

APPROVED



Pioneer Valley Performing Arts Charter Public School

Minutes

Finance Committee

Date and Time

Tuesday October 2, 2018 at 8:30 AM

Location

Room 304, 15 Mulligan Dr., South Hadley, MA 01705

Committee Members Present

Bob Hann, Deborah Jacobson, Keith Black, Marc Kenen, Marcy Conner, Owen Sordillo, Stephanie Burbine

Committee Members Absent

None

Committee Members Arrived Late

Deborah Jacobson

Guests Present

Patrick Leary, Puja Karki, Sharon Blajowski

I. Opening Items

A. Record Attendance and Guests

The guests present are with the firm The MP Group, formerly Moriarty and Primack.

B. Call the Meeting to Order

Marcy Conner called a meeting of the Finance committee of Pioneer Valley Performing Arts Charter Public School to order on Tuesday Oct 2, 2018 @ 8:35 AM at Room 304, 15 Mulligan Dr., South Hadley, MA 01705.

Meeting was held in room 304.

C. Approve Minutes

Keith Black made a motion to Approve minutes for 5-29-18 meeting.

Bob Hann seconded the motion.

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

Deborah Jacobson arrived late.

II. Finance

A. FY18 Audit Presentation by The MP Group

Sharon Blazejowski, with the MP Group, review the draft audited financial statements for fiscal year ending June 30, 2018. During the annual audit it is the responsibility of the auditors to conduct the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The MP Group, upon completion of the FY18 audit, has determined that there are no uncorrected misstatements or audit findings.

This overview was shared:

Pages 1 - 3

Contain the overall audit report and opinion of the auditors. There auditors have declared an unmodified opinion, which simply means that there were no findings.

Pages 4 - 8

Management discussion of the overall financial picture for the fiscal year. The Management Discussion is prepared by management with consultation and review provided by the audits.

Page 9

Balance Sheet - there was an overall decrease from FY17 to FY18 in total assets, which is attributable to depreciation. There was a decrease in total liabilities. The unrestricted net position was approximately \$1.8 million, which is the total of the net reserves.

Page 10 - 11

Income Statement - there was an increase from FY17 to FY18 in revenue which was attributed directly to an increase in tuition. Expenses increased approximately \$324,000 due to increases in staffing, legal fees, production costs and services to students. The change in net positions reflected a -\$2,493, or close to break even, whereas in FY17 there was an increase of \$19,129. The overall operating deficit totaled approximately \$40,825.

Page 12

Statement of Cash Flows - there was an overall decrease in net cash of -\$14,345 vs an increase in FY17 of \$153,131.

Page 13

Statement of Cash Flows for The Friends of PVPA - shows an increase in cash for the year.

Page 14 - 24

These pages contain notes made by the auditors in regards to structure and compliance issues:

1. Nature of Organization
2. Accounting policies
3. Deposits with financial institutions
4. Grants and other receivables
5. Capital Assets - PVPA and Friends combined
6. A/P and Accrued Expenses
7. Line of Credit
8. Lease between PVPA and Friends
9. Debt Covenant - in compliance.
10. Retirement plan - information provided by MTRS
11. On Behalf Payments
12. Contingency
13. Related transactions
14. Concentration of revenue - 95% from Department of Revenue
15. Reclass
16. Subsequent Events - pertaining to possible litigation - none.
17. Cash Flows

Pages 25 - 26

Auditors Report - governmental audits are required to test for controls - there were no findings

Page 27

Board of Trustees - acceptance letter

Question and Answer Session:

Page 24, Note 10 - PVPA's share of MTRS = \$10,132,494. The MTRS reports on PVPA's share of the pension liability. Note 11 goes on to discuss the actual revenue and expense that MTRS incurred on behalf of PVPA. These entries must be reflected on PVPA's financials according to government standards.

Page 10- how many months of operating expenses should PVPA be holding in reserve? The general recommendation was four months but more formal information will be shared with Marcy and Marc.

The Board of Trustees approved copy of the audited financial statements is due to DESE by November 1, 2018.

Deborah Jacobson made a motion to Recommend that the Board of trustees accept the audited statements for Fiscal year ending June 30, 2018.

Keith Black seconded the motion.

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

III. Closing Items

A. Adjourn Meeting

Keith Black made a motion to adjourn the meeting.

Bob Hann seconded the motion.

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

Adjourned at 9:35.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:35 AM.

Respectfully Submitted,

Marcy Conner