



MCCPS Board of Trustees

Finance Committee Meeting

Published on December 8, 2022 at 3:10 PM EST

Date and Time

Friday December 16, 2022 at 8:00 AM EST

Location

At school - 17 Lime Street, Marblehead, MA 01945

For Remote Participants - Quorum must be present in person

Join Zoom Meeting

<https://zoom.us/j/99625637131?pwd=cWdFODd1b2FvZ3dEOXVtbDZhNHRJUT09>

Meeting ID: 996 2563 7131

Passcode: MCCPSfinco

Please note that the in-person meeting will not be suspended or terminated if technological problems interrupt the remote connection.

Agenda

	Purpose	Presenter	Time
I. Opening Items			8:00 AM
A. Record Attendance			1 m
B. Call the Meeting to Order			
C. Approve Minutes	Approve Minutes	Rodolphe Herve	2 m

	Purpose	Presenter	Time
Approve minutes for Finance Committee Monthly Meeting on November 22, 2022			
D. New Finance Committee Member appointment	Vote	Rodolphe Herve	10 m
Introduction to Molly Teets, who is interested in joining the MCCPS Finance Committee. Bio attached			
II. Financial Statements Discussion			8:13 AM
A. Committee review of Previous Month's Financial Statements	Discuss	Jeff Barry	30 m
III. Other Business			
IV. Closing Items			
A. Adjourn Meeting	Vote		

Coversheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee Monthly Meeting on November 22, 2022



MCCPS Board of Trustees

Minutes

Finance Committee Monthly Meeting

Date and Time

Tuesday November 22, 2022 at 8:00 AM

Location

At school - 17 Lime Street, Marblehead, MA 01945

For Remote Participants - Quorum must be present in person

Join Zoom Meeting

<https://zoom.us/j/99625637131?pwd=cWdFODd1b2FvZ3dEOXVtbDZhNHRJUT09>

Meeting ID: 996 2563 7131

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Committee Members Present

Artie Sullivan (remote), Jeff Barry, Julie Santosus, Karl Smith, Peter Cohen, Rodolphe Herve

Committee Members Absent

Andrea Barlow, Sara Pouladian, Tim Wadlow

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

Rodolphe Herve called a meeting of the Finance Committee of MCCPS Board of Trustees to order on Tuesday Nov 22, 2022 at 8:03 AM.

C. Approve Minutes

Jeff Barry made a motion to approve the minutes from Finance Committee Monthly Meeting on 10-21-22.

Karl Smith seconded the motion.

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

Roll Call

Jeff Barry	Aye
Artie Sullivan	Aye
Andrea Barlow	Absent
Peter Cohen	Aye
Karl Smith	Aye
Rodolphe Herve	Aye
Tim Wadlow	Absent
Sara Pouladian	Absent
Julie Santosus	Aye

II. Financial Statements Discussion

A. Committee review of Previous Month's Financial Statements

The discussion tracked with the notes and financials provided in the agenda and meeting packet. Topics of note included:

- Positive meeting with our bank. They acknowledged that we met our mortgage covenants for the past financial year, and indicate interest in working with MCCPS for any expansion.
Discussions about the mortgage rate situation remained high-level given that our current interest rate is locked until Aug 2024
- Enrollment is at 224 (in line with budget assumption) due to attrition of 1 student following a family move. A handful of new students may be joining after Exhibition in December
- Since we shared the notes in the meeting packet, DESE has now started to repay the school for meal expenses. There are caps for each lunch and breakfast but this will make a noticeable difference in the numbers going forward
- Schoolspring expense of \$2k this month (platform to advertise teacher positions and receive candidacies)
- Continued discussion about the setup of a Capital Expense fund. Expenses in that fund need to be tied to the Capital Plan that is published by the school as part of its Annual Report in August.

- Appreciation bonuses ratified by the Board were paid in November and will show in November numbers.

III. Other Business

A. Architect proposals discussion

Ebbrell Design presented their pitch to the Facilities Taskforce, which viewed their proposal very favorably due to thoroughness of the pitch, competitive cost and all-female ownership of the design firm.

The taskforce voted to send the proposal to the Finance Committee for review and approval before being sent to the Board for ultimate discussion at the upcoming Board Meeting.

