APPROVED

# Excel Academy Massachusetts

# Minutes

## Board of Trustees - Finance Committee Meeting

**Date and Time**
Monday October 27, 2025 at 8:30 AM

**Location**
**Microsoft Teams** Need help?
**Join the meeting now**
Meeting ID: 262 455 709 361 6
Passcode: Z7yJ728g

Meeting Notice Posted Publicly: 10/17/25

**Please note: All items listed on the agenda are subject to a possible vote by the Board of Trustees or its subcommittees.**

**Committee Members Present**
D. Sachs (remote), D. Stolow (remote), R. Lytle (remote)

**Committee Members Absent**
*None*

**Guests Present**
A. Kaynor (remote), A. Stelson (remote), DJ Cass (Friends of Excel Board Treasurer) (remote), Jamie Greenthal (Excel RI Board Trustee) (remote), John Buckley (AAFCPA Representative) (remote), K. Cuevas Torres (remote), Kimoy Phillpotts (AAFCPA Representative) (remote), L. Tsankova (remote), O. Stearns (remote), Seth Reynolds (Friends of Excel Board Chair)

(remote), Timothy Weller (Friends of Excel Board Director) (remote), Tyree Chambers (Friends of Excel Board Director) (remote), Y. Dubon (remote)

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## I. Opening Items

### A. Record Attendance

### B. Call the Meeting to Order

D. Stolow called a meeting of the Finance Committee of Excel Academy Massachusetts to order on Monday Oct 27, 2025 at 8:32 AM.
A. Kaynor noted that this is a joint meeting of the Excel MA and Friends of Excel Finance Committees, with members of the Excel RI Finance Committee attending for informational and collaborative purposes. The meetings of the Excel MA and Friends of Excel Finance Committees are being run concurrently and documented separately. Each Finance Committee participate only in votes pertaining to them, which are clearly indicated on the agenda. Any member of one of Excel's three Boards is welcome and encouraged to ask questions and to participate in discussion about the Friends of Excel and Excel MA audits. On Dec. 4, the Excel RI Finance Committee will vote to approve the Excel RI audit, and members of the Excel MA and Friends of Excel Finance Committees are invited optionally for informational and collaborative purposes.

### C. Public Comment

No members of the public provided comments at this meeting.

### D. Approve Prior Meeting Minutes

D. Stolow made a motion to approve the minutes from Board of Trustees - Finance Committee Meeting on 09-30-25.
D. Sachs seconded the motion.
The committee **VOTED** unanimously to approve the motion.

### E. Introductions

A. Stelson facilitated brief introductions with everyone at the meeting.

### F. Update on Federal Guidelines

A. Stelson and J. Buckley updated the Board on delays in the issuing of federal guidelines.

The Federal Government has not issued the final uniform guidance for federal audits. They released a draft in July and usually release a final version in August. They will not release the final version until after the government shut down, and there is no timeline for its release. This only impacts the Excel MA audit. Our auditors cannot issue the final

financial audit report until the final uniform guidance is issued. The audits are prepared based on the draft version, and we do not think there will be much of an impact once the final uniform guidance comes out.  However, it will mean a delay in getting Board signatures on the audited financials.

Additional impacts are:

- Debt Covenant Certificate: We cannot submit our debt covenant certificate to our FCB and Eastern bank until we have the final financials. We have an extension to submit later.
- We will still submit the charter school end of year report as usual using the draft financials, but will have to wait until the federal guidance is issued to submit financials.

The AAFCPA team recommends that the Finance Committees vote to accept the audits and not to reconvene for another vote unless the audit reports need to be revised significantly once the final uniform guidance for federal audits is issued.

## II. Finance

### A. Auditor Introduction

The AAFCPA Team commended the Excel Team on their excellent work. It was the organization's first audit since the CFO transition, and it went very well. The highest-level takeaway is that Excel MA and Friends of Excel both received a clean audit, with no findings and no auditor-proposed adjustments. Excel MA shows negative changes in net position of -$67K.  Friends of Excel has a change in unrestricted net assets of +$1.06M. The AAFCPA Team noted that they will present the findings for both Excel MA and Friends of Excel. Where the content is the same, they will not present it twice. They are happy to take questions throughout the presentation.

### B. Review Excel Academy MA FY25 (SY24-25) Annual Audit

J. Buckley and K. Phillpotts J. Buckley and K. Phillpotts presented the results of the Excel MA audit that were provided to the Boards in advance. Excel MA received a clean audit, with no findings and no auditor-proposed adjustments. J. Buckley also presented the financial statements and assets and liabilities for Excel MA and summarized the audit documents that were provided to the Board in advance.

