

**Arizona School for the Arts
Finance Committee Minutes
August 23, 2019**

| <i>Present: (voting members in bold)</i> | | | | | |
|---|--|--------------------------|----------|------------------------------------|----------|
| John Snider | P | Joya Kizer Clarke | A | Kevin Allen | P |
| Leah Fregulia, Head of School/CEO | P | Sara Maline, Principal | P | Desiree Johnson, Business Director | P |
| Agenda Items | Minutes: | | | | |
| Review June Financials | <p>The meeting began at 11:30am.</p> <p>The draft, unaudited financial reports for June 2019 were reviewed. Business Director, Desiree Johnson, announced that the financial auditors would be on campus beginning September 3, 2019.</p> <p>The meeting ended at 12:15pm.</p> | | | | |
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Additional Comments:

Next Meeting: September 20, 2019

**Arizona School for the Arts
Finance Committee Minutes
September 20, 2019**

| <i>Present: (voting members in bold)</i> | | | | | |
|---|---|--------------------------|----------|------------------------------------|----------|
| John Snider | P | Joya Kizer Clarke | A | Kevin Allen | P |
| Leah Fregulia, Head of School/CEO | P | Sara Maline, Principal | A | Desiree Johnson, Business Director | P |
| Agenda Items | | | | | |
| Review August YTD Financials | Minutes: The meeting began at 11:30am. The August 31, 2019 year to date financial statements were reviewed. The Committee determined that only 2 reports are needed moving forward. The budget v. actual summary sheet and the balance sheet. Ms. Johnson explained that there have been no audit findings on the FY2019 financial audit. The meeting ended at 12:25pm. | | | | |
| Review Annual Financial Audit progress | | | | | |
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Additional Comments:

Next Meeting: October 25, 2019

**Arizona School for the Arts
Finance Committee Meeting Minutes
October 24, 2019**

| <i>Present: (voting members in bold)</i> | | | | | |
|---|--|------------------------|----------|---------------------------------------|---|
| John Snider | P | Kevin Allen | P | | |
| Leah Fregulia, Head of School/CEO | P | Sara Maline, Principal | A | Laura Apperson, Arts Director/Finance | P |
| Agenda Items | Minutes: | | | | |
| Review September YTD Financials | <p>The meeting began at 3:00pm.</p> <p>John Snider welcomed Laura Apperson back to the Finance Committee after a long hiatus and expressed his appreciation for her support and return to finance.</p> <p>The Committee reviewed the financials. There were no concerns. Head of School, Leah Fregulia, explained that the state equalization is ahead of budget because ASA is getting paid on our actual ADM of 850.893 students. Fundraising is behind forecast because of some timing issues and a lag in parents registering for their monthly contribution. Marion Donaldson, Director of Development and Marketing, will continue to monitor carefully.</p> <p>The Committee then reviewed the FY19 Audit. The Audit is clean and there are no questions. The audit will be recommended for approval by the Board in the October 28th Board meeting.</p> <p>The meeting concluded at 3:35pm.</p> | | | | |
| Review Annual Financial Audit progress | | | | | |
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Additional Comments:

**Arizona School for the Arts
Finance Committee Notes
November 22, 2019**

| <i>Present: (voting members in bold)</i> | | | | | |
|---|----------|---|----------|-----------------------------------|---|
| John Snider | P | Kevin Allen | P | Elizabeth Shaw, Business Director | P |
| Leah Fregulia, Head of School/CEO | P | Sara Maline, Principal | P | Laura Apperson, Arts Director | P |
| Agenda Items | | | | | |
| Agenda Items | | Minutes: | | | |
| Review October YTD Financials | | Meeting started at 11:30am. | | | |
| | | The Finance Committee reviewed the October financials. John Snider asked to confirm the student count for our current ADM (849.472), budget set at 842 students. He also asked if the Development Department plans to expand the push for tax credit based upon the revised Tax Credit law which expands the breadth of options for which tax credit funds can be used to include certain capital expenditures and health supplies. | | | |
| | | In order to complete a recent IDEA audit, Head of School, Leah Fregulia will be circulating revised purchasing policies for approval by the Board on Monday night. | | | |
| | | In future meetings the Finance and the Executive Committees, will discuss the best options for investing/re-investing ASA's and the ASA Education Foundation's reserve funds. | | | |
| | | Meeting ended at 12:10pm | | | |

Additional Comments:

