APPROVED

Springfield Prep
CHARTER SCHOOL

Springfield Prep

Minutes

Finance Committee Meeting

Date and Time
Monday May 20, 2024 at 7:30 AM

Location
This meeting will take place remotely, via Zoom.

Committee Members Present
A. Piela (remote), M. Frodema (remote), R. Molina-Brantley (remote)

Committee Members Absent
None

Guests Present
B. Spirer (remote), M. Velazquez (remote), M. Wagner (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

A. Piela called a meeting of the Finance Committee of Springfield Prep to order on Monday May 20, 2024 at 7:30 AM.

C. Approve previous Finance Committee Minutes

M. Frodema made a motion to approve the minutes from Finance Committee Meeting on 04-29-24.
R. Molina-Brantley seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Frodema	Aye
A. Piela	Aye
R. Molina-Brantley	Aye

II. Finance Items

A. Finance and Business Office Update

Bill shared that Meghan will be continuing to lead the financial work for the school next year and will transition away from the HR and Operations work. The Committee discussed this as the next step in the journey of the school to continue to create appropriate administrative capacity to lead the work of the school.

B. Monthly Financials

Meghan reviewed the financials. The big highlight for this month is that after an audit of our nutrition program, we learned of a change to nutrition reimbursement revenue. We had been receiving reimbursements for after-school snack but no longer qualify for this reimbursement because we reduced the length of our school day and no longer qualify for extended-day snacks. These financials show decreased revenue for after-school snack. The positive news is that there are no other adjustments, but we do see some decrease in revenue.

1. Amy asked about whether there was any other flexibility or grants to make this up in the long run to ensure kids are still receiving snacks and that this is affordable for the school. Meghan noted that we can still be reimbursed for snacks to students in our afterschool programs and that she and Will Palmer, our Director of School Service Operations, are looking into other options.
2. Mary Kate asked if we've already stopped providing snack this year. Meghan said we are continuing to provide snacks through the end of the year so we do not make a change to something students and families expect. Fortunately, we're in a healthy financial position. So, the nutrition program will operate at a loss this year.
3. Bill asked about impact on next year's approved budget. This change is very recent so Meghan will be doing some projections to consider how this could impact our budget next year and how we can continue to try to provide snack.
4. Amy asked about whether there are any other ramifications for the audit. Meghan noted that we have made some changes as required (having trained nutrition staff serve breakfast at entry points to the school versus in classrooms, which has gone positively). We do have to report the nutrition audit during our financial audit but we don't expect this to be an issue.
5. Amy asked about the total cost per school year for snack. Meghan reduced the total nutrition funding by $100,000. This includes snack and decreased breakfast participation. The average per month for snack is ~$8,000, so ~$75,000-80,000

per year. So it is significant but if we are able to reduce the cost it may be manageable.

6. Another change is that Meghan has removed the contingency and this is now showing as our change in net position. This is due to an increase in interest rates on our reserves and slightly lower spending across the entire budget.
7. Amy asked whether this required a vote and Bill noted that this was listed as a voted erroneously and can be voted on by the board through the consent agenda.

C. Surplus Planning

1. Meghan reviewed the surplus calculation. She noted that the issue that is really impacting our surplus calculation is that we are early in the life of the loan, which means the payments have a higher percentage going toward interest instead of principal which is not subtracted from the total as principal payments are.
2. We are projecting to be quite close to the carryover limit. Meghan has reviewed these numbers with our auditors. We can spend more and carry over less in this fiscal year or put more toward our capital budget.
3. Bill shared that the school is in a good place this year in terms of resources for program and resources for staff. Bill proposed a year-end bonus for staff to demonstrate to our team that when we have extra resources, we spend these on our team.
    1. Mary Kate asked about how a bonus would be determined and Bill explained that the school has typically done bonuses at a flat rate and would plan to do so here.
    2. Amy considered how the school would continue to come up against this calculation annually if we are close to the allowable carryover this year. Amy noted the challenges of balancing how much funds are tied up in a capital reserve fund.
    3. Bill agreed that what we are trying to do is balance general reserves, capital reserves, and spending on current programs and people. We need healthy reserves but want to ensure this balance does not tip too far in that direction at the expense of other considerations.
    4. Ron shared that he agrees with this use of the funds and appreciates the level bonus amount for all, which he feels is more equitable.
4. The Committee discussed continuing the plan to transfer $25,000 to capital reserves in this fiscal year. All members were supportive and will recommend this at a future board meeting this year.
5. Bill asked if we wanted to contribute more to capital reserves while noting that this could unnecessarily restrict reserve funds. Ron shared that he did not think we should because it restricts the use of the funds, especially as we are going into a tighter budget year. He believes keeping funds in reserves unrestricted is the right approach.

6. Amy said that a projected capital plan would be helpful to help guide our thinking. Meghan will work on this.

D. Non-employee Insurance Renewal

1. The committee noted that the agenda item should read “insurance” not “benefits”.

2. Meghan shared that we unfortunately did not receive updated insurance rates for next year in time to discuss today, but we expect to have these by next Tuesday’s board meeting.
3. Meghan anticipates an increase but nothing outside of the norm. Last year, we did have a bigger increase to appropriately value the building. We may consider a change to our workers compensation provider because ADP is now offering this service directly. The current policy ends 6/30.

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 8:25 AM.

Respectfully Submitted,
A. Piela

B. Next meeting

Documents used during the meeting

- 6. SPCS FY24 April Cash Flow.pdf
- 2. SPCS FY24 April Summary.pdf
- 4. SP Realty FY24 April Summary.pdf
- 3. SP Friends FY24 April Summary.pdf
- 7. SPCS FY24 April Grants.pdf
- 5. SP FY24 April SNP.pdf
- 1. SPCS FY24 April Details.pdf
- 0. SPCS FY24 April Financial Dashboard.pdf
- MEMO. Excess Surplus Calculation.docx - Google Docs.pdf