

APPROVED



Excel Academy Massachusetts

Minutes

Board of Trustees Finance Committee Meeting

Date and Time

Monday October 21, 2024 at 3:30 PM

Location

Microsoft Teams

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Meeting ID: 232 542 974 004

Passcode: ngyEpA

Meeting Notice Posted Publicly: 10/17/24

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. Stalow (remote), R. Lytle (remote)

Committee Members Absent

None

Guests Present

A. Kaynor (remote), A. Solomon (remote), A. Stelson (remote), Chiv Heng (remote), DJ Cass (remote), Gary Goldberg (remote), Jamie Greenthal (remote), John Buckley (remote), Kimoy Phillpotts (remote), L. Tsankova (remote), O. Stearns (remote), Seth Reynolds (remote), Timonthy Weller (remote), Tyree Chambers (remote)

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 21, 2024 at 3:33 PM.

A. Solomon facilitated brief introductions.

The Boards agreed to do the Friends audit presentation first, and then the Excel MA audit presentation.

C. Public Comment

No members of the public provided comments at this meeting.

D. Approve Minutes for 4.26.24 Finance Committee Meeting

D. Stolow made a motion to approve the minutes from Finance Committee Meeting on 04-26-24.

D. Sachs seconded the motion.

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

II. Finance

A. Friends of Excel Academy FY24 Audit Approval

J. Buckley introduced the AAF team and noted that each entity received a clean audit, with no findings and no auditor-proposed adjustments. The school entities both show positive changes in net assets: XLMA: +\$2.42M, XLRI: +\$13K. Friends has a change in unrestricted net assets of +\$1.18M. Without the grants from Friends, XLRI would have had an operating loss of about \$930K. J. Buckley and K. Phillpotts added commended Excel's Finance Team for their great work and noted that the audit process ran very smoothly.

J. Buckley and K. Phillpotts presented the overall results of the Friends of Excel audit that were provided to the Boards in advance. As was noted previously, 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 Academy and summarized the audit documents that were provided to the Board in advance.

T. Weller asked for more context on the controls in place during the audit process, which J. Buckley provided.

A. Solomon highlighted a couple overall observations:

- The reduction in cash balances that we are observing was expected, and we anticipate this will continue for the next few years as we continue to grow.
- We have balloon debt payments coming up FY27 that we have been preparing for.

A. Solomon also noted that the differences the Board may be observing between months of cash on hand as reported in the audit relative to how the same metric is reported in the monthly cash balance reports that the Boards receive are due to differences in how we count donor-restricted grants in the two formats.

D. Stolow asked for clarification of debt obligations between Friends and Excel MA. A. Solomon clarified that Friends is the obligor and Excel MA is the guarantor.

B. Excel Academy MA FY24 Audit Approval

J. Buckley and K. Phillpotts presented the overall results of the Excel MA audit that were provided to the Boards in advance. As was noted previously, 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. J. Buckley also noted a few differences between the Friends and Excel MA audit reports due to differences in accounting standards (FASB vs. GASB).

D. Stolow asked a clarifying question about the school's assets, which A. Solomon clarified. With the solar panels, the school is the beneficiary of the electricity savings from the solar project, since it pays the utility bills.

T. Chambers asked a clarifying question about ESSER funding and how long it will be continued. J. Buckley clarified that it can only be carried over after Q1 SY25-26.

D. Sachs asked what the debt to asset ratio would look like if the lease obligations were exclude, and K. Phillpotts and J. Buckley clarified.

T. Chambers asked for clarification of how internally the team calculates cash on hand and our future outlook. A. Solomon provided additional context on how we do this and specifically how we are planning for large outlays of cash for future real estate investments and debt repayments.

D. Stolow asked AAF to comment on whether the audit process revealed any concerns regarding contractual compliance with respect to the contract between the school and the CMO. J. Buckley commented that they work with many large CMOs, and they test to ensure that the management fee is accurate and that they review inter-entity transactions. A. Solomon noted that we will also have a cost allocation policy by the time of the next audit.

D. Stolow made a motion to accept the FY24 Excel Academy Charter School audit as presented.

D. Sachs seconded the motion.

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

C. 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.

Documents used in the meeting: FY24 audit files for Excel Academy MA, Excel Academy RI, and Friends of Excel Academy, all of which are available [here](#) and were provided to the Finance Committees and Chairs of each Board in advance of the meeting

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 4:55 PM.

Respectfully Submitted,
D. Stolow

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