

DRAFT



Hill View Montessori

Minutes

Finance Committee Meeting

Date and Time

Monday October 21, 2024 at 5:00 PM

Location

Remote Microsoft Teams

Committee Members Present

J. Landry (remote), P. Arnold (remote), V. Guzman (remote)

Committee Members Absent

L. Plourde, T. Salvi

Guests Present

E. Stasiowski (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

V. Guzman called a meeting of the Finance Committee of Hill View Montessori to order on Monday Oct 21, 2024 at 5:08 PM.

C. Approve Minutes

V. Guzman made a motion to approve the minutes from September 23, 2024.

J. Landry seconded the motion.

N/A

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

II. Financial Discussions

A. HVMCPS

- Revenue under budget on YTD basis, mostly due to timing on entitlement grants, private grants, and fundraising.
- Personnel Salaries - Trending higher than budget primarily due to turnover, where new hires are slightly higher than the budget, but at prorated months (started mid-Aug); There is also one additional building substitute vs budget and non-reoccurring summer projects.
- Employee benefits are expected to continue under budget, plan came in below budget.
- Supplies & Materials IT - Over budget due to unexpected IT upgrades and non-recurring license expense.
- Other admin expenses variability to budget are largely due to timing of expenses.
- Instructional expenses - Increased professional development - Timing variance to budget due to summer PD and tuition reimbursement. Offset with favorable contracted services expenses for Jul-Aug billings.
- Facility costs - Building maintenance over budget due to timing of summer projects. Insurance expense unfavorable due to billing timing.

Jeff: Is there a threshold that would trigger re-budget?

- Elizabeth: Most charter schools typically re-budget mid-year, especially when actual tuition is highly different from budget.
- Phil: Historically HVM does not re-budget, but expenses get moved around as needed.
- Veronica: We typically do a rolling forecast starting in December.

Jeff: Asked for Clarification on the fluctuation of personnel expenses vs budget.

- Phil: There is always high variability vs what is budgeted due to contract renewals/new hires/attrition.
- Elizabeth: Will work with Phil to add a contingency amount to the budget in the future to account for possible/foreseen fluctuations.

Building Asset/ Building Lease - As a result from the audit, the building asset will move to the Foundation. The school will establish a capital lease asset/liability as of 7/1/2024.

This does not impact the bottom line.

T-bills - \$1.21M is set to mature on 10/31/2024, the school will recognize the interest and reinvest.

Phil suggested a discussion on investing options for foundation cash in operating account as a good way to generate interest to pass on to the school.

Cash Flow

- Without ERTC funds, cash flow is very tight (roughly covers 5 weeks of expenses). It is very important we keep track of the school's cash burn and if needed, make adjustments to spending in order to maintain a sustainable cashflow. Based on Elizabeth's professional opinion, she believes FY24 tuition drop was a one-time occurrence in terms of above foundation rate spending adjustment (the Haverhill District confirmed the usage of all ESSER funds as of 6/30/2024), but there are other factors that could impact tuition rates (enrollment, politics, etc.).
- The entire board needs to revisit the ERTC funds and the designated usage. Veronica will request we discuss with the full board and possibly make an official vote to prevent future confusion.

B. HVM Foundation

- Not a lot of activity YTD.
- Employee luncheon event revenue and expenses were moved to "School Support" on the Income statement, per prior month feedback.
- Insource received feedback from Tara on balance sheet to remove the \$2,700 in AR and adjust the security deposit \$2,750. Also, there was a \$400 deposit made on the fundraiser back in June that does not appear to be in prepaid deposits on the balance sheet. Lastly, for October financials, there was a \$500 check for the deposit on a venue, both deposits should be reflected on the financials next month. Hilary was out of the office but will review and adjust per feedback.
- New Lease accounting to take effect on 7/1/2024, the building asset will move to foundation as a result of the audit.

III. Closing Items

A. Next Meeting

Finance Committee will meet on November 18, 2024 at 5pm via teams.

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:09 PM.

Respectfully Submitted,
V. Guzman

Documents used during the meeting

- Minutes BOT Finance Meeting September 23, 2024.pdf
- Hill View_Sept 2024_Financial Statements.xlsx
- FY25_HVMCPS_CashFlowForecast_9.30.24.xlsx