

APPROVED



City on a Hill Charter Public School

Minutes

October 2022 Finance Committee Meeting

Date and Time

Monday October 17, 2022 at 1:00 PM

This meeting took place remotely pursuant to An Act Relative to Extending Certain State of Emergency Accommodations signed into law by Governor Baker on July 16, 2022.

Committee Members Present

Andres Tejada Soto (remote), Ted Gildea (remote)

Committee Members Absent

Jack Gearan

Guests Present

Cynthia Marie (remote), Jordan Lopez (remote), Sonya Pratt (remote), Suzanne Graham (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Ted Gildea called a meeting of the Finance Committee of City on a Hill Charter Public School to order on Monday Oct 17, 2022 at 1:07 PM.

C.

Approve June 2022 Meeting Minutes

Ted Gildea made a motion to approve the minutes from June 2022. June 2022 Finance Committee Meeting on 06-22-22.

Andres Tejeda Soto seconded the motion.

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

Roll Call

Andres Tejeda Soto Aye

Jack Gearan Absent

Ted Gildea Aye

II. Finance Updates

A. Finance Updates

Ted Gildea, Committee Chair, directed the attention of the Committee to the Finance Updates section of the agenda. Sonya Pratt, Executive Director, began by displaying the September 2022 Financial Statements as prepared by the School's finance vendor, CentralSource.

Pratt shared that the Fiscal Year 2022-2023 is roughly a quarter over, and current expenses are in line with roughly 21% of the overall budget being expensed. While the budget is on-track, she noted that there were line items that came in both above and below budget, though they were expected by the School. She pointed to instructional services as an example of expenses that are annually front-loaded to the beginning of the school year, given the need to have student technology, professional development sessions at staff orientation and classroom supplies in place to start the year. She also mentioned personnel expenses as an example of where the school is currently under budget due to open positions at the beginning of the year. Pratt added that following the October 1 Student Information Management System (SIMS) collection, the School is expected an adjustment in its tuition as current enrollment (~190 students) is lower than initially projected.

The Committee asked Leadership to confirm the number of students the current budget assumed, which Pratt stated as 227 students, and how this difference compared to school year 2021-2022. Jordan Pina, Chief of Staff, confirmed the FY21 budget was based off of a student count of 281 and that the margin of difference between budgeted and actual enrollment for this school year was much smaller. Pratt also confirmed that the School expects the related adjustment to be mitigated by the areas where the School is currently under budget. Further, she added that the School has been in consistent contact with the Department of Elementary and Secondary Education (DESE) about current enrollment, which is shared with the Department of Charter Schools and School Redesign weekly, and efforts to raise enrollment. She reminded the Committee that the School's sending district, Boston Public Schools (BPS), is currently also down roughly 10% on their enrollment, which further limits CoaH's applicant pool. Pratt also shared that

in her conversations with other Charter Leaders in the Boston area, many other schools, including those who typically have extensive waitlists are also experiencing increased churn of students. Despite this, however, Pratt affirmed the School's commitment to continuing to heavily recruit, citing initiatives such as referral programs and continuing to improve upon the Schools academic and cultural programming.

The Committee probed further on current personnel expenses, and asked Pratt to confirm if remaining roles were eliminated due to lower enrollment or if they would still be filled. She confirmed that the School continues to hire for all open roles, with two key roles of Math Teacher and Human Resources Coordinator having recently been hired.

III. FY22 Audit Review & Vote to Recommend

A. Fiscal Year 2021-2022 Audit Review

Gildea then directed the attention of the Committee to the Fiscal Year 2021-2022 Financial Audit as performed by the firm, Daniel Dennis CPA. Pratt shared that from her perspective the audit went very well given the transitions in the Finance and Human Resources Departments during FY22, and shared that the auditors congratulated Pratt and Pina for a smooth first audit as leaders.

She shared that while there was a noted significant deficiency in internal control related to the School's payroll process, it did not rise to the level of material weakness, of which the School had none. Further, she noted that both findings from the Fiscal Year 2020-2021 Financial Audit had been resolved. Pratt shared that the deficiency in internal control was a finding that the School expected given the rapid transitions in Finance and Human Resources roles that took place from October 2021 through March 2022. Pratt continued that it was suggested that the School address this finding with a strong action plan, and noted that while a formal response would be written, several mitigations has already been put into place by the team in March 2022. She and Pina listed the following, among others, as examples of actions that had already been taken:

- Meeting with the wider Finance-HR Team to discuss approval authority of roles and confirm a process that includes separate reviews of payroll by CentralSource and the Chief of Staff before final review and approval by the Executive Director;
- Hiring a Human Resources Coordinator that reports to the Chief of Staff to work directly with CentralSource and HR Knowledge to coordinate payroll input, adding an additional reviewer;
- Sharing quarterly updates of the Executive Director's paid time off (PTO) usage with the Executive Director Support and Evaluation Committee for their review and discussion; and
- Ensuring the Board Chair approves any disbursements to the Executive Director outside of normal bi-weekly payroll before being entered by the Chief of Staff.

Pratt shared that there were a few pending requests, including management's response and action plan, but that Daniel Dennis and the School did not anticipate any meaningful changes to the draft. She also shared that following the submission of the audit that the School would then be turning its attention to working with the City on a Hill Foundation ("the Foundation") to address the Circuit Street balloon payment coming due on July 1, 2023.

The Committee inquired as to timeline for this process, and Pratt shared that the goal is to approach the School's lender about refinancing following the Foundation's next meeting where new members will be appointed. The Committee asked if the School and Foundation planned to work with a consultant, as it did in 2020 when the loan was last negotiated. Pratt and Pina shared that they would be reaching out to the same consultant to ask for her support in the process to ensure continuity in historical knowledge. The Committee asked if the School and Foundation were planning to also approach other banks, and Pratt shared that both she and current Foundation Directors agree they should, stating the current ability to pay off the entire loan if needed as a positive factor for City on a Hill. Pratt shared that she would continue to update the Committee as the process continues.

B. Vote to Recommend Approval of the FY22 Audit

Andres Tejada Soto made a motion to recommend approval of the FY22 Audit to the City on a Hill Board of Trustees.

Ted Gildea seconded the motion.

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

Roll Call

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|--------------------|--------|
| Ted Gildea | Aye |
| Jack Gearan | Absent |
| Andres Tejada Soto | Aye |

IV. 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 1:49 PM.

Respectfully Submitted,
Ted Gildea

Documents used during the meeting

- September Financial Statements.pdf

- COH Preliminary Draft.pdf