



Pioneer Valley Performing Arts Charter Public School

Finance Committee

Amended on December 9, 2021 at 4:37 PM EST

Date and Time

Wednesday December 1, 2021 at 5:00 PM EST

Location

PVPA
 Room 304 - Conference Room
 15 Mulligan Drive
 South Hadley, MA 01075

Google Meeting ID

meet.google.com/zkg-vctu-ikb

Phone Numbers

(US) [+1 240-532-3788](tel:+12405323788)

PIN: 783 984 031#

Agenda

| | Purpose | Presenter | Time |
|---|--------------------|---------------------|----------------|
| I. Opening Items | | | 5:00 PM |
| A. Record Attendance | | Marcy Conner | 2 m |
| B. Call the Meeting to Order | | Andrea Nathanson | 1 m |
| C. Approve Minutes | Approve Minutes | Andrea Nathanson | 7 m |
| Approve minutes for Finance Committee on November 3, 2021 | | | |
| II. Finance | | | 5:10 PM |
| A. FY21 Charter School End of Year Financial Report - Surplus Calculation | Discuss | Marcy Conner | 10 m |

| | Purpose | Presenter | Time |
|---|----------------|------------------|-------------|
| B. FY21 End of Year Reserves | Discuss | Marcy Conner | 10 m |
| C. Funding Head of School Search | Discuss | Marcy Conner | 25 m |

III. Other Business

IV. Closing Items

| | | | |
|---------------------------|------|---------------------|-----------------------|
| A. Adjourn Meeting | Vote | Andrea Nathanson | 5:55 PM 2 m |
|---------------------------|------|---------------------|-----------------------|

Coversheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee on November 3, 2021

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee

Date and Time

Wednesday November 3, 2021 at 5:00 PM

Location

PVPA
Room 304 - Conference Room
15 Mulligan Drive
South Hadley, MA 01075

Google Meeting ID

meet.google.com/zkg-vctu-ikb

Phone Numbers

(US) [+1 240-532-3788](tel:+12405323788)

PIN: 783 984 031#

Committee Members Present

Andrea Nathanson (remote), Elmo Wright (remote), Keith Black (remote), Neil Hede (remote), Stephanie Burbine (remote)

Committee Members Absent

Bob Hann

Guests Present

Brent Nielsen, Marcy Conner

I. Opening Items

A. Record Attendance

B.

Call the Meeting to Order

Andrea Nathanson called a meeting of the Finance Committee of Pioneer Valley Performing Arts Charter Public School to order on Wednesday Nov 3, 2021 at 5:02 PM.

C. Approve Minutes

Stephanie Burbine made a motion to approve the minutes from Finance Committee on 10-05-21.

Andrea Nathanson seconded the motion.

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

Roll Call

| | |
|-------------------|---------|
| Keith Black | Abstain |
| Neil Hede | Aye |
| Stephanie Burbine | Aye |
| Andrea Nathanson | Aye |
| Bob Hann | Absent |

II. Finance

A. FY22 P&L Budget Overview QTRE 9-30-21

This is a snapshot of the financial picture of PVPA for fiscal year 2022 as of September 30, 2021. At this point approximately a quarter of of the fiscal year has passed and this is the benchmark for the % of budget column. Any variance higher than 25% should be explained and in most cases is simply due to timing.

- Auxiliary Revenue 279.07% - this represents an increase in bus contracts as ridership on the buses has increased.
- Miscellaneous Revenue 212.56% - this was a refund that was issued on the 2020-21 yearbook.
- Educational Salaries, benefits and expenses are all below 25% due to school starting in late August/September - timing factor
- Administrative and Facilities expenses are more in line with the 25% as salaries star in July as well as some of the annual memberships that the school pays and utilities/maintenance/repair.

During the first quarter it is hard to show budget vs actual performance as there is not much data; the bottom line looks very good but is also not a clear enough picture especially in terms of tuition funding. It has even been hard to look backward to compare to previous years because of the changes that COVID brought to the school operations.

B. FY22 Grant Allocations

An overview of the grant funding and process was discussed. Grants require a well thought out application and approval prior to any spending and spending can only take place after approval is granted. Grants are generally subject to reimbursement after expenditure, for this reason, the grant revenue and expense lines in the P&L Statement should be net zero at the end of the year.

The Federal entitlement grants are awarded based on formulas and are received annually. FY22 is the first year that PVPA will be a School Wide Title I Program vs a Targeted Assistance Program based on the number of low income students we serve. This designation will allow us to serve more students with Title I funding.