Karl Smith made a motion to approve the selection of Ebbrell Design for app. \$36K, and completion of the work as presented in their scope proposal, contingent upon further diligence of the vendor.

Julie Santosus seconded the motion.

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

Roll Call

Jeff Barry	Aye
Rodolphe Herve	Aye
Sara Pouladian	Absent
Artie Sullivan	Abstain
Andrea Barlow	Absent
Peter Cohen	Aye
Julie Santosus	Aye
Karl Smith	Aye
Tim Wadlow	Absent

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:00 AM.

Respectfully Submitted,
Rodolphe Herve

Documents used during the meeting

- FinCom notes Oct 22.pdf

- MCCPS-Oct-2022-Financial Statements v1.xlsx

Coversheet

New Finance Committee Member appointment

Section: I. Opening Items
Item: D. New Finance Committee Member appointment
Purpose: Vote
Submitted by:
Related Material: Biography Molly Teets.pdf

In Molly's own words:

- My twin sons, Ben and Andrew, are currently 4th graders at Charter, and our family has lived in Marblehead for the last seven years since we moved here from Manhattan.
- Prior to moving to Marblehead, I had 15 years of finance and investment experience in investment banking, private equity and most recently at an equity hedge fund based in Manhattan.
- In terms of my academic background, I have an MBA from the Kellogg School of Management at Northwestern University with concentrations in Finance, Accounting and Management & Strategy and a BA in Journalism with a minor in Business from the University of North Carolina at Chapel Hill
- I am currently serving as a member of the Finance Committee for the town of Marblehead, and prior to joining the Charter PTO as Treasurer, I served as Co-Treasurer of the Brown School PTO in Marblehead.

Coversheet

Committee review of Previous Month's Financial Statements

Section: II. Financial Statements Discussion
Item: A. Committee review of Previous Month's Financial Statements
Purpose: Discuss
Submitted by:
Related Material: FinCom notes Nov 22.pdf
MCCPS-Nov-2022-Financial Statements v1.xlsx

FinCom notes November 2022

The current student population is 223

Revenue

The November check from the Commonwealth was \$338,209.

We transferred \$15,245 in Student Success Fund payments from the MCEF into the Operating account

As previously mentioned the Commonwealth retroactively started reimbursing for student breakfast & lunch under their new plan

Grant revenue has started to come in

Expenses

The Cost of Living stipend was paid out - \$35,250 in total

We made the second of three payments to Endicott for our two Fellows

In Maintenance we had to pay for repairs to the bathroom pump in the back part of the building which has become a challenge (though better since the repairs)

The Student Success Fund paid for

- A presentation/workshop for 5th grade by Salem Sound
- A presentation/workshop by artist Giles Laroche for the 6th grade tiny house project
- The school's entry fee for the 2023 Scripps National Spelling Bee

We spent \$1,155 on the event at The Beacon while the PTO covered \$435 in related expenses

Misc.

Work continues on updates to the FY23 budget. I recently submitted an amendment to the 3rd Covid-era grant that will now cover the expense for a new behavior management software* as well as some new, targeted professional development. We are still trying to figure out some pending maternity coverage issues. *This is new and will be added to the previously shared school software/license summary.

Included are some details on the surplus issues we have been discussing.

This data comes from a document called the Charter School End of Year Financial Report (CSEOYFR) and is due to the state every November 1st. There are several purposes for this second annual financial report: it breaks down expenses by class (incl regular vs special ed) much like our All Classes report, it asks details about the audit (provided) and does this surplus calculation.

Line 1 is the Actual Carryover from the prior year

Line 13, 14 & 15 total the Allowable Carryover

Line 18 is the next Actual Carryover

Line 15: "20% budgeted expenditures from **capital projects reserve fund** for the following year"

