



Finance Committee 05/29/2025

To: Finance Committee
From: Tyler Martin
Date: 05/29/2025
Re: Budget Final Draft
Call Date: Thursday, May 29th @ 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 FY26 budget at the June board meeting.
4. **FY25 Finance Committee:** Overview of calendar for next year's Finance Committee topics.
5. **FY24 YTD performance:** Inline through quarter 3

Discussion Items:

- 1) **Minute Approval:** Please see appendix. Committee to vote to approve minutes from last meeting.
- 2) **Budget Draft:** See attached FY26 budget draft for review and approval:
 - i) FY26 Overview
 - (a) We are just above breakeven across both entities, with a gap of \$140K
 - (i) We could eliminate 1 bus (reduce from 4 to 3) and that would close the gap. However, we would like to evaluate our grade span next year 6-12 vs. 7-12, and if we go 7-12 bussing would be eliminated altogether.
 - (b) FY26 meets all bank covenants with ~\$140K of additional fundraising released from our multiyear account with the bank.
 - 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. Expect to start the year just over 700 students.
 - iii) Expenses
 - (a) Salaries: We decided to hold tight on roles and prioritize keeping the academic roles that we added vs. cutting any additional roles.
 - (i) Do have a contingency role that could become savings.
 - (b) Expenses: Went through and did a systematic review of costs vs. actuals and were able to reduce some estimates.
 - (i) Some examples are: Computers, Benefits, Utilities, Supplies, etc.... These are marked in blue in the budget tabs.
- 3) **Budget Timeline:** See below meetings that outline the budget process.
 - a) Committee Draft Review – 5/14 - Complete
 - b) Board Draft Review – 5/16 - Complete
 - c) Committee Final Draft Review – 5/29
 - d) Board Final Approval – 6/18
- 4) **FY26 Finance Committee:** See below for overview of the Finance Committee Calendar.
 - a) October: Review Audit and finalize refinancing.
 - b) January: Review Q2 Tuition and begin work on parking lot development.
 - c) May: Initial Budget Review and continue work on parking lot development.
 - d) June: Final Budget Review and finalize parking lot construction plans.

- e) Ad hoc – Board finance trainings and onboarding.
- 5) **FY25 Performance:** FY25 through Q3 is running right in line with projection.
 - a) Revenues are coming in ahead of plan largely due to a better-than-expected tuition rate.
 - b) Expenses are running slightly ahead of plan, largely due to some additional roles that came after the budget was finalized, and some additional professional development based on a grant we received. Additionally, repairs and maintenance have been running higher than planned.
 - c) Overall, we are currently running \$60k ahead of plan and should finish the year in line with budget.

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

5/14/25

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

Minutes:

- Public Comment: No
- Minutes Approval: Minutes Approved
- Parking Lot: quick update on environmental testing
- Tuition Rate:
 - State vs city rates
 - Calculation change
 - Meeting with DESE DOR
 - Has stabilized the rate, and likely to be ok for next year
- FY26 Budget:
 - Tuition rate stabilized due to BTU contract
 - Enrollment is trending in same form as last year
 - Staffing 1% scale shift
 - Strategic cuts to the back office team
 - Strategic adds to the instructional team
 - Tenure bonus to try and drive retention of new team
 - \$300k gap currently
 - Overviewed cuts
 - Busses
 - Roles - back office
 - Expense lines
 - Increased fundraising
 - What are cash levels, could we use some to cover gap
 - What strategic bets could we make to increase results