



Springfield Prep

Minutes

Finance Committee Meeting

Date and Time

Monday March 22, 2021 at 7:30 AM

This meeting of the Springfield Prep Charter School Finance Committee was held via Zoom Video Conference on 3/22/2021 at 7:30 am. Meeting notice was posted on the school's website (www.springfieldprep.org) on 3/16/21 at 1:10 pm.

Committee Members Present

A. Malone (remote), B. Spirer (remote), D. Morrin (remote), J. Callan (remote), J. Rosewell (remote), M. Wagner (remote), N. Abramowitz (remote), T. Walker (remote)

Committee Members Absent

None

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 Mar 22, 2021 at 7:32 AM.

C. Approve Minutes from previous meeting of Finance Committee

D. Morrin made a motion to approve the minutes from Finance Committee Meeting on 01-25-21.

A. Malone seconded the motion.

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

II. School Reopening

A. Reopening update & B'Nai Torah lease

Bill briefly discussed the plan for reopening the school at the end of the month. He shared that the school is awaiting the written lease proposal from B'Nai Torah for space for our 6th-grade class so that we can safely open the school for all students with appropriate distancing. The committee expressed support for the lease as proposed.

III. Building Project Items

A. Building project update

Bill reviewed the building project update memo. He shared that the building project team had met and discussed the timeline for completion. He noted that the gym expansion and fit out of the former tenant space are taking longer than planned, but the team is pushing to bring the project back on schedule without significant added cost.

Jason asked about the sequence of taking ownership, rather than just the date for full completion. He expressed that we may want to take ownership of the offices, K/1, etc. first and encouraged us to discuss this sequence with the construction team to ensure the most critical or time-consuming spaces are fully completed first so we have ample time to set those up, even if they are still finishing the rest of the building.

IV. School Finance

A. Monthly Financials

Meghan discussed the monthly financials. She noted that the school received the ESSER II allocation estimate but is holding on applying for and using those funds until FY22. She also shared that there will be a 3rd round of federal stimulus money that will be available for FY22 and we will be able to spread it over the next 3 FYs. She indicated that we had been under budget for the beginning of the year's expenses because of remote learning, but that the expenses will increase for the remainder of the year as we bring students back into the building and spend additional funds to ensure a safe return. However, the school will have a surplus for the full school year given the length of the remote learning period compared to projections.

Bill discussed that overall, the school will have received ~\$3.6M in funding from federal aid packages which will be able to be used over a 4-5 year period. Additionally, the state has fully funded the first year of the SOA, which means a ~12% increase in revenue

instead of the typical 2-3%. Much of that will go to COVID-related items (testing, cleaning, technology, etc.) but can also go to other program needs.

Doug asked if there were any conditions on the use of the federal funds. Meghan shared that the funds must be fully accounted for and that there are broad categories of qualified expenses, but that they are not subject to the typical limitations on federal funds. For example, the funds can go toward core programs, teacher salaries, etc. which is much more flexible than any federal funding seen in the past. She shared that while we can't directly apply the funds to the building project, the extra funding could help us offset current expenses and therefore free up existing reserves to go toward the building project, to allow us to budget for future repairs/upgrades, especially those related to COVID, or to pay down debt.

Bill noted that COVID-related federal funding is temporary, so the school is making sure that any hires, purchases, etc. are sustainable for the long term. The other challenge is that hiring additional teachers and staff, even if we have the funds now, is contingent on the availability of those staff which has proven difficult.

B. Audit Fee Letter

Bill discussed the audit fee letter and that he had spoken with Jean about best practices for evaluating audit fee pricing and CPA engagement for upcoming years.

Jean shared that the typical practice is to go to bid for audit firms approximately every 5 years, but because of the building project, it may not make sense to do that this year or next. The other option to help ensure a fresh perspective on our audit is to ask the firm to switch members of the team on the account, e.g., the managing partner. Jean recommends also holding off on that this year because of the building project, but perhaps next year when the project is substantially complete. The committee agreed that it will continue to engage AAFCPA this year and discuss any potential changes or requests for proposals next year.

V. Closing Items

A. Next Finance Committee Meeting

The next scheduled meeting of the Finance Committee is Monday, April 26th, 2021 at 7:30 AM.

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:05 AM.

Respectfully Submitted,
N. Abramowitz

Documents used during the meeting

- Building Status Dashboard - 3-19-21.doc
- Construction Budget update 3-19-21.pdf
- 1. SPCS FY21 February Details.pdf
- 2. SPCS FY21 February Summary.pdf
- 4. SPCS FY21 February SNP.pdf
- 5. SPCS FY21 February Cash Flow.pdf
- 6. SPCS FY21 February Grants.pdf
- 3. SPCS FY21 February Friends.pdf
- 2021 Springfield Prep Fee Letter_ (2).pdf