



## Springfield Prep

### Minutes

#### Finance Committee Meeting

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**Date and Time**

Monday October 21, 2019 at 7:30 AM

**Location**

594 Converse St. Longmeadow, MA 01106

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This meeting of the Springfield Prep Charter School Finance Committee will be held at 594 Converse Street, Longmeadow, MA on 10/21/19 at 7:30 am. Meeting notice was posted on the school's website ([www.springfieldprep.org](http://www.springfieldprep.org)) on 10/17/19 at 7:30 am.

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**Committee Members Present**

A. Malone, B. Spirer, D. Morrin, J. Callan, J. Rosewell, M. Wagner, T. Walker

**Committee Members Absent**

*None*

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**I. Opening Items****A. Record Attendance and Guests****B. Call the Meeting to Order**

T. Walker called a meeting of the Finance Committee of Springfield Prep to order on Monday Oct 21, 2019 at 7:33 AM.

**C. Approve May Finance Committee Minutes**

A. Malone made a motion to approve minutes from the Finance Committee Meeting on 05-20-19 Finance Committee Meeting on 05-20-19.

D. Morrin seconded the motion.

The committee **VOTED** unanimously to approve the motion.

## II. Finance

### A. Review Draft Audit Report

Dave Kelleher and Nichole Reilly of AAF CPAs called in to review the FY19 Financial Audit.

Key Takeaways:

- There are no findings. This is a clean audit.
- The school had a positive change in net position of \$302,903, ending the year with over \$1,100,000 in equity.
- The school has 3 - 4 months of operating reserves as of run rate in FY19, which is strong in AAF's opinion for a school in the first 4 years of operating.
- The large amount in receivables at year-end was due to a late tuition payment from DESE, which has subsequently been cleared in July 2019 (FY20).
- Springfield Prep has a strong financial position in terms of liquid ratio. For every \$1 of obligations, there are \$6 to pay it off.
- Springfield Prep has a low-risk rating in all categories using DESE metrics and the state Benchmarking Ratios, with the exception of Cash Flow, which is at a moderate level. This is due to the late tuition payments from DESE at the end of FY19. AAF has seen this same issue across all of the Massachusetts charter schools they audit.
- There were no disagreements with management or material adjustments in this audit.
- There were no concerns with surplus carryover in FY19.
- There was a clean letter of internal controls.
- There were no current year recommendations and all prior year recommendations have been successfully implemented.

The Committee discussed whether the equity should be in an interest-bearing account and plans to review this in more detail at a future meeting.

The Committee also discussed inviting all board members to the Finance Committee's review of the audit in future years.

### B. Review September Financials

The committee reviewed the financials as presented, including the financial highlights to share with the board. The committee will recommend that the board files the financials for audit.

### C.

### **Contract for DEI Work**

Bill shared information from research on many different organizations doing Diversity, Equity and Inclusion work in terms of pricing as well as quality and presented the Promise 54 (of Bellweather Partners) contract for committee review and approval.

Anne noted she has worked with them before in DC and has seen them as a very smart organization that is able to effectively customize the work for the organization.

The Committee agreed an outside lens is important in this work and supports the school in moving forward with the Promise 54 contract.

## **III. Closing Items**

### **A. Next Finance Committee Meeting**

The committee discussed moving the date of the November meeting to accommodate the November board meeting.

### **B. Adjourn Meeting**

A. Malone made a motion to adjourn the meeting.

D. Morrin seconded the motion.

The committee **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:43 AM.

Respectfully Submitted,

A. Malone