treasurer

3:35pm Review of April Financial Statements

- Total Current Assets have increased to \$1.97M since June 30th due to combination of a decrease in Cash (by \$130K), an increase in District Receivables (by \$195K) and a decrease in State (by \$15K) and Federal Receivables (by \$52K) at 04/30/2024.
- Total Current Liabilities at April 30th have decreased to \$245K due to a reductions in Accounts Payable (by \$41K).
- The school's construction loan from Members 1st is reflected as a Long-Term Liability of \$3.82M on the Balance Sheet.
- The school's Key Performance (financial health) Indicators are healthy and trending positively, with short-term data points such as Current Ratio (8.1) and Days COH (143.3, as well as long- term figures such as Fund Balance (37.3%) and Debt Ratio (52.2%) exceeding benchmarks.

Budget vs. Actual

- After After 10 months of 23-24 budget activity (04/30), District Revenues of \$3.5M are below budget (by \$122K). The school has also received \$205K of an anticipated \$398K in State and Federal Funding for the 23-24 school year.
- YTD Expenses of \$3.7M are under budget by \$92K at 04/30, as positive variances on Supplies (parking lot improvements, summer equipment purchasing, etc.) are offset by "savings" on Personnel Costs, Property and Other Purchased Services.
- GMCS shows a YTD surplus of \$56,877 through 10 months, and a Fund Balance of over \$1.75M. We are currently projecting a year-end surplus of \$117,734.

General Updates Relevant to PA Charter Schools

Year-End Board Checklist:

As we wrap up the 2023-24 school/fiscal year, please keep the following items in mind:

- Lease Reimbursement – if your school is renting/leasing its facility from a third-party landlord, you will need to adopt a Board resolution at your June meeting (if you have not done so already) authorizing Charter Choices to file the application for PA Lease Reimbursement funding on your behalf. This is a simple, annual,

recurring, and required process that brings a fraction of your school's annual rent/lease costs back to the school. Every dollar helps!

- Fund Balance – if your school is carrying a fund balance of any material significance and/or if your school is finishing the year with a high-margin Net Income (e.g. 10% margin or higher), we recommend the Board adopt a resolution at your June meeting (if you have not done so already) committing or assigning a portion of that fund balance to a future purpose (i.e., “to address rising retirement contribution costs”, “to fund future debt service obligations”, “to address future capital improvement costs”, etc.). This is a simple process that can easily be reversed or amended in the future as situations change or emerging needs dictate.
- 990 Filing – the school's auditors should have prepared and filed your school's Form 990 (for the prior FY) with the IRS by this point (May 15th at the latest) in the year. Each Board Member should review this document carefully to ensure that it accurately discloses any information and activity pertaining to a related entity and/or any potential conflicts of interest involving Board Members.

Review of Draft 24-25 Budget

GMCS 2024-25 Budget Assumptions

Revenues –

- Estimated Tuition Rate Growth for All School Districts (updated April 2024)
- ESSER Funding Fully Exhausted
- PCCD Mental Health Grant (\$70K)
 - Mental Health Assessment
 - Behavioral Health Support & Staff Liaison
- PCCD Competitive Safety Grant (\$70K) – Not Yet Budgeted
 - Would fund the following:
 - Physical Security Assessment
 - Replace Interior Doors
 - Complete Exterior Fence Project
 - Add Cameras to Classrooms, Update Recording System
- Other State and Federal Grants Budgeted at 23-24 Levels (for now)
- Total Revenues = \$5.01M

Expenses –

- 3% Inflationary Adjustment for Most Recurring Expenses
- 3% Salary Increases + Master's Degree & Longevity Increases for Applicable Staff
- Added \$38K for New/Replacement Laptop Units
- Remove One-Time Expenses from 23-24 (i.e., Parking Lot Improvements)
- Propose Adding 4 Staff Positions for 24-25:
 - PCA @ \$16/Hr
 - PT Office Support @ \$15/Hr
 - SpEd Emotional Support Teacher @ \$41K/Year
 - SpEd Emotional Support Assistant @ 17/Hr
 - In addition, replace Food Service Position @ \$15/Hr
- Total Expenses = \$4.84M

Budget exists in Draft Form now, has been updated with Estimated FY24 Tuition Rates and Grant

Amounts. Updated Budget Surplus = \$169,225. Target Board Approval at May/June Meeting.

3:55pm **New Business- N/A**

3:55pm **No Public Comments-** No public comments

3:55pm **Meeting Adjourned**