

MINUTES
Excel MA - Finance Committee Meeting
April 5, 2023
Remote Meeting

Board Members in Attendance: Ben Howe, Robert Lytle, David Stolow

Staff Attending: Aaron Stelson, Andrew Solomon, Owen Stearns, Arthur Kaynor

1. Call to Order

Stolow, Treasurer, called the meeting to order at 10:10 AM and presided over the meeting. Solomon kept the minutes of the meeting.

2. Roll Call

Noted above

3. Public comment

4. Minutes of Prior Meetings:

- Lytle moves to approve the last two sets of minutes, unanimous approval

5. Audit

- Solomon describes audit situation; recognizing that the boards have independence and can choose each auditor
- Stolow suggests memo such that we have a consolidated audit and we do an organization memo; all 3 boards agree on the approach and participate together
- Stolow moves to adopt capital lease and depreciation policies; unanimous approval

6. Preliminary Budget

- Stelson presents FY23 current budget
- Request to add EOY FY23 projection in the future
- Question about XLRI budget revenue - confirmed enrollment is good this year
- Questions about cash mgmt - confirmed our plans to keep roughly \$3M in working capital
- Desire for clarification of how Friends resources may be spent, greater structure on the choices and choice process to make use of such resources over time - e.g. there may be high value potential uses of money in MA, but right now it's not clear how the process will work for deciding. Want to ensure that this discussion takes place before large commitments are made to long-term RI facilities
- Discussed major planned investments in key strategic priorities
- How are we thinking about big increase in our most important expense long-term? Salaries have increased, but we expect that our long-term financial model can support this. We have made our financial model more realistic. It is still somewhat conservative, but not nearly as conservative as it has been historically. So we anticipate surpluses on the order of 2% of revenue rather than 4-5% of revenue going forward. We think that is appropriate and safe now that we have substantial cash on hand.
- Questions about enrollment. Why are we reducing HS enrollment? Facilities + scheduling (staffing).
- We need more consistent reporting on (1) enrollment and (2) compensation costs. Enrollment, enrollment income vs projected enrollment for the year; headcount, salaries expense vs projected for the year.
- Call for further discussion on what would be needed to enroll closer to 1,400 over time

7. Short Term Cash Mgmt

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8. Saving for Balloon Payment

- Stolow appreciative that we are documenting this well; we need to have a org-wide facility and investment plan, agreed to across the entities; push to make sure we have board representation to understand debt/facilities finance background

List of Documents Presented at the Meeting:

1. March 2021 Minutes
2. October 2022 Minutes
3. XLMA Preliminary Budget Proposal
4. XLMA Depreciation Policy
5. XLMA Capital Leases
6. Financial Model