

**Finance Committee 06/18/2024**

**To:** Finance Committee  
**From:** Tyler Martin  
**Date:** 06/18/2024  
**Re:** Budget Final Draft  
**Call Date:** Tuesday, June 18<sup>th</sup> @ 8:00am  
**Call in:** <https://bostonprep-org.zoom.us/j/6226417759?from=addon>

Executive Summary

1. **Minute Approval:** Please see appendix: committee to approve.
  2. **Budget Draft:** Final draft of the budget for committee to recommend for approval from the Board of Directors.
  3. **Budget Timeline:** This is the final review for the Finance Committee. The Board will approve the FY25 budget at the June board meeting.
  4. **FY24 Finance Committee:** Overview of calendar for next year's Finance Committee topics.
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Discussion Items:

- 1) **Minute Approval:** Please see appendix. Committee to vote to approve minutes from last meeting.
- 2) **Budget Draft:** See attached FY25 budget draft for review and approval:
  - i) FY25 Overview
    - (a) We are at breakeven across both entities.
    - (b) FY25 meets all bank covenants.
  - ii) Revenues
    - (a) Tuition: No updates to tuition since the first draft.
      - (i) Next update expected end of June when the Governor signs the budget.
    - (b) Enrollment: Still holding our estimate at 690 vs. the full 700.
      - (i) Have opened additional lotteries for 6<sup>th</sup> grade to help make sure we start the year over 700 students. With natural attrition we know that the number will come down over the course of the year.
  - iii) Expenses
    - (a) Salaries: The final cuts came largely from the salary line using natural attrition. No contracts were rescinded.
      - (i) Our instructional team has been working to review sections and teaching capacity over the back half of the year. This has led to a reduction in sections which lowered the number of needed teachers. Additionally, we realized we were over staffed on a couple specialist roles.
        - a. Some of these roles we were also not finding any qualified candidates for as they were very specific licenses and subjects.
      - (ii) We will be doing a further staff review on the instructional leadership and back office during the first semester of next year.
    - (b) Expenses: Went through and did a systematic review of costs vs. actuals and was able to reduce some estimates.
      - (i) Some examples are: Copiers, Utilities, Supplies, etc....
- 3) **Budget Timeline:** See below meetings that outline the budget process.
  - i) Committee Draft Review – 5/8 - Complete
  - ii) Board Draft Review – 5/17 - Complete
  - iii) Committee Final Draft Review – 6/18
  - iv) Board Final Approval – 6/21
- 4) **FY25 Finance Committee:** See below for overview of the Finance Committee Calendar.
  - a) October: Review Audit and parking lot purchase agreement. Begin refinancing project.
  - b) January: Review Q2 Tuition and parking lot purchase agreement/next steps. Continue work on refinancing.
  - c) May: Initial Budget Review and finalize refinancing.

d) June: Final Budget Review and preparation for lot development if any.

Please don't hesitate to contact me with any questions or comments. I can be reached by email at [tmartin@bostonprep.org](mailto:tmartin@bostonprep.org), or by phone at 617-910-5353.

## Appendix:

Finance Committee Meeting Minutes

5/8/24

Attending: TM, JG, BC, BJ, AP, JR, CM, DR, LB, KB, EC

- Minute Approval - Approved unanimously.
- Public - no public comment
- Tuition
  - Boston Tuition came in lower, but this was expected
  - Esser funds are the reason for the lower rate.
    - Could see a bounce back next year.
      - Though some funds can be carried over
  - Overall, we will finish ahead in revenue vs budget
- Draft budget
  - Tuition - Should be in line with historical average.
  - Enrollment is the main concern with revenue.
    - How does enrollment tie back to what we are doing?
      - Staffing
      - Programs
    - BPS reorganizing
      - K-6
      - 7-12
      - This puts pressure on our entry point at 6th grade.
        - Should we consider a different grade range?
          - Would require a charter amendment.
    - Are we at cap in the budget - we are not?
    - Do we need additional staffing/supports for the alternative entry points?
      - Beefed up academic leadership.
  - Fundraising - level funded for FY25.
  - Staffing
    - Reduction of 3 roles mainly from section optimization
    - Looking now at the back of house team
    - Adding to special education team and esl team
    - Salary scales up 1%
      - This is on top of the normal raises.
  - Other major additions include bussing, international trip, PD, and tech.
  - Overall, we are 300k from meeting covenants.
    - Minor issue not a major problem
    - Cash flow break even
    - Looking at back of house roles, expenses and the parking lot to close the gap.
- Timeline
  - Reviewed upcoming budget meetings.
- Q3
  - Overall, in a good place and will finish ahead for the year.