

Spéro Academy Finance Committee Minutes - August 2021

Meeting Date:

Tuesday 8/17/2021 5:15pm (Online-Zoom Meeting)

<https://zoom.us/j/99690448957?pwd=dG0vZWJFWXpWVWkNXYYitwNzRCakVLdz09>

Attendees:

Diane Pangal
Karen Marshall
Kelly Tiedemann
Jim Lawrence
Edi Becerra

Absent:

Discussion/Action Items:

- 1. Spéro Academy Preliminary June 2021 Financial Report** - The Finance committee reviewed the preliminary financial reports for June 2021. **There may be transactions related to the 2020-21 fiscal year that are not yet reflected in this preliminary report.** Spéro's **cash balance** on June 30th was **\$1,400,008**. Days cash on hand 20-21 projected at 40. The **accounts receivable** amount of **\$2,540** includes costs incurred from the Spéro Foundation. (The foundation board had not yet met to authorize its process for payment of these costs prior to 6/30/21.) The "**Due from building company**" amount is currently **\$32,438**. The amount includes costs incurred from the Friends of Spéro II entity creation and earnest money for the Brooklyn Park site purchase. Current year state aids receivable is an **estimate** of FY21 revenue owed to us by MDE year-to-date based on the 10% holdback. The **Federal aids receivable** current balance of **\$35,619** represents an accrual balance for the funds expended so far in FY21 which are owed to us based on expenditures recorded. The **prepaid expenditure** balance is **\$14,105** for licensing and membership fees and insurance paid in advance for FY22. Salaries and wages payable balance is currently estimated at \$71,398. This represents our July payrolls with a June pay period. The accounts payable balance represents the amount due for invoices paid after month end. The amount is currently \$0. The year-to-date **net income is \$112,283** which is a result of revenues exceeding expenditures. Spéro's **total revenues are 90%** of the year-to-date budget and **total expenditures are 89%** of the year- to-date budget. The **total fund balance of \$1,508,339** represents the beginning of year fund balance and year-to-date net income combined. Year-to-date **food service fund** expenditures exceeded revenues by **(\$21,407)** which is close to our budgeted projections. Year-to-date **MA billing** revenues exceeded expenditures by **\$52,526**, mainly due to a **prior year adjustment**. Federal Funds and grant expenditures were lower than budgeted levels.

Diane believes that unspent Title and Federal grant funding is still available for future use.

2. **July 2021 Financial Reports** - Due to the fiscal year-end closing process, a combined financial report for July and August will be available for review at next month's meeting.
3. **Update on second Spero site acquisition process** - approvals, bond funding, property closing, etc... (UST approval received, MDE submission completed, Bond funding rate at 5%, Independent city council approval on bond resolution, Brooklyn Park City Council will consider approval at meeting next week., Potential closing date 9/8/21)
4. **Finance committee 1st quarter tasks as listed in Annual work plan (July-September)** -
 - a. "Review annual work plan" -
 - b. "Deposit and signatories - Authorize" - No changes required at this time.
 - c. "Third party billing review - review FYE data in July" - (Change to August, ask Jenny Abbs for clarification on which info the committee should review.)
 - d. "Quarterly review of new non-profit contracts entered into" - (Diane will check with Donna for clarification).
 - e. "Unaudited year-end financial data to MDE - in the form of a UFARS upload due Sept 15" - Due date is noted.
 - f. "Audit Fieldwork prep" - The committee is aware of this work being done by Jenny Abbs and her staff.
 - g. "Establish Spero Academy Foundation - ongoing" - While the Foundation has now been established, the Committee will add a quarterly look at potential funding requests to the foundation to its work plan.
 - h. ADD: Review of procurement policies annually (in Qtr #2)
 - i. Strategic Plan tasks: (Include some of these in committee Annual work plan)
 - i. Create and manage a fiscal plan to reach 18-20% fund-balance - Develop a forecasting model as part of annual budgeting process to anticipate future year's fund balance percentages & Include plans for financial impact of full enrollment on fund-balance ratios (With the existing state funding formulas, it appears unlikely that this higher fund-balance percentage can realistically be achieved. However, lower student counts and lower IEP ratios have the potential to negatively impact Spero's state funding.)
 - ii. Develop a plan for utilization of funds over 18-20% fund-balance to be used for programmatic needs - Develop an application process for one-time project spending (The committee and administration will look at developing an application process for one-time spending proposals.)
 - iii. Analyze current compensation plans and address any potential areas that may inhibit securing or retaining quality staff (Add to annual work plan)

5. Other Items - Considerations for revised FY21 and proposed FY22 budget -

Possible acquisition of used furnishings (e.g. tables, etc...) at discounted rates from a charter school that has recently closed (Up to \$20k). Staffing adjustments (e.g. more paras to meet IEP needs), Potential salary chart update to provide incentives for teaching staff as they work toward further educational degrees/credentials, Additional staff/contractors to process assessments of incoming students for IEP purposes, both this fiscal year and for site#2 next year.