

Finance Committee 10/10/24

To: Finance Committee
From: Tyler Martin
Date: 10/10/2024
Re: Audit Call
Call Date: **Thursday, October 10 @ 8:00am**
Call in: <https://bostonprep-org.zoom.us/j/6226417759?from=addon>

Executive Summary

1. **Minute Approval:** Please see appendix
 2. **Audit:** The FY24 Audit came back clean, with no material weaknesses or significant deficiencies.
 3. **Finance Committee Charter:** Committee to review and approve.
 4. **Parking lot:** Committee to be updated on the status of the parking lot.
 5. **FY24 Budget to Actual:** We had another strong year, finishing ahead of plan. See attached budget to actual.
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Discussion Items:

- 1) **Minute Approval:** Please see appendix. Committee to vote to approve minutes from last meeting.
- 2) **Audit:** We received a clean audit for FY24. Auditors to present audit to the Committee and take questions. Committee to vote on and approve the FY24 Audit (see attached audit pdf documents).
 - i) No material weaknesses or significant deficiencies were identified through the audit. This means that the documents released to the public reflect a clean audit. This will be reported to the state as a clean audit, and on our public financial dashboard with DESE.
 - ii) Adjusting Journal Entries: We had one adjusting journal entry:
 - (a) An entry to properly state grant revenue for the year. We caught that a grant should have been included in the accounts receivable report for FY24. The net impact was \$92K.
 - iii) Management Recommendations: We had one management recommendation:
 - (a) Management recommendations are best practices that the auditors recommend to strengthen internal controls, and are only reported to the board.
 - (b) One management recommendation around IT controls. During our audit of our IT protocols it was determined that we were missing a WISP policy. Our Director of Technology is working with our IT consultant (Insource) to get this rectified shortly.
 - iv) Audit Attachment PDFs
 - (a) Management Letter
 - (b) Board Report
 - (c) Audit
 - (d) Ratios
 - (e) IT Controls Assessment
- 3) **Finance Committee Charter:** Committee to review and approve (see attached).
 - i) Committee Charter provides overview of goals, responsibilities, dates, and members of the committee for FY25.
- 4) **Parking Lot Update:** Committee is updated.
 - i) Owner has proposed a new purchase price of \$1.4M + remaining value on the lease. Previous price was \$1.325M + remaining value of the lease.
 - (a) Additionally, is asking for some relief on the environmental release.
 - ii) Option of a long-term lease (10+ years) if we prefer this route.
- 5) **FY24 Performance:** We finished ahead of plan in FY24 thanks to increased tuition rates and enrollment. See attached budget to actuals analysis.
 - i) Tuition and enrollment were the primary drivers of the increase, coming in ahead of plan.

- ii) Expenses came in largely in line. Our salary line was lower than expected as we struggled to get fully hired, but was offset by increased cost in facilities, general and admin, and student expenses.

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
6/18/24

Attending: TM, AP, MS, CM, BJ, BC, LB, LJ, JG, EC,

Agenda:

- No public comment
- Minutes - Approved
- Budget Draft
 - Enrollment waitlist is no longer a thing at 6th grade
 - Why are we building budget to 690?
 - No waitlist, more conservative estimate
 - No Tuition changes, next one comes in June
 - Reducing a couple additional roles to get to the stated covenants.
 - Are the 5-7 roles we talked about last time is this additional 1-2 over that. Yes.
 - Will be reviewing academic leadership and back office front half of next year
 - Allows us potential space to add back to teaching staff or building subs
 - Make sure we are talking about fiscally responsible but achieves our student goals
 - Reduced other expense lines
 - Supplies
 - Copiers
 - Utilities
 - Prior year in the summary page Ed Cao
 - Send out today
 - Development goal is \$1.4M
 - Budget approval voted unanimously
- Fin Com
 - Will be working on some new projects
 - Refinancing
 - Interest rate risk
 - Risk of the corporate tax rate
 - Lot Purchase
 - Lot Development
 - Solidify the relationship with Citizens
 - Have them out to the school
 - Should they meet the board
 - Doing an ask around the purchase of land