

MINUTES

Excel Academy Finance Committee Meeting

Monday October 17, 2022 – 4:30 pm

Microsoft Teams

Committee Members in Attendance: Ben Howe, David Stolow, Yahaira Acuna

Guests Attending: John Buckley & Nichole Reilly from AAF

Staff and Consultants Attending: Owen Stearns, Andrew Solomon, Kimsley Avalo, Aaron Stelson, Nina Samuelson (portion)

1. Call to Order

Stolow called the meeting to order at 4:35 pm and presided over the meeting. Solomon kept the minutes of the meeting.

2. Review of FY22 Draft Audited Financials and Associated Documents

Reilly took the Committee through the draft audit documents. She indicated that it was a “clean” audit, with no findings of significant deficiencies or material weaknesses. Excel remains a “low risk auditee” and the audit process went smoothly. Buckley commented that this audit season had been unusually challenging for many charter school networks, possibly because of the challenges associated with return to in-person learning plus team staff changes, and he remarked that Excel should be particularly proud of its strong audit this year.

Excel had financial results in FY22 that were, in many respects, similar to those of peer charters. It generated a P&L (change in net position) of approximately \$2.9 million from operations. The Foundation generated a P&L of approximately \$960,000. Collectively, the entities held an unrestricted net position of \$11 million and total net position of \$28 million at year-end, with a large increase overall due to the investment by Friends of newly received cash in facilities (capital assets).

Excel’s external debt payments will be fairly consistent over the next four years, with no balloons in existing debt until FY27.

In most respects, Excel-specific and consolidated enterprise-wide fiscal ratios strengthened in FY22. On a consolidated basis, the entities have 4.5 months’ unrestricted net position; Excel has roughly 70 days of unrestricted cash on its own. In terms of DESE’s benchmark ratios, Excel is now green (low risk) on 6 of 7 metrics and yellow (medium risk) on 1 of 7 metrics, a significant improvement over prior years when it was red (high risk) on several metrics.

Buckley talked the Committee through potential changes to anticipate in FY23 as Friends’ activities broaden outside of Massachusetts as it assumes its new charter management organization structure.

3. Board-Auditors Session

Committee members joined Reilly and Buckley in a confidential breakout room to discuss any other questions they might have privately.

4. Acceptance of the Audit

When members returned, Stolow motioned to accept the FY22 audit on behalf of the Board and Howe seconded. The Committee voted unanimously in favor.

5. Parking

The Excel team provided an update on Excel's parking challenges around the Greenway and High School campuses. Samuelson detailed options being explored in collaboration with the Department of Transportation, and she provided an update on potential lease agreements under discussion. Committee members asked questions and ultimately indicated that they remain supportive of Excel's plans to move forward with a parking arrangement with the DOT, if one materializes. Stolow indicated that he did not believe that a vote on this was called for.

6. Adjourn

Stolow adjourned the meeting at or around 5:45 pm.