The allocations for FY22 are slightly down from FY21. The FY22 grant budget was level funded based on the FY21 allocation amounts. The overall effect on the PVPA FY22 budget is approximately -\$7,200. FY22 is the first year for the IDEA 252 grant and yields a \$22,618 unbudgeted increase in grants.

PVPA has received one state grant for the summer school program that was held in July 2021.

There are currently two COVID-19 related grants: ESSE II and ESSER III. Both of these grants are designed to help schools re-open and help mitigate the loss of learning that students experienced over the last year and a half. ESSER II has an end date of June 30, 2022 and the ESSER III funds expire on June 30, 2024. The Administration sought out feedback from all stakeholders in developing the plan for the funds that include additional staffing for student educational and emotional supports, supplies and implementation of practices to continue to mitigate the effects of COVID as we return to in person learning and technology.

The overall grant funds available are approximately \$1.3 million.

C. Audit Engagement Letter FY22 to FY24

FY21 marked the last year of the three year audit engagement letter with Powers & Sullivan. P&S presented a new engagement letter covering FY22 - FY24. The increase for auditing services is \$3,000 and for filing the Friends tax returns is \$1,000. There is no immediate reason to change auditors and there are benefits of staying with the same firm, PVPA does not intend to go out to bid and will accept the engagement letter. Further discussion should take place around setting a time limit on engagements with the same firm.

III. Other Business

A. Committee Membership

Bob Hahn has left the Committee and was thanked for his service to PVPA. A request will be made to the Board of Trustees for assistance with recruiting new members.

The new meeting time will work for the next couple of months and will be re-evaluated and discussed in December.

IV. Closing Items

A. Adjourn Meeting

Keith Black made a motion to adjourn.
Stephanie Burbine seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

| | |
|-------------------|--------|
| Bob Hann | Absent |
| Keith Black | Aye |
| Neil Hede | Aye |
| Stephanie Burbine | Aye |
| Andrea Nathanson | Aye |

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:50 PM.

Respectfully Submitted,
Marcy Conner

Documents used during the meeting

- P& L Budget Overview 1st QTRE 9-30-21.pdf
- FY22 Grants 10-27-21.pdf

Coversheet

FY21 Charter School End of Year Financial Report - Surplus Calcuation

Section: II. Finance
Item: A. FY21 Charter School End of Year Financial Report - Surplus
Calcuation
Purpose: Discuss
Submitted by:
Related Material:
FY21CSEOYFR_Surplus Calculation Page.pdf
Commonwealth Charter Schools Excess Surplus Report for Fiscal Year 2020 -
Massachusetts Charter Schools.pdf

