

APPROVED



# Pioneer Valley Performing Arts Charter Public School

## Minutes

### Finance Committee

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#### Date and Time

Wednesday December 1, 2021 at 5:00 PM

#### Location

PVPA

Room 304 - Conference Room

15 Mulligan Drive

South Hadley, MA 01075

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Google Meeting ID

[meet.google.com/zkg-vctu-ikb](https://meet.google.com/zkg-vctu-ikb)

Phone Numbers

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

PIN: 783 984 031#

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#### Committee Members Present

Andrea Nathanson (remote), Neil Hede (remote), Stephanie Burbine (remote)

#### Committee Members Absent

Janice Pamphile, Keith Black

#### Guests Present

Brent Nielsen, Marcy Conner

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#### 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 Dec 1, 2021 at 5:11 PM.

**C. Approve Minutes**

Neil Hede made a motion to approve the minutes from Finance Committee on 11-03-21.

Andrea Nathanson seconded the motion.

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

**Roll Call**

Andrea Nathanson	Aye
Keith Black	Absent
Janice Pamphile	Absent
Stephanie Burbine	Abstain
Neil Hede	Aye

**II. Finance**

**A. FY21 Charter School End of Year Financial Report - Surplus Calculation**

The Committee reviewed the Surplus Calculation page from the FY21 End of Year Financial Report that was submitted to DESE on November 30, 2021. The law that instituted the surplus calculation was implemented in July 2010 - to date no charter school has been required to return funds. It is important to monitor the calculation so that the amount carried forward from year to year does not build and over time put PVPA at risk of having to return tuition dollars. Per the request of the Committee, attached to the minutes is an explanation on how to read the surplus calculation form.

**B. FY21 End of Year Reserves**

A five year review of cash reserves was discussed. The cash balance as of June 30th, a liquid asset, is reflected here and not the fiscal year change in net assets or net annual income. Approximately \$323,xxx was added to our cash balance. Marcy reviewed the operating expenses to see if the hold back for three months of operating expenses needed to be adjusted (costs over the years have increased) and reported that \$1.5 million is still a comfortable amount. Having this amount is vital to being able to meet the schools obligations in the event that tuition funds are not distributed on a monthly basis by the state - which could very well have occurred during the COVID shut down.

**C. Funding Head of School Search**

The Finance Committee was asked by the Board of Trustees to evaluate whether the school could incur an unbudgeted amount of \$30,000 or more for the Head of School

search. Two options were presented for discussion on how the FY21 budget may be amended to accommodate the expenditure. The first option reflected some areas of the budget where the projected numbers are not being spent as predicted - these shifts could gain \$41,000 that could be reallocated to the Board of Trustees expenditure lines. The second option was to pull the needed funds from the FY21 retained earnings - this option would require a revision to the budget where we would be budgeting for a loss in FY22. Caution is recommended with this option as PVPA and the Friends are required to meet the debt covenant on the mortgage. The current calculation shows that a combined loss of \$95,000 - \$100,000 would keep us in compliance. The major risk here is that we have not seen the adjustments to FY22 tuition for changes in the above foundation rates - these changes could very well mean that a loss (maybe substantial) is possible. Updated tuition numbers (based on student demographics and the first adjustment in above foundation numbers) will be published by DESE around December 23rd.

Overall the Committee agreed to communicate to Board that \$30,000 for the Head of School search was a reasonable request. Work will be done in January to decide how the Committee will choose to fund the expenditure.

### III. Closing Items

#### A. Adjourn Meeting

Neil Hede made a motion to adjourn.

Stephanie Burbine seconded the motion.

Next meeting scheduled for January 5, 2022 at 5:00pm.

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

#### Roll Call

Keith Black            Absent

Andrea Nathanson   Aye

Stephanie Burbine   Aye

Neil Hede             Aye

Janice Pamphile     Absent

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:02 PM.

Respectfully Submitted,

Marcy Conner

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### Documents used during the meeting

- FY21CSEOYFR\_Surplus Calculation Page.pdf
- Commonwealth Charter Schools Excess Surplus Report for Fiscal Year 2020 - Massachusetts Charter Schools.pdf

- FY21 Cash Reserves 5 Year History.pdf
- FY22 Budget Revision Options.pdf