



First 8 Memphis Finance Committee Meeting

Date: December 2, 2021

Time: 10:00am - 10:30am

Committee Members Present: Keva Latham, Mary McDaniel, and Michael Whaley

Committee Members Absent: Kathy Buckman Gibson

Staff Present: Dr. Kandace Thomas, LaDora Watkins, and Gwendy Williams

Visitors Present: Ronda Hughey (Hughey's Debits and Credits)

Welcome and Call to Order

The meeting was called to order at 10:03 a.m.

Deferred Revenue

In the last meeting of the Finance Committee, questions were raised related to the Deferred Revenue entry on the Balance Sheet.

- Several conversations and research commenced for clarity. Deferred revenue represents when the revenue is earned. In February 2021, the Board approved the audit report outlining deferred revenue as recommended by our previous auditors. It represented revenue earned through Q3 2020 per the Validator reports that had been received.
- The current audit firm was of the opinion that the deferred revenue could be removed from the August, September, October financials because the stated funds had been earned and used. The financials were reissued and included in the materials.
- The current audit team will make a recommendation as to how and when to recognize revenue that has not yet been earned.
- If noted on the financials, deferred revenue will be entered on the June financial statements only
- The committee will develop a process to implement and govern challenges with audit recommendations. .

August, September, October Financial Statements

- A motion to approve the August, September, October financials was made by Michael Whaley with a second by Mary McDaniel. The financials were approved without objection.

Proposed F8M Staff Increases

- A motion to approve a 3% cost of living increase for F8M was made by Mary McDaniel with a second by Michael Whaley. The motion was approved without objection.
- A motion to approve one time staff bonuses up to 3% was made by Mary McDaniel with a second by Michael Whaley. The motion was approved without objection.

Next Memphis Grant Disbursement

- A motion to approve the disbursement of the NEXT Memphis Grant award in the amount of \$1 Million was made by Mary McDaniel. Michael Whaley seconded the motion. The motion was approved without objection.

Next Steps

- Continue conversations with the audit firm to gain clarity about deferred revenue
- The committee will develop policies to implement when challenges arise related to auditor recommendations that do not fully represent F8M books.
- Capture meeting minutes from the meetings with auditors.

The meeting was adjourned at 10:42 p.m.