Next Meeting: January 24, 2020

**Arizona School for the Arts
Finance Committee Notes
January 24, 2020**

| <i>Present: (voting members in bold)</i> | | | | | |
|---|---|------------------------|----------|-----------------------------------|---|
| John Snider | x | Kevin Allen | x | Elizabeth Shaw, Business Director | |
| Leah Fregulia, Head of School/CEO | x | Sara Maline, Principal | a | Laura Apperson, Arts Director | x |
| Agenda Items | | | | | |
| Review November/December Financials | <p>Minutes:</p> <p>The November and December Financials were reviewed with no questions.</p> <p>John Snider shared that the Equitable Facilities Fund has invited us to explore the possibility of refinancing our 2011 bonds. We are running preliminary numbers and the rates are favorable. The current bonds are at 7 3/4% and refinanced bonds would be at a 3.35% rate thru 2041. Estimated interest saving would be about \$200,000 annually. John will share with Board at the January meeting and we will likely need to vote on a resolution to refinance in February.</p> <p>Leah and Laura presented the 990's. There were no questions. John will present them for a vote to accept at the January meeting.</p> | | | | |
| Discuss possible Bond Refinancing | | | | | |
| Review 990's | | | | | |
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Additional Comments:

Next Meeting: January 24, 2020

**Arizona School for the Arts
Finance Committee Agenda
February 21, 2020**

| <i>Present: (voting members in bold)</i> | | | | | |
|---|---|------------------------|----------|-----------------------------------|----------|
| John Snider | x | Kevin Allen | x | Elizabeth Shaw, Business Director | x |
| Leah Fregulia, Head of School/CEO | x | Sara Maline, Principal | x | Laura Apperson, Arts Director | x |
| Agenda Items | Minutes: | | | | |
| Review January Financials | <p>John Snider called the meeting to order at 11:30am. He asked staff to highlight any information for consideration or discussion. The only particular concern at this time is that fundraising continues to be behind the projections. However, because all other projections remain consistent and increased number of students over budget alleviate the deficit in fundraising. The Board, HOS, and the Development Team will continue to proactively fundraise through May/June to meet the goal.</p> <p>The Committee reviewed the Financial Performance Framework from ASBCS noting the one area that indicates ASA is not meeting the standard. Laura Apperson explained the discrepancy between our Bond Covenants and the ASBCS calculation in Debt Coverage Ratio noting that one main reason for the difference is that in the audit, the debt includes interest, principal, accrual and amortization our audit. Laura, Leah and Liz have a call with the ASBCS later in the day to clarify and ask to resubmit with clarification the audit.</p> <p>John Snider reviewed the timeline for the approval of the FY21 Budget: April – 1st review in FC May – 2nd review in FC and 1st review by full board June – Board approves final draft of the budget and is publicly published July – Board approves final budget and budget is uploaded to the State.</p> <p>The meeting adjourned at 12:00.</p> | | | | |
| ASBCS Financial Dashboard | | | | | |
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Additional Comments:

Next Meeting: April 24, 2020

**Arizona School for the Arts
Finance Committee Agenda
April 24, 2020**

| <i>Present: (voting members in bold)</i> | | | | | |
|--|--|------------------------|----------|-----------------------------------|---|
| John Snider | P | Kevin Allen | P | Elizabeth Shaw, Business Director | P |
| Leah Fregulia, Head of School/CEO | P | Sara Maline, Principal | P | Laura Apperson, Arts Director | P |
| Agenda Items | Minutes: | | | | |
| Review March Financials | <p>Meeting began at 11:02am. Electronic Meeting due to COVID-19.</p> <p>Committee reviewed March financials. ASA is in a good position for end of year.</p> <p>Reviewed FY21 draft budget. If RBF and additional assistance are reduced and or cut adjustments will be made need to be made accordingly.</p> <p>Committee discussed school use of ADP TotalSource PEO. Business Director provided information on overall benefits of this upgraded system. Asking for consideration to move to this option that includes better insurance as well as an upgraded payroll system.</p> <p>John Snider requested an information document about ADP upgrade to show the full Board at the upcoming April meeting for their review and consideration of approval.</p> <p>Discussion about applying for PPP (Paycheck Protection Program) loan/grant as part of the CARES Act. All present determined not applying for this was in the best interest of the school at this time.</p> <p>Meeting ended 11:42am.</p> | | | | |
| Review Draft of FY21 Budget | | | | | |
| Discuss school use of Professional Employer Organization: ADP TotalSource for FY21 | | | | | |
| Discussion of applying for 2nd PPP loan/grant | | | | | |
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Additional Comments:

