

BFCCPS Finance Committee  
Meeting Minutes  
September 2, 2009

Attendees: Nav Chander, Lori Clements, Jerry Cimmino, Anna dos Santos, Pat Fairbanks, Rich Frongillo, John Neas, Dr. Kevin O'Malley, Tim Tracy, Heather Zolnowski

John Buckley & Davide Villani from AAF

*8:15 begin*

Audit Results – John B and Dave V present

- Some items were re-classified, none were impactful to the bottom line. Account #s changed, e.g. phone to salary
- Audit process
  - done in a timely manner
  - began slowly at first with some delays due to transition of work
  - foundation data received timely
- Dr. O'Malley recognizes Heather Z's input during the transition

Combined general purpose financial statement

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- clean unqualified opinion

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- foundation had \$16,000 loss; fundraising pays for interest
- tuition increased about \$200K vs '08 due to increases in both rate number of students
- salaries increased about \$400K, benefits up about \$100K
- most other items were similar to '08
- loss of \$230K reported
- professional services up, due to AMS, architect for Pond St.

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- foundation - \$211,742 held in cash
- property is valued at purchase price, we would need to mark to market if we intend to sell
- John N asks about \$2,084,733 (it grew since 2000, but is down since 2007), is this a reasonable amount
  - John B opines that it is about 6 months of operating expenses (including foundation)
- The loss was described as 'strategic' and not the result of a surprise

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- Land loan is 'on demand' with the bank and has no maturity, there would be some risk of reputation should the bank call the loan and the foundation not be able to pay off the note
- The \$250K line of credit still exists with the bank changing from Ben Franklin to Rockland Trust

#### Report to the Board

- Mostly 'boilerplate' language
- Depreciation of modulars was accelerated to end at the end of lease
- Adjustments change bottom line by \$86,177, (\$51,088 is non-cash)
- The committee discussed the efficacy of AMS given the reclassifications
  - John B recommended a full quarter close with a review by FinCom
  - Also recommends creation of checklists for all accts with expected frequency of reconciliation

*(9:25 notetaker leaves; chairperson completes minutes)*

- MTRB checks did not have dual signatures; these checks are generated by the payroll service and have only one signature line; does the bank require 2 signature for checks over \$5,000 or is it only a school policy?

#### Next steps

Anna will update the management response for each finding and send them to Dave Villani by Thursday

John Buckley will attend the Board of Trustees meeting on 09/10/09 to present the audit.

*Meeting adjourned at 9:50am.*