

**PVPA Charter Public School
Finance Committee
Minutes: May 29, 2018**

Members Present: Charlie Heath, Deb Jacobson, Bob Hann, Keith Black and Stephanie Burbine

Members Absent: Owen Sordillo

Staff Present: Paul Wright, Marc Kenen and Marcy Conner

*Keith Black and Paul Wright left at 9:40am.

Meeting called to order at 8:36 a.m. in room 410.

Approval of Minutes:

May 15 2018 minutes.

- ❖ Motion to approve as amended – Deb Jacobson
- ❖ Second – Charlie Heath
- ❖ Approved – vote count – 3 Yes – 0 No - 2 Abstention

Old Business

FY 19 Budget

This meeting is a continued discussion of the items from May 15, 2018 meeting concerning presenting a balanced budget to the Board of Trustees. Marcy was able to follow up with some advice from the auditors in regards to removing the depreciation from the budget. There is no way to pull the expense out of the operating expenses at year end and the concerns over having a negative net income for the year are not concerning given PVPA's net position at June 30, 2017. The committee had significant concerns over what long term unintended consequences this may create, especially a decrease in the overall net position of the school for FY19.

Another note of concern was the \$50,000 revenue line for projected new activities in fundraising. There were questions about this being a realistic picture of what may be possible for FY19. Fundraising has been non-existent since the capital campaign for the new theater. If an annual appeal letter is all that can be accomplished this year, that is an improvement! Marc presented that he is hopeful that we will be able to create an alumni base and there are plans for an alumni event in June 2019.

The net result of leaving out the \$95,000 depreciation expense and removing the \$50,000 fundraising is a \$145,000 deficit budget.

At this point, the options to consider moving forward are to go forward with the accounting changes in regards to depreciation, cut more out of the current version or vote to present a deficit budget to the Board of Trustees.

It was agreed that there are little options for further cuts in the current version of the budget without affecting services to students or our commitments to staff. There remained a fair amount of confidence that the net at the end of FY18 coupled with the actual increase in tuition for FY19 would cover a loss in budgeting. It seems like a more realistic picture to leave the depreciation expense within the budget, it lends to a truer picture of operations. It was decided to leave the fundraising line item and the depreciation in the budget and present a deficit budget of \$89,309.66 to the Board of Trustees.

- ❖ Motion to approve recommendation to present the FY19 budget to the Board of Trustees with a deficit – Deb Jacobson
- ❖ Second – Stephanie Burbine
- ❖ Approved – vote count – 4 Yes – 0 No – 0 Abstentions

FY 19 Capital Budget

The Committee had previously approved a capital budget that included the approval for \$35,000 in FY18 for a Card Access System and a VoIP Telephone system and \$94,500 for FY19. The bidding process for FY18 resulted in a failed search and it was requested that the \$35,000 be moved to FY19 and be increased by \$20,000 for the VoIP System. There was also considerable input from staff over the \$55,000 approved for building renovations on the first and second floor which has led the Board of Trustees to consider the implementation of a Board Committee to evaluate building needs and set a long-term plan. This will be taken up at the Board meeting on June 12, 2018.

The Committee agreed to the proposal to move the FY18 items into FY19 as they still need to be done and removed the \$55,000 in building renovations. The capital budget was changed to reflect:

\$30,000	Wifi Upgrades
\$ 2,000	Chromebook 1:1 program
\$15,000	Card Access System
\$40,000	VoIP Telephone System
<u>\$ 7,500</u>	CCTV System Upgrades
\$94,500	

- ❖ Motion to recommend to the Board of Trustees a Capital Budget of \$94,500 – Deb Jacobson
- ❖ Second – Bob Hann
- ❖ Approved – vote count – 4 Yes – 0 No – 0 Abstentions

Other Business:

No other business.

The next regular meeting was set for June 5, 2018 at 8:30 am in room 410 – this meeting will be cancelled as the budget work has been completed.

- ❖ Motion to Adjourn at 10:12 a.m. – Stephanie Burbine
- ❖ Second – Deb Jacobson
- ❖ Approved – vote count – 4 Yes – 0 No – 0 Abstentions

Documents: PVPA FY19 Budget Presentation 5/29/18
PVPA Statement of Net Position – June 30, 2017
PVPA Statement of Revenues, Expenses and Change in Net Assets – June 30,
2017
PVPA FY19 Proposed Capital Budget – 3-6-18