Next Meeting: May 15, 2020

Arizona School for the Arts
Finance Committee Notes
May 15, 2020

| <i>Present: (voting members in bold)</i> | | | | | |
|--|--|------------------------|----------|-----------------------------------|----------|
| John Snider | P | Kevin Allen | P | Elizabeth Shaw, Business Director | P |
| Leah Fregulia, Head of School/CEO | P | Sara Maline, Principal | P | Laura Apperson, Arts Director | P |
| Agenda Items | Minutes: | | | | |
| Review April Financials | <p>Meeting began at 11:30am. Electronic Meeting due to COVID-19.</p> <p>Committee reviewed April financials. ASA is still in a good position for end of year.</p> <p>Reviewed FY21 draft budget. The bond refinance interest rate needs to be adjusted in the budget to reflect the amount that Equitable Facilities Fund has provided in most current documents.</p> <p>The budget includes a 3.8% increase for teachers, a decrease in the overall cost of employee insurance and a conservative average daily membership.</p> <p>School Leadership is also in the process of a deeper analysis of costs for COVID-19 for next school year. Some costs are included in this budget draft. ASA will be applying for the ESSER grant. Meetings are occurring with School Leadership to determine amounts for grant request. The rolle- up budget will be sent to the full Board.</p> <p>Committee reviewed bond refinance status. Weekly calls are on-going with Equitable Facilities Fund (EFF). Their documents have been received and the targeted closing date is after June 24, 2020. The resolution will be ready for the Board to approve at Monday’s Board meeting.</p> <p>Committee reviewed the SY2020 proposed Capital Expenditures Waterfall recommendations. John Snider requested that the Board receives the colorful spreadsheet with the changed capital expenditures once decided upon.</p> <p>Head of School, Leah Fregulia and Business Director, Liz Shaw, provided an update regarding MidFirst Bank Stimulus program. ASA did not apply for the first or second wave of the Paycheck Protection Program (PPP). Discussion was held as to how the school can prepare for future PPP funding if available. Goal is to be ready to launch if needs for this arise.</p> <p>Meeting ended 12:00pm.</p> | | | | |
| Review Draft of FY21 Budget | | | | | |
| Update on 2020 Bond Refinance – Bond Commitment Letter | | | | | |
| Review of Waterfall Discretionary Spending – Recommendations | | | | | |
| Review of Stimulus Next Wave from MidFirst Bank | | | | | |
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Additional Comments:

Next Meeting: June 19, 2020

**Arizona School for the Arts
Finance Committee Notes
June 18, 2020**

| <i>Present: (voting members in bold)</i> | | | | | |
|---|--|------------------------|----------|-----------------------------------|----------|
| John Snider | P | Kevin Allen | P | Elizabeth Shaw, Business Director | P |
| Leah Fregulia, Head of School/CEO | P | Sara Maline, Principal | P | Laura Apperson, Senior Accountant | P |
| Agenda Items | Minutes: | | | | |
| Review May Financials | <p>Meeting began at 11:35am. Electronic Meeting due to COVID-19.</p> <p>Committee reviewed May financials. ASA is still in a good position for end of year. The monthly forecast has been updated to reflect the Waterfall Report expenses, the ESSER Grant funding and expenses as well as the COVID-19 expenses.</p> <p>The 2020 Bond Refinance will be closing on June 29, 2020. It is set to close at 4.10%. A rate reduction may happen in August and it could go as low as 3.6%.</p> <p>The Committee reviewed the COVID-19 expenses and school commitments to COVID expenses for the 2020-2021 School Year.</p> <p>Reviewed FY21 Proposed budget. All COVID-19 projected expenses have been included. Arizona School for the Arts FY21 -Arizona Department of Education Proposed Budget will be provided for review.</p> <p>A request to review the Debt Service Coverage number without COVID-19 expenses was made by John Snider.</p> <p>Meeting ended 11:57am.</p> | | | | |
| Review Draft of FY21 Proposed Budget | | | | | |
| Review ESSER Grant Update | | | | | |
| Update on 2020 Bond Refinance | | | | | |
| Review of Waterfall Discretionary Spending Final Report | | | | | |
| Summary of all COVID-19 Related Expenses | | | | | |
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Additional Comments: