

Finance Committee 1/23/25

To: Finance Committee
From: Tyler Martin
Date: 1/23/25
Re: Finance Committee Call
Call Date: **Thursday, January 23 @ 8:00am**
Call in: <https://bostonprep-org.zoom.us/j/6226417759?omn=91742881078&from=addon>

Executive Summary

1. **Minute Approval:** Please see appendix.
 2. **Tuition Rate:** The Q2 tuition rate came in higher than expected. However, there is some concern over the rate holding for the remainder of the year.
 3. **Enrollment:** Enrollment is currently in-line with budget.
 4. **Parking Lot:** Still negotiating with the seller, and no clear endpoint currently.
 5. **Compensation Work:** Compensation working group has proposed two new models to consider.
 6. **FY25 Q2:** Q2 budget to actual is slightly ahead of plan.
-

Discussion Items:

- 1) **Minute Approval:** Please see appendix. Committee to vote to approve minutes from last meeting.
- 2) **Tuition Rate:** Committee is updated.
 - i) The Q2 rate came in on the high end of our estimates coming in at \$26,916 per student (\$26,524 budgeted). I believe this will lead to a ~\$150K to \$200K increase in revenue.
 - ii) This was due to a slight increase in the above foundation rate.
 - (a) There is concern this rate contains errors as Boston still had ESSER funds to spend which could lower the rate in the back half.
- 3) **Enrollment:** Committee is updated.
 - i) Current Enrollment is at 689 students which is 1 student below our budget (690). However, current year average is 691, so we are holding in line with forecast.
- 4) **Parking Lot:** Committee is updated.
 - i) We were recently told that a third party has put forward an offer for the abutting property with no environmental conditions.
 - ii) Working to get the seller and both attorneys on a call.
- 5) **Compensation Work:** Committee to discuss.
 - i) The compensation working group has come up with two new models to consider. Both models will be an increase in cost over the current model (~\$300k to \$400k)
 - (a) An early large raise after year 1 followed by steady 6% increases until cap.
 - (b) A single scale model which values all experience equally.
 - ii) Issues to solve:
 - (a) Teachers are leaving before getting to larger raises.
 - (b) Too many teachers in years 1-2
 - (c) Improve teacher retention, specifically in years 1-5.
 - iii) Discussion questions
 - (a) Which type of model better helps improve early retention?
 - (b) Other models you would have the committee consider?
- 6) **FY25 Q2 Performance:** We finished slightly ahead of plan in Q2 thanks to increased tuition rates and enrollment. See attached budget to actuals analysis.
 - i) Net income for the quarter finished slightly ahead of plan driven by Tuition.
 - ii) Tuition was the primary driver of revenue coming in ahead of plan. However, this is likely to come down once we get more data.
 - iii) Expenses came in largely in line.

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
10/10/234

Attending: TM, CM, AP, JG, LB, BJ, MM, KB, BC, UA, DR,

- Minute Approval - Minutes
- No public comment
- Audit - presented by AAF
 - No difficulties performing the audit
 - One adjustment to the financial records
 - One uncorrected misstatement
 - One management recommendation
 - IT general controls policy
 - Management report represents a clean audit
 - Clean unmodified opinion
 - Ratio analysis
 - Very strong balance sheet
 - ESSER drops off next year
 - Very strong year financially
 - How does our fundraising compare
 - We are strong compared to others
 - How does our bussing costs compare
 - We are higher and only one other boston charter getting this funded fully
 - Our state metrics are all green except for % of tuition (esser/depreciation)
 - Very successful audit
 - Voted to approve the audit - unanimous
- Finance Charter
 - Name the chair in document
 - Procedures and policy in place for a goal
- Parking Lot
 - New deal
 - \$200K of rent vs the purchase price
 - Broker opinion of value to help better understand the value
 - Do we do the environmental ahead of time
 - Not willing to take any environmental risk
- FY24
 - Transportation is costly and we
 - BPS consistently late

Finance Committee Meeting
12/5/24

Attending: TM, JG, AP, LB, LJ, CM, MS, KB, DR, EC

- Tyler overviewed
- David talked about the alternatives and being important to staff
- John asked about offer letter
- Kim reminded people about the environmental
- Bill and Jovi voiced support over email
- Tyler reviewed the environmental process
- David talked about the AUL

- ED reviewed the worst case scenario
- Kim point on the cash with the Foundation
- Committee voted unanimously to move ahead with purchase off 869 river auto shop and adjacent parcel