AME: Pioneer Valley Performing Arts Charter Public School LEA: 479

**Surplus Tuition, 20% Excess Carryover
For the Year Ended June 30, 2021**

| Line | Comments and Notes | | Total | Line |
|--|---|---|--------------|---------------------|
| 1 | Cumulative surplus/(deficit) beginning of year | Actual carryover from prior year (Prepopulated from published FY20 Excess Surplus report) Click here for published Excess Surplus Report | 36,160.00 | 1 |
| 2 | Change in net assets | Obtained from the statement of revenue, expense and changes in net assets (from Line 34 from INC) | 578,299 | 2 |
| | Subtotal | | 614,459 | |
| | Less: | | | |
| 3 | Contributions (unrestricted) | Obtained from the statement of revenue, expenses and change in net assets (Income tab). Includes Grants - Private (unrestricted) [line 5b], Contributions, from Component Unit (unrestricted) [line 14b] and Contributions / Fundraising (unrestricted) [line 15b]. | 1,842 | 3 |
| 4 | Interest/Investment Income (unrestricted) | Obtained from the statement of revenue, expenses and change in net assets (Income tab). Includes Interest / Investment Income (unrestricted) [line 16a]. | 3,928 | 4 |
| 5 | Principal payments on debt | Per statement of cash flows (capital expenses, debts payments and reserves) | | 5 |
| 6 | Capital expenses, less related debt/reserve funds | Per statement of cash flows (capital expenses, debts payments and reserves) | 96847 | 6 |
| 7 | Current deposits to reserve funds for capital projects | Per bank statements for reserve account | 15000 | 7 |
| 8 | Current deposits to reserve funds held as security for debt | Amount transferred into separate reserve account and approved by board of Trustees | | 8 |
| 9 | Other (Non-operating activity) | Non operating activity | 11370 | 9 |
| | Subtotal of adjustment | | 128,987 | |
| | Adjusted subtotal | | 485,473 | |
| | Plus: | | | |
| 10 | Development (Private) | Private development expenses | | 10 |
| 11 | Depreciation (on assets obtained Fiscal Year 2011 forward) | Depreciation applicable to fixed assets purchases after July 1, 2010 | 110,823 | 11 |
| 12 | Other non-operating activity | Non operating activity | | 12 |
| | Subtotal of fundraising, dep, other | | 110,823 | |
| | Total Surplus | Calculated (Surplus to be carried forward) | 596,296 | (A) |
| 13 | 25% of actual tuition payment for current year | Obtained from ESE charter school tuition payments published on or around June 15th (from Line 1 from INC) | 1,532,806 | 13 |
| 14 | 20% of projected tuition for following year | Obtained from ESE charter school tuition payments published on or around April 1st. | 1,300,176.40 | 14 |
| 15 | 20% budgeted expenditures from capital projects reserve fund for the following year | Obtained from capital plan approved by ESE via Annual Report | 154,400.00 | 15 |
| Excerpt appropriate information from board approved Capital Plan reported in FY21 Annual Report below. Please explain if Capital Plan has changed since Annual Report submission. | | | | |
| Capital Plan for FY22 | | | | |
| <p>During the summer of 2010, PVPA Charter Public School embarked on the creation of replacement schedules for significant technology and theatrical equipment. In addition, PVPA worked with the Nonprofit Finance Fund to develop a 20-year Systems Replacement Plan that forecasts the necessary replacement of specific systems and equipment, presuming ongoing routine maintenance. Building equipment and components are grouped into major categories, i.e. heating, air conditioning, ventilation, plumbing, and roof systems. The costs and useful-life expectancy of systems are based on data provided by building contractors, vendors, and published cost estimates. Items with relatively short useful lives may need to be replaced more than once during the 20-year period. Projected replacement costs are adjusted for inflation at a 4% annual rate. Many of these projects have been completed, are in process and on-going or slated for a future time frame.</p> | | | | |
| 16 | Allowable carryover | Allowable carryover | 2,987,382 | (B) 16 |
| 17 | Excess surplus | Excess surplus | (2,391,086) | (A) - (B) 17 |
| 18 | Actual carryover to next FY | Actual carryover to next FY | 596,295.91 | 18 |



[Massachusetts Charter Schools](#)

Commonwealth Charter Schools Excess Surplus Report for Fiscal Year 2020

To: School Committees and Boards of Selectmen or City Councils of Districts Sending Students to Commonwealth Charter Schools

From: Alison Bagg, Director of Charter Schools and School Redesign

Date: December 23, 2020

The Achievement Gap legislation (St. 2010, c. 12) contained a number of changes to the charter school statute, including a new requirement that Commonwealth charter schools return excess tuition payments to the sending districts ([M.G.L. Chapter 71, Section 89\(hh\)](#)). This requirement was implemented on July 1, 2010, the start of fiscal year 2011. At the end of each fiscal year, each school is required to submit a supplemental schedule calculating the amount of any excess surplus. Data on this schedule derives from the charter school's End of Year Financial Report (CSEOYFR) and is reviewed by the Department for accuracy. The summary tables found at [FY2020 Commonwealth Charter Schools Excess Surplus Report](#)  contain the amounts described in the statute that the Commissioner has certified for fiscal year 2020.

Here is an explanation of the columns on the summary charts:

1. **Surplus carryover:** The actual carryover amount from the prior year's surplus calculation appears in this column.
2. **Change in net assets:** This column shows the change in net assets as reported on the school's audited Statement of Revenue, Expenses and Changes in Net Assets.
3. **Adjustments to change in net assets:** Adjustments to the change in net assets are made for non-tuition revenue sources (such as fundraising); principal payments on debt; capital expenses; depreciation; and transfers to reserve funds.
4. **Cumulative (total) surplus:** The cumulative (total) surplus as of the end of the fiscal year is defined as the carryover from the prior fiscal year plus the change in net assets for the current year, net of adjustments.
5. **Allowable carryover:** The statute permits charter schools to retain a reasonable surplus as working capital for the upcoming fiscal year. The amount of the allowable surplus carryover is equal to 25 percent of the prior year's tuition payments plus 20 percent of the budgeted operating and capital expenses for the upcoming year.
6. **Excess surplus:** Any cumulative surplus in excess of the allowable carryover must be returned to the sending districts.
7. **Actual carryover:** This column shows the amount to be carried over to the following fiscal year, to become the starting point of the new year's surplus calculation. The actual carryover amount is either the year-end cumulative surplus or the allowable carryover, whichever is less (but not less than zero).

