



Springfield Prep

Minutes

Finance Committee Meeting

Date and Time

Monday July 25, 2022 at 7:45 AM

Location

This remote meeting will take place via Zoom.

Committee Members Present

A. Piela (remote), R. Molina-Brantley (remote)

Committee Members Absent

D. Morrin

Guests Present

B. Spirer (remote), J. Callan (remote), M. Wagner (remote)

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

A. Piela called a meeting of the Finance Committee of Springfield Prep to order on Monday Jul 25, 2022 at 7:46 AM.

C. Approve Minutes from previous meeting of Finance Committee on 4/20/22

This item was tabled until a subsequent meeting given that Ron was not at the April meeting.

II. Agenda Items

A. End of Year Financials

Meghan reviewed the end of year financials. These are preliminary and do not reflect the updated lease accounting standard. The final, audited version will look different once this new lease accounting standard (requiring us to show our long term lease as a liability as well as an expense) is incorporated into the reports.

Meghan provided a description of the major variances. On revenue side, tuition ended up lower than budgeted, as was the case with many schools, but this was offset by increases in federal grant revenue.

On the expense side, there was an increase in administrative costs related to increased accounting costs. The school anticipates this will level out going forward and not remain at this higher rate. This was also driven by an increase in HR consulting due to staffing complexity and COVID policy changes.

There were some significant savings because the state provided COVID testing materials, and because the school had a lower need for after-school transportation.

There was some increase in the cost of the food program, but this was offset by an increase in revenue, as well as an increase in the reimbursement rate. There were some increased costs in the facility line based on higher utility rates and continued use of a storage unit.

B. Updated Fiscal Policies & Procedures

Meghan provided an overview of these changes, which reflect recommendations from our federal grant audit, a state audit for schools given the drastic increase in federal (ESSER) funding, and recommendations from our FY21 audit. The school is also recommending an increase in the threshold for board approval from \$5,000 to \$10,000 contracts given the size of the organization and its budget.

Amy noted the references to the board Treasurer and Chair in the FPP and requested that we put together a grid that shows these for easy reference for board members. She also suggested having a desk policy that shows who is doing the financial actions currently. The school will work on these.

The finance committee decided to include the updated FPP as an agenda item at the next board meeting because it is the result of state and federal audit guidance.

The committee discussed whether it should vote on items like this going forward, or whether a full board vote is needed. Jean shared that many committees she works with vote on items such as these and report that they did so to the board, versus requiring a full board vote. The committee agreed to talk more with the board about this.

C. Contract Approvals for SY22-23

Meghan provided an overview of the contracts and confirmed that these are consistent with prior year contract rates.

Bill discussed The Management Center contract as an investment in developing leaders, such as grade level chairs and team chairs. He noted that this is important for long term school leader succession planning.

Meghan discussed the audit fee structure. Jean confirmed that the fee structure looks in line with industry rates. The committee discussed how it would be appropriate to get additional audit proposals for this fiscal year, or at minimum to switch partners within the existing firm, to ensure appropriate oversight. The school plans to do this.

D. Minor amendment to lease with SP Realty

Meghan discussed the lease amendment is necessary to align the values in the lease with the values in the financial projections. In a review of financials, she noticed that the final lease in the closing binder and in the projections did not match due to a rounding error made by one of the parties. All parties have been involved in amending the lease to match the financial projections. There are no accounting issues here; the school is simply amending the lease to match the financials.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:47 AM.

Respectfully Submitted,
A. Piela

B. Next Meeting

Documents used during the meeting

None