NAME: **Marblehead Community Charter Public School**

LEA: **454**

**Surplus Tuition, 20% Excess Carryover
For the Year Ended June 30, 2022**

Line		Comments and Notes	Total	Line
1	Cumulative surplus/(deficit) beginning of year	Actual carryover from prior year (Prepopulated from published FY21 Excess Surplus report) Click here for published Excess Surplus Report	449,921.75	1
2	Change in net assets	Obtained from the statement of revenue, expense and changes in net assets (from Line 34 from INC)	613,018	2
	Subtotal		1,062,940	
	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).	79,762	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).	300	4
5	Principal payments on debt	Per statement of cash flows (capital expenses, debts payments and reserves)	105,489	5
6	Capital expenses, less related debt/reserve funds	Per statement of cash flows (capital expenses, debts payments and reserves)	48,381	6
7	Current deposits to reserve funds for capital projects	Per bank statements for reserve account		7
8	Current deposits to reserve funds held as security for debt	Amount transferred into separate reserve account and approved by board of Trustees	3,007.1	8
9	Other (Non-operating activity)	Non operating activity	264,003	9
	Subtotal of adjusting		798,937	
	Adjusted subtotal			
	Plus:			
10	Development (Private)	Private development expenses	30,130	10
11	Depreciation (on assets obtained Fiscal Year 2011 forward)	Depreciation applicable to fixed assets purchases after July 1, 2010	102,013	11
12	Other non-operating activity	Non operating activity	132,143	12
	Subtotal of fundraising, depreciation, other			
	Total Surplus	Calculated (Surplus to be carried forward)	931,080	(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)	935,172	13
14	20% of projected tuition for following year	Obtained from ESE charter school tuition payments published on or around April 1st.	811,702.60	14
15	20% budgeted expenditures from capital projects reserve fund for the following year	Obtained from capital plan approved by ESE via Annual Report		15
Excerpt appropriate information from board approved Capital Plan reported in FY22 Annual Report below. Please explain if Capital Plan has changed since Annual Report submission.				
PLEASE DO NOT FORGET TO FILL OUT THIS SECTION				
16	Allowable carryover	Allowable carryover	1,746,874	(B)
17	Excess surplus	Excess surplus	(815,794)	(A) - (B)
18	Actual carryover to next FY	Actual carryover to next FY	931,079.88	

NAME: Marplehead Community Charter Public School

Audit Questionnaire
For the Year Ended June 30, 2022

LEA: 464

Line	Question	Comments and Notes	Please Select	Line
1	Is the charter school submitting a full audit or a financial review?	All schools should be submitting a full audit except for new schools that receive approval from ESE to submit a financial review.	Audit	1
2	Did the FY22 audit include an unmodified opinion?	Found in the <i>Independent Auditor's Report</i> (located near the beginning of the audit package after the Management Discussion and Analysis). An unmodified opinion may not be explicitly stated but is often expressed by a phrase to the effect of "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ABC Charter School."	Yes	2
	If no, please explain (provide any basis for a modified opinion or a disclaimer of opinion):			
3	Was it issued in accordance with Uniform Guidance?	Uniform Guidance should be submitted if a charter school expends more than \$750,000 in federal funds. (See Audit Guide).	N/A	3
4	Does it include Report on Compliance and on Internal Control over Financial Reporting that was issued in accordance with Government Auditing Standards?	Typically found toward the end of the Audit Report.	Yes	4
5	Does it include Schedule of Audit Findings and Questioned Costs, if applicable?	Typically found toward the end of the Audit Report.	N/A	5
6	Is it free of findings of Material Weakness?	Identified in the Report on Compliance and on Internal Control over Financial Reporting and Itemized in the Schedule of Audit Findings and Questioned Costs.	Yes	6
7	Is it free of findings of Significant Deficiency?	Identified in the Report on Compliance and on Internal Control over Financial Reporting and Itemized in the Schedule of Audit Findings and Questioned Costs.	Yes	7
8	Is it free of instances of Noncompliance under GAS?	Identified in the Report on Compliance and on Internal Control over Financial Reporting and Itemized in the Schedule of Audit Findings and Questioned Costs.	Yes	8
9	Is it free of Questioned Costs?	Identified in the Report on Compliance and on Internal Control over Financial Reporting and Itemized in the Schedule of Audit Findings and Questioned Costs.	Yes	9
10	Were Prior Findings and Questioned Costs remedied, if applicable?	Found in Schedule of Prior Audit Findings and Questioned Costs.	N/A	10
11	Does the audit report include Corrective Action Plan(s), if applicable?	Outlined in the Schedule of Audit Findings and Questioned Costs.	N/A	11
12	Was a Management Letter issued by the auditor?	Most often issued under separate cover addressed to Board of Trustees (See Section 813 in the Audit Guide).	Yes	12

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

MCCPS-Nov-2022-Financial Statements v1.xlsx