



OSA Finance Committee Meeting Minutes

August 31, 2021 12:30 PM

Meeting ID: 928 7327 1489

Password available upon request without condition by emailing rdouglass@oakarts.org

OSA Board Committee Members:

Adrienne Barnes, Mike Barr, Wei-Ling Huber

TIME	TOPIC	ACTION?	LEAD
12:30 PM	Roll Call Attendance Barnes, Barr present	No	Adrienne Barnes
12:31 PM	Public Comment	No	Adrienne Barnes
12:33 PM	Minutes Approval - move to next meeting	Vote Needed	Adrienne Barnes
12:35 PM	<p>Cash Flow Update</p> <p>Cash balance \$2.242 M end of June. Discussion of prior period adjustment. Discussion that attributed initial payment to 20-21, except P&I attributed to actual year.</p> <p>Summary - the 1.2 catch up is PP Adjustment. And \$1.2M P&I will be broken into pieces of PPA by year it was incurred. As currently presented, it will skew 20-21 during audit and this feels problematic. Must estimate to reduce appearance of \$1.57 surplus. How can we obtain an estimate to break down between PPA and current for the second payment? Josefina pointed out that the invoice had some detail which may provide an accurate estimate on the years impacted.</p> <p>Next steps - we want 20-21 taken out and broken into expenses, so we will hold off on seeing the final piece for now. None of this was taken out of cash prior to June 30. Yesterday appeared to be combining two different reports. Adrienne also had question on lines 166 & 167, which Susan explained.</p> <p>Discussion on difference between last week's cash flow and yesterday's cash flow and where PPP and STRS payments hit. Adrienne had specifically asked whether STRS payments were included in what was presented to board last week and the answer was yes, however, this was incorrect. Susan had not updated cash flow since prior to her sick leave for covid. We can anticipate \$ incoming in receivables and LY deferrals.</p>	No	CSMC

	<p>Current data viewed indicates a \$500k payment toward STRS - committee evaluated cash flow projections in this scenario. Lowest cash point would be \$1M if we made the full payment to STRS.</p> <p>JAM - what interest will we owe if we delay remainder of payment until October? KP will look. JAM is ok with \$1M cash balance for September and proposes we split payment between regular and reserve accounts.</p> <p>\$500k payment went out to STRS on Friday. Assess scenarios of monthly payments of various amounts relative to additional interest incurred. JAM - should we look into SSP loans? It's meant for operating expenses, and not capital. KP will look into it with Summit and determine next steps. Barr recommends not borrowing money if we have it in the bank. Bank of California does special loans for charter schools - this is an option to pursue via Susan.</p> <p>AB suggests OSA/CSMC review cash flow re: straightline expenses. If there's \$1M in cashflow, payroll runs \$600k - what else might be coming due in September? Ensure expenses closer to actuals. Want to see lump sum payment vs</p> <p>Resolve - change in reporting at year end?</p> <p>JAM - Projections for CARES Act payroll tax credits? KP- have looked into it, auditors have not responded yet.</p> <p>Let the minutes record that we have asked CSMC to ensure that all documents presented to board have been reviewed by Susan or a senior member of the team.</p>		
12:50 PM	<p>Unaudited actuals</p> <p>We have a prior year 'in lieu' payment which just came in, so report needs adjusting to show additional \$156k in our favor. Surplus will show \$1.2 M. The audit will not reflect this - will it cause trouble down the road?</p> <p>MB suggests - ask a one week extension from OUSD</p> <p>Next 3 days work with Costas' buy in to agreement re FY 21 impact.</p> <p>JAM - OUSD has requested info on our CalSTRS payments. KP - they heard of the audit and she directed Minh to the slide show on the website, specifically that we self-reported vs having an audit finding. That was the only question they had.</p>	Yes	CSMC Kimberly Palmore

	<p>Susan reviewed the Unaudited Actuals report with team. The committee did not have questions. Wei-Ling joined at this time.</p> <p>Barnes - we are asking a week extension from OUSD and shore up # with auditor by end of this week. Should committee meet again next week? CSMC will work on expenses and running repayment scenarios prior to next meeting. KP will research interest expenses and possible compounding.</p>		
1:15 PM	<p>Facility Budgeting</p> <p>Cannot take steps to approve new facility lease until a comprehensive cash flow update is shared from CSMC, and enrollment and ADA projections are shared. Mike Oz will send the last enrollment projections to Susan.</p> <p>ADA 94.6 each for HS and MS. Budgeted 96%. Susan will have unaudited actuals prior to 8th - close of business on 8th is the latest Minh can go. Susan will send prelim version to him on 7th - committee is ok with this, as his preview is extremely valuable.</p>	No	<p>Lisa Sherman-Colt Kimberly Palmore</p>
1:30 PM	Dismissal	No	<p>Adrienne Barnes</p>