For surplus calculations for this fiscal year and subsequent years, a vote of the board of trustees of a charter school is required to designate funds to be held in reserve for the purchase or renovation of an academic facility pursuant to a capital plan. Capital plans must be submitted as part of the charter school's annual report, and amounts transferred into reserve accounts for capital projects are reported as an adjustment in the surplus tuition calculation. Please note the surplus calculation is subject to compliance testing procedures as outlined in section 1012 of the [Charter School Audit Guide](#) . For further information, please contact [✉ Joanna Laghetto](#) (781-338-3221) or [✉ James](#)

[DiMaio](#) (781-338-3228).

Last Updated: May 13, 2021

Coversheet

FY21 End of Year Reserves

Section: II. Finance
Item: B. FY21 End of Year Reserves
Purpose: Discuss
Submitted by:
Related Material: FY21 Cash Reserves 5 Year History.pdf

**Pioneer Valley Performing Arts Charter Public School
Reserves - Cash**

| | <u>2021</u> | <u>2020</u> | <u>2019***</u> | <u>2018</u> | <u>2017</u> |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cash, per Balance Sheet at June 30 | 2,547,150 | 2,223,230 | 1,905,644 | 2,121,008 | 2,181,212 |
| Operating expenses for 3 months | <u>(1,500,000)</u> | <u>(1,500,000)</u> | <u>(1,500,000)</u> | <u>(1,500,000)</u> | <u>(1,500,000)</u> |
| Balance | 1,047,150 | 723,230 | 405,644 | 621,008 | 681,212 |

*** DESE late with 6/30 payment. Received \$321,022 in July

Coversheet

Funding Head of School Search

Section: II. Finance
Item: C. Funding Head of School Search
Purpose: Discuss
Submitted by:
Related Material: FY22 Budget Revision Options.pdf

**PVPA
Options for Budget Revision
12/1/21**

OPTION 1

| Expense | <u>Jul '21 - Jun 22</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|-------------------------|---------------|-----------------------|--------------------|
| 5220000 · Departmental Expense | | | | |
| Total 5220000 · Departmental Expense | 8,466.26 | 42,220.00 | -33,753.74 | 20.05% |
| Field trips \$700 x10 departments | | -7,000.00 | | |
| 5300600 · Administrative | | | | |
| 5300500 · Salaries | | | | |
| 5300534 · Student Services | 34,980.21 | 85,281.10 | -50,300.89 | 41.02% |
| Vacant RJ Coord | | -11,000.00 | | |
| 5300580 · Workers' Compensation Insurance | 14,016.16 | 34,537.44 | -20,521.28 | 40.58% |
| FY22 Policy \$29,000 | | -5,000.00 | | |
| 5320600 · Board of Trustees Expense | | | | |
| 5320673 · Legal | 4,691.00 | 30,000.00 | -25,309.00 | 15.64% |
| Reduction in Use | | -10,000.00 | | |
| 5610000 · Food Service | | | | |
| 5610875 · Hot Lunch Program-South Hadley | 0.00 | 8,000.00 | -8,000.00 | 0.0% |
| FY22 No charge - all students free | | -8,000.00 | | |
| Total Reallocation | | -41,000.00 | | |
| Budget Increase | | | | |
| 5320600 · Board of Trustees Expense | | | | |
| 5320615-Consultants | | 41,000.00 | | |
| Net Effect on Budget | | 0.00 | | |

OPTION 2

| | <u>FY22 Budget</u> | <u>FY22 Revised Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|--------------------|----------------------------|-----------------------|--------------------|
| 5320600 · Board of Trustees Expense | | | | |
| 5320615 · Consultants | 12,000.00 | 12,000.00 | 0.00 | 100.0% |
| Increase expenditure | | 41,000.00 | | |
| Total 5320600 · Board of Trustees Expense | 12,000.00 | 53,000.00 | -41,000.00 | 22.64% |
| Total Expense | 7,028,321.00 | 7,069,321.00 | -41,000.00 | 99.42% |
| Net Ordinary Income | 1,395.00 | -39,605.00 | 41,000.00 | -3.52% |
| Net Income | 1,395.00 | -39,605.00 | 41,000.00 | -3.52% |
| Retained Earnings | | 41,000.00 | | |
| Net Budget | 1,395.00 | 1,395.00 | 0.00 | 100.0% |