

**Benjamin Franklin Classical Charter Public School
Finance Committee Meeting Minutes
August 29, 2007 – 8:00am – HOS Office**

Attendees: J. Buckley (auditor), G. Cimmino, A. dos Santos, P. Fairbanks, R. Frongillo, K. Geraci, K. O'Malley, T. Tracy, D. Villari, H. Zolnowski

Audit Review

John Buckley, of the audit firm Alexander, Aronson, Finning, attended the meeting to review the financial audit they just completed of the school's financial statements. We reviewed the Letter to the Board, the Financial Statements, the Management Letter, and a final document that compared certain financial ratios of BFCCPS to 3 other charter schools. Since accounting rules do not allow FY 2007 cash reserves to be used for FY 2008 expenditures, the June 30, 2007 balance sheet reflects a prepaid expense of \$40,000 for school supplies purchased in that year and the FY08 budget will have a footnote that \$40,000 of our FY 2007 net assets were set aside for FY 2008 supplies. One "significant deficiency" and a few "control deficiencies" were identified by AAF. Kara will draft the management response for each issue and distribute it to the committee for review before sending them to AAF for inclusion in the Management Letter. A few corrections to various documents were requested and will be done by AAF.

Anna will contact Matt Ginnetty to identify the status of the note payable held by the Foundation for the land. The note payable is pending renegotiation as its due date passed earlier in FY 2007. Once all updates and corrections to the audit documents are made, Anna will distribute to the full Board. AAF requested that the Board accept the audit report at the Sept. 6 Board meeting in order to avoid additional audit work.

John Buckley made several suggestions for the committee to consider this year, such as:

- Create a policy that requires laddering our CD investments
- Increase our line of credit
- Designate a proposed use for a portion of our unrestricted operating net assets
- Do a clean up of old transactions in QuickBooks.

Request for Retainer for Law Firm

John Neas requested \$10,000 to be used as a retainer for the services of a law firm. BFCCPS would have more immediate access to law services under such an agreement. Since the FY08 budget already had a line item of \$10,000 for professional services, the committee agreed that it could be used as a retainer and no budget increase would be needed at this time.

Group Insurance Commission (GIC) Insurance Program

Kara did a preliminary review of the GIC program costs. Some savings for the school would be likely; greater savings were found in the employee contributions. Several program requirements may have serious long term consequences and need to be carefully investigated. Employee impacts also need to be assessed and employee input needed. Committee decided that BFCCPS would not join the GIC program for FY09. and would do a complete assessment of the program in FY08.

The meeting adjourned at 9:25am.