

Budget and Finance Meeting Minutes
May 19, 2021

Members Present:

Y – Tom Corrigan
Y – Claudia Gumbiner Hungs
Y - Megan Hafner
Y – Frank Ross - arrived around 5:10
Y – Chris Shepard - arrived around 5:10
N - Michael Waldman
N – Jennie Winter, Chair

Advisors Present:

N - Theresa Nelson, Nova Board Chair
Y – Brett Wedlund, Executive Director
Y - Brooke Tousignant, Nova Lower School Principal
Y - Michael Pelofske, Nova Upper School Principal
Y - Missy Johnson, Academic Director
N - Meghan Kelly, Nova Business Office Manager
Y – Joe Aliperto, President, Dieci School Finance, LLC
Y - Christine Reed, Senior Accountant, Dieci School Finance, LLC

The agenda as well as the March and April Finance Committee meeting minutes were unanimously approved.

Public Comment

There was no public comment.

Business

Board recommendation(s):

1. The Finance Committee recommends a spend down of the Nova Classical Academy fund balance of up to \$640,000 to the board. (Claudia Gumbiner Hungs moved, Frank Ross seconded, and the motion passed unanimously.)
- 2.

File(s) reviewed:

- Financial Reports for the Month Ended April 30, 2021
- FY22 Budget Draft

Motions:

See board recommendations above.

2020 - 2021 Committee Goals		
Goal	Brief Update on Progress	Completed
1. Monitor and recommend 2020-21 budget revisions to Board of Directors for review and approval.	In January, committee recommended 2020-2021 revised budget for board approval. In August, committee recommended and board approved: <ul style="list-style-type: none"> • Making new \$246,000 Covid line for Coronavirus Relief Fund spending • Moving \$60,000 from technology to a contingency fund. 	Yes
2. Review and recommend 2021-22 budget, which includes five-year pro forma projections, to Board of Directors for review and approval.	FY22 Budget recommended for board approval in April, and five-year budget review expected during the summer, now that more funding information is available from the state.	No
3. Review and update financial controls.	This effort is complete, as determined by Brett Wedlund, ED and Joe Aliperto (Dieci). We now have a clear, detailed picture of Nova's financials and have made associated changes to the financial statements.	Yes
4. Finish the year within two percent of projected revenue and expenses.	On track.	No

Discussion:

Meeting highlights:

1. **April Financials:** Joe Aliperto walked the committee through the April financials. At the end of the fiscal year, we are projected to meet all three of our bond covenants and authorizer requirements of at least 60 days cash on hand, 25 percent fund balance and 1.1 debt service coverage ratio. See financials for details.
2. **Line of Credit:** Dr. Wedlund is in discussions with the bank regarding the possible need to renegotiate terms of the Line of Credit contract, given delays in our being able to submit a signed contract.
3. **Bond Refinance:** Dr. Wedlund shared that discussions have begun between Nova and Piper Sandler on refunding (or commonly referred to as “refinancing”) a portion of our bonds this summer. We are at a point in the process where Nova will incur costs related to the refunding. Piper Sandler will be presenting an overview of the process and the liabilities due, if the refunding does not ultimately proceed, at the upcoming May 24, 2021 board meeting. Should Nova proceed with the refunding, the costs will be included in the bond issuance.

Adjournment

The meeting was adjourned at roughly 6:20 p.m.