



Tallahassee Classical School

MINUTES
FINANCE COMMITTEE MEETING
September 21, 2022
Via Zoom

Members Present: Pam Griggs, Committee Chair; Barney Bishop; Parker Campbell

Invited Guests & Staff present: Bob Walker, CPA, King & Walker; Lily Meadows & Kelly Goddin, School Financial Services, Hope Carrasquilla, Principal

The meeting was called to order at 11:07 am Eastern.

- A. Draft **minutes** of the Finance Committee meeting held on July 21, 2022 were presented by Pam Griggs, Committee Chair, for review and approval. The minutes were approved with no changes.
- B. The **2021-22 draft audit** results were presented by Bob Walker, CPA, of King & Walker. Mr. Walker noted that the audit resulted in a clean, unmodified opinion and found the statements to be without misstatement or control deficiencies. The statements are presented in both governmental and not-for-profit formats. The refinancing and land purchase transactions during the year were accurately portrayed. All committee questions were sufficiently answered and the draft results were accepted by the Committee. Pam Griggs thanked King & Walker for their professionalism and collaboration with several new faces in and supporting the school to complete a timely audit. Final documents will be prepared electronically for our records and that of the district, due to the district per the Charter Agreement on or before September 30, 2022.
- C. **July 2022 financial statements** and **2022-23 Teacher Salary Increase Allocation (TSIA)** reports were prepared and presented by Lily Meadows and Kelly Goddin of School Financial Services. Lily and Kelly explained the conversion of the school's budget to the standard government format most commonly used by SFS for their charter clients. During review of the July balance sheet and actual versus budget statements, Kelly provided insights on accrued elements, most notably higher FEFP revenue based on 540 enrollments rather than the 517.5 FTE the initial actual payments are based on, as well as the related deferred revenue associated with the August FEFP payment, also received in July. Given the conclusion of the audit, Lily noted that SFS would review beginning balances for the school year as finalized and make adjustments accordingly to the recorded TCS opening balances for the year. The Teacher Salary Increase Allocation report for the district was prepared by SFS in accordance with current teacher salary agreements. SFS reviewed assumptions and clarifying questions regarding the salary schedule previously approved by the Board of Trustees. With the information, Lily finalized the report. The Committee unanimously approved the TSIA report and its release to the district.
- D. Pam Griggs discussed **progress toward financial goals** of the 2022-23 budget approved in June noting achievement of teacher salary improvement and safety investments, but also highlighting unexpected pressure in personnel expense in both headcount and rates, coupled with reduced enrollments, necessitating budget amendment in order to outline a new path toward achieving the required debt service ratio. School Financial Services has agreed to support an amended budget in December with more data available at that time. For now, the Committee would need

to lead the development of a financial forecast that could be used in the interim to support decision making. Pam added that certain contractual expenses were identified during the budget process for reduction this school year including accounting, IT and marketing services. Principal Carrasquilla explained efforts underway to evaluate **IT solutions and alternatives**, especially in light of rising costs of the current vendor. Pam added that she had discussed the price increase with the current vendor who offered to unbundle billing as needed, but could not agree to reduce the increase presented due to the increased scope of services associated with the growing school and devices now required for state assessments. Recommendations from Committee members and other schools were discussed. With no strong quote offered as a quality alternative to date, the school would carry on with the current vendor, but continue to explore options. Barney encouraged thorough comparisons between the current vendor services and that of alternatives presented.

- E. Board meeting frequency and **financial reporting schedules** were discussed given the SFS timing of monthly financial reporting in conflict with the current board meeting schedule. Given the demands of the school and various projects underway, Pam recommended that the Committee propose a twice monthly schedule for full board meetings with regular Finance Committee meetings occurring prior to the first each month. Barney Bishop agreed that the increased frequency would be beneficial and the agenda item would be added to the next full board meeting.
- F. Quotes for attest services for the preparation of the annual **IRS Form 990** were solicited from Grennan Fender and King & Walker CPA firms. Pam recommended the selection of King & Walker due to fresh completion of the audit and lower quote. The Committee approved engaging King & Walker for this purpose.
- G. In supporting recent CSP grant compliance, Pam noted a TCS grant document nicely binding the school's **financial policies & procedures** at the onset of that grant, such as the procurement policy. At the time, Pam provided the manual to current school leadership for review. In discussion, the Committee recommends that a shared repository be developed to house an inventory of all current policies, including those presented in the manual, to provide better access and facilitate a deeper understanding by the board and relevant staff as well as to surface updates that may be necessary.
- H. Barney Bishop and Principal Carrasquilla flagged the pending **closure of Red Hills Academy** to the Committee, effective September 30th. Both in conversations with the current board chair and Principal of the school, they shared their concerns for the staff and families in finding their next steps to ensure continuity of education. The committee discussed an immediate action plan for in person visit for the principal, staff and families, a planned tour date, registration support, and expedited candidate interviews, if desired, for departing staff. Pam and Parker estimated that it would take approximately 12 students to support additional staffing, though preliminarily it appeared the K-3 grades of these students could be met with current capacity. Barney asked Principal Carrasquilla for regular updates to the Committee.

The meeting was adjourned at 12:23 pm.