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## CIRRUS EDUCATION GROUP, INC. FINANCE COMMITTEE MEETING

### *Minutes*

[www.cirrusacademy.org](http://www.cirrusacademy.org)

August 20, 2024

5:00 PM

<https://us06web.zoom.us/j/88188439364?pwd=iDu0jNoHWfLRwpoukSXRYt0N4ekSOv.1>

Meeting ID: 881 8843 9364

Passcode: 084999

### 1. Call to Order

#### 1.1. Attendance

Committee Chair Lewis called the meeting to order at approximately 5:05pm. Committee Member Kelly was also present. Mr. Williams, Ms. Samuels, Dr. Freeman, Ms. Brinson-Grimes, Mr. Washington, and Mr. Stevens and members of the public were also in attendance.

#### 1.2. Approval of Agenda

Board Member Kelly made a motion to approve the agenda, and Committee Chair Lewis provided a second. The motion was approved unanimously by those present.

#### 1.3. Approval of [Finance Committee Minutes from June 20, 2024](#)

Board Member Kelly made a motion to approve the minutes from June 20, 2024, and Committee Chair Lewis provided a second. The motion was approved unanimously by those present.

### 2. Matters of Discussion

#### 2.1. [June 2024 CFO Report](#)

Committee Chair Lewis then asked Ms. Samuels to provide the June CFO report. The CFO provided an overview of key financial metrics, including the current ratio, unrestricted days of cash on hand, and overall financial health. The report highlighted that the school had a deficit of \$681,903 for the fiscal year, largely due to monthly expenses exceeding income.

The report noted that the school's cash balance was \$2.72 million, but this represented a decrease of over \$300,000 from the start of the fiscal year. The committee discussed the implications of this cash loss, with the CFO estimating that the school could continue to operate for 108 days with the current cash on hand if no additional revenue was received. The

committee also touched on the challenges of staying within budget and the need to amend the budget to reflect the actual financial situation more accurately.

Overall, the discussion emphasized the importance of monitoring expenses closely, ensuring accurate reporting of financial data, and preparing for the upcoming fiscal challenges. The CFO committed to working closely with the finance committee to address these issues and improve financial oversight moving forward.

## 2.2. June 2024 Fiscal Compliance Report

Mr. Washington presented a detailed fiscal compliance report. The Committee discussed a significant net deficit and projected that the deficit could potentially increase. This projection stemmed from overspending in key areas, particularly instruction and school administration, where costs rose sharply compared to the previous year. Instructional expenses increased by over \$1 million due to higher salaries, benefits, and instructional materials, while school administration costs nearly doubled due to increased spending on salaries, security, and consulting services.

Mr. Washington emphasized the need for the school to closely monitor its cash flow. He also discussed the impact of grant revenue adjustments, which had altered the financial outlook slightly, and stressed the importance of managing these revenues carefully to avoid unexpected shortfalls. To address these issues, he recommended tighter financial controls, better forecasting, and strategic planning, particularly in high-expenditure areas.

Additionally, Mr. Washington compared the current fiscal year to the previous one, showing significant differences in both revenue and expenses due to changes in grant funding and operational costs. He urged the committee to prepare for the next fiscal year by analyzing and amending the budget to reflect more accurate projections. The committee acknowledged the need for these improvements and discussed strategies to enhance fiscal compliance and ensure the school's financial stability.

## 2.3. Items Requiring Approval

Next, the Committee discussed whether any items needed the approval of the Finance Committee. The Committee discussed price quotes for learning resources including Bridge to Reading and Curriculum Associates. Mr. Williams and Cirrus Staff recommended these learning resources for the Finance Committee's approval in lieu of the greater textbook adoption proposed by staff earlier in the year. The Committee is supportive of this request but would like to see greater context regarding the budgetary impact of the decision not to purchase the original learning resources.

The Committee also considered a proposal to extend the contract for 21Cobalt to provide board governance support services. Similarly, the Committee was supportive of the contract but asked for additional information regarding the overall budget implications for FY25 for the Board.

## 2.4 Items for Review

There being no additional items to review, the Committee removed this item from the agenda.

**3. Adjournment**

3.1. Adjournment

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The Committee adjourned at approximately 7:30 pm.

DRAFT