A. Stelson drew the Board members' attention to the decline in Operating Revenue and highlighted some of the factors involved, including increased employee healthcare costs and changes in accrual processes.

D. Stolow asked a clarifying question whether the slightly negative deficit triggers anything for the organization.

D. Sachs asked a clarifying question about Excel's Months of Operating Expenses in Unrestricted Net Position being lower than other Boston-only charter public schools. This is partly driven by the Excel MA and Friends of Excel governance structure. The AAFCPA Team does not have concerns about this. The typical range in the non-profit sector broadly is 2-4 months.

J. Buckley clarified that many schools performed worse relative to the standard in terms of Expenses as a Percentage of Tuition because the federal government provided millions of dollars of ESSER funding to schools without updating the standard.

**C. Review Friends of Excel Academy FY25 Audit**

J. Buckley and K. Phillpotts J. Buckley and K. Phillpotts presented the results of the Friends of Excel audit that were provided to the Boards in advance. Friends of Excel received a clean audit, with no findings and no auditor-proposed adjustments. J. Buckley also presented the financial statements and assets and liabilities for Friends of Excel and summarized the audit documents that were provided to the Board in advance.

J. Buckley reminded the Board members that Friends follows the FASB standards and Excel MA follows the GASB standards, so the reports look a bit different as a result.

J. Buckley clarified that reductions in restricted contributions do not mean that we lost that funding, but rather that it was spent in accordance with donor restrictions.

A. Stelson clarified that the $5.18M in restricted contributions largely represents what remains of the $6M gift Excel that Excel received a few years ago, which is lightly restricted to growth activities, and so those resources are included when the Finance Team sends monthly cash updates to the three Boards.

With respect to debt liabilities, A. Stelson noted that the current plan that is underway is to accumulate cash to be able to pay off the school's debts in 2027, but to make a decision as we get closer to the deadline whether the school wants to pay off the debts now or refinance.

J. Buckley noted that the Finance Team is in regular communication with AAFCPA throughout the school year and asks questions and brings proposed solutions in real time about transactions to the AAFCPA Team, which helps significantly with the success of the annual audit.

D. Stolow requested that the auditors comment on the validity of the CMO fee arrangement and payments in FY25. J. Buckley commented that the AAFCPA Team monitors all inter-entity transactions throughout the year and found no concerns or red flags. The AAFCPA Team added that they cannot necessarily comment on subjective aspects of the CMO service agreement but can comment that the structure of the

agreement, of inter-entity leases, and of the fee rates of the CMO agreements are all reasonable and consistent with standards in the industry. J. Buckley added that it is reasonable and important for the Friends of Excel foundation to have and maintain a surplus to accomplish its function and that this is consistent with other CMO structures. The Treasurers of Excel MA and Friends of Excel discussed and agreed to change the order of the agenda and to vote to accept each respective audit prior to the discussion without management staff present.

### D. Vote to Accept Excel MA Audit Report

D. Stolow made a motion to accept the FY25 Excel MA audit as presented, and not to reconvene for another vote unless the audit reports need to be revised significantly once the final uniform guidance for federal audits is issued.
D. Sachs seconded the motion.
The committee **VOTED** unanimously to approve the motion.

### E. Vote to Accept Friends of Excel Audit Report

The Friends of Excel Finance Committee voted unanimously to accept the FY25 Friends of Excel audit as presented, and not to reconvene for another vote unless the audit reports need to be revised significantly once the final uniform guidance for federal audits is issued.

### F. Board member discussion with AAF auditors, without management staff present

J. Buckley and K. Phillpotts facilitated a discussion with the Board without management staff present. The Board had an opportunity to ask the auditors additional questions about the performance of each entity and staff. No concerns or issues were identified.

## 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 9:54 AM.

Respectfully Submitted,
D. Stolow
List of documents used in the meeting:
- All FY25 (SY24-25) audit files for Excel Academy Charter School (Excel MA) and Friends of Excel Academy Charter Schools, Inc. (Friends of Excel)
- Agendas for Excel MA Finance Committee and Friends of Excel Finance Committee
- Prior Meeting Minutes for Excel MA Finance Committee and Friends of Excel Finance Committee

The public is welcome to attend any meeting of the Board of Trustees or its subcommittees. If communication assistance (readers/ interpreters/captions) or any other accommodations are needed to ensure equal participation, please contact Arthur Kaynor at akaynor@excelacademy.org at least two (2) business days prior to the meeting. Any changes in the agenda will be posted on Excel Academy Charter School's website, Excel's principal place of business, and will be electronically filed with the Secretary of State at least forty-eight (48) hours in advance of the meeting. If you would like to attend a Board meeting and provide public comment, please sign up 48 hours in advance here: https://forms.gle/7315BJ7v1bHGGh2Q9.

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