



Finance Committee 06/18/2024

To: Finance Committee
From: Tyler Martin
Date: 06/18/2024
Re: Budget Final Draft
Call Date: **Tuesday, June 18th @ 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.

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:
 - FY25 Overview
 - We are at breakeven across both entities.
 - FY25 meets all bank covenants.
 - Revenues
 - Tuition: No updates to tuition since the first draft.
 - Next update expected end of June when the Governor signs the budget.
 - Enrollment: Still holding our estimate at 690 vs. the full 700.
 - Have opened additional lotteries for 6th 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.
 - Expenses
 - Salaries: The final cuts came largely from the salary line using natural attrition. No contracts were rescinded.
 - 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.
 - Some of these roles we were also not finding any qualified candidates for as they were very specific licenses and subjects.
 - We will be doing a further staff review on the instructional leadership and back office during the first semester of next year.
 - Expenses: Went through and did a systematic review of costs vs. actuals and was able to reduce some estimates.
 - Some examples are: Copiers, Utilities, Supplies, etc....
- 3) Budget Timeline:** See below meetings that outline the budget process.
 - Committee Draft Review – 5/8 - Complete
 - Board Draft Review – 5/17 - Complete
 - Committee Final Draft Review – 6/18
 - Board Final Approval – 6/21
- 4) FY25 Finance Committee:** See below for overview of the Finance Committee Calendar.
 - October: Review Audit and parking lot purchase agreement. Begin refinancing project.
 - January: Review Q2 Tuition and parking lot purchase agreement/next steps. Continue work on refinancing.
 - 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, 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.