



OSA Finance Committee Meeting - Minutes
Friday August 21, 2020 9:00 AM

OSA Board Committee Members:

Adrienne Barnes, Mike Barr, Wei-Ling Huber

Meeting Minutes

9:02 Meeting called to order

Roll call vote - Barnes & Barr present; Huber absent. Committee has a quorum.

Call for Public Comment - none

Motion by Ms. Barnes to revise agenda to include brief discussion of unaudited actuals, seconded by Mr. Barr, passed unanimously by roll call vote.

Unaudited Actuals discussion

Ms. Lefkowitz of CSMC presented notes from weekly budget meeting.

Ms. Barnes recommended submitting Unaudited Actuals to Minh Co for pre-review prior to the board meeting to ensure they are presenting a final document.

Mr. Barr asked CSMC to provide a one-page document for new board members to explain schedule of financials and terminology.

Agenda Item: Review FY21 Budget for revisions based on latest state decisions and any other new information

Original budget had a large deficit. However, \$260k positive swing for OSA after 7.9% re-upped by the state, which translates into roughly \$350/student. Overall, currently a projected surplus of \$22k. OSA got a one-year reprieve based on this last-minute change, but should prepare for a 10-15% cut in coming years. Things could still change for the worse this year, so should still have a back-pocket list of 5% cuts later on.

Trailer Bill re: funding and growth levels. Would be a substantial budget increase if passed. We need clarity on this, as we highly anticipate a rainy day ahead where these funds will be vital for the school if we do, in fact, receive them.

Reviewed Monthly Cash Flow Projections into 21-22. Ms. Palmore is looking into other funding options for credit lines. Mr. Barr recommends looking for a \$4-5M line of credit. A large bond is payable in December, but there are restricted funds elsewhere to cover it. There is a small deferral of budget cuts by the state which just pushes a financial issue later down the road - looks like it will be worse later on.

Agenda Item: PPP Forgiveness - next steps

Mr. Barr asks, what is our confidence in forgiveness? Ms. Palmore reminded that it's tied to continued employee status eg if we are down by in headcount then would only be forgiven by a corresponding percentage. Ms. Palmore is interested in a consulting firm to review our data prior to submission. Mr. Barr questioned whether funds were used exclusively for the stated purpose and was assured this was the case. The application takes hours to complete, and we are advised by CSMC to wait until October. Mr. Barr reminds us all that this is a loan, not a grant. Question on how this loan is coded on the back-end side and whether it triggers a certain type of audit. Reminder by Mr. Barr that this will likely increase our audit fees next year.

Mr. Nichols recommends a side-by-side comparison of previous budget to the revised version for full transparency. Some loss has been mitigated.

New Business:

'Finance and Facilities Committee' is the actual name of the committee so opened up for discussion of facilities. Mr. Oz discussed other facilities he's visited, which have much better options for students. Discussion of ideal venues and facilities for our students and programming needs.

Meeting dismissed at 10:01.