

APPROVED



Great Oaks Charter School - Bridgeport

Minutes

GOBPT March Monthly Finance Committee Meeting

Date and Time

Monday March 6, 2023 at 1:00 PM

Location

Great Oaks Charter School - Bridgeport
375 Howard Avenue
Bridgeport, CT 06605

Committee Members Present

Bob Carlson (remote), Corey Sneed (remote), David Zieff (remote)

Committee Members Absent

Eva Vega

Guests Present

Benjamin Chan (remote), Janay Garrett (remote), John Scalice (remote), Latoya Hubbard (remote)

I. Opening Items**A. Record Attendance****B. Call the Meeting to Order**

Corey Sneed called a meeting of the Finance Committee Committee of Great Oaks Charter School - Bridgeport to order on Monday Mar 6, 2023 at 1:04 PM.

II. Fiscal Cliff

A. 990 review

C. Sneed reviewed a few pages of the 990 that require updating.

D. Zieff reviewed the audit and 990 - he had findings in his review that C. Sneed wanted to bring to everyone's attention. C. Sneed noted this is from the perspective of an outsider - he wants to be sure it's telling the narrative of the school, not just the collateral. C. Sneed also noted that the same message about the school and the story of the school is aligned throughout the 990.

C. Sneed reviewed "Describe the school's achievements" - and wants to enhance this section but also reiterate the narrative should be the same across the document. General mission, school achievements, etc. D. Zieff emphasized using Schedule A and/or schedule O to expand on accomplishments. The 990 undervalues the work of the school.

C. Sneed asked B. Chan to move down to page 7 - to review item 15 concerning compensation review; we selected "no" - which, C. Sneed noted, would indicate that there is an arbitrary number in a compensation plan for J. Scalice, Executive Director or process for determining compensation which is not, in fact the case. At minimum, C. Sneed noted that at minimum, previous 990s can be utilized in this evaluation. B. Chan also noted that previous year salary estimates can also be utilized. In other words, annually, it should be checked off as "Yes" that we have a formal process to substantiate the recommendation.

C. Sneed asked about "estimated amount of other compensation" which he noted means fringe benefits. Any compensation towards health insurance, supplemental insurance, etc. Any additional compensation should be shown there, but our 990 currently reflects 0. C. Sneed noted this comp should be reflected in payroll and suggested that if J. Bull (auditor) prepared the 990, GOF should provide her with the information she needs to accurately complete the 990, even if she doesn't ask for certain information.

C. Sneed also noted that #4 for reportable comp was answered "no," but once additional comp is added (fringe), that answer should be switched to "yes." C. Sneed said they do have a schedule J for John.

C. Sneed reviewed page 11, towards the bottom, noting that **total functional expenses**, for our admin (\$423,000) that this number is accurate. While we are allocating most of our dollars towards programming, C. Sneed wanted to be sure, at a glance, that if we are aware of unrestricted spending, that number is accurate, as it is a low number in comparison to our budget. C. Sneed also wanted to be sure that the narrative around how the dollars are being allocated is clear.

C. Sneed reviewed the bottom of PG. 29- re: deferred rent. C. Sneed wanted to be sure the number listed on the 990 is accurate. B. Chen noted they have a schedule of projected rent and he will review that to be sure this is accurate.

B. Carlson asked for a clear definition of "deferred rent." B. Chan and D. Zieff noted that sometimes there is a mismatch between payment and rent, because sometimes organizations pay rent in advance, but someone would want to know why we might pay so much in advance. B. Carlson asked, if perhaps, that amount is a reflection of the renegotiation of rent, which included some payment up front. C. Sneed just wanted to know how this amount reflected on the 990 was captured.

C. Sneed lastly wanted to review total comp. for J. Scalice, pg. 33 of the 990 because at the moment it is blank. C. Sneed said once these are updated with J. Bull/addressed, the board can vote on the 990 and C. Sneed can sign it to close out the audit process.

B. Fiscal Cliff Discussion

C. Sneed led a conversation about the need to have access to certain financial documents virtually on-demand from our foundation partners/CMO; it would be helpful to the school as we are preparing to closing out the books at the end of the year. C. Sneed noted it will help in budget forecast moving forward for the school;

The current projections once ESSER dollars are spent, reflect the school trending towards not having a balanced budget and being over in our spending. C. Sneed shared that the board/finance committee and school leadership team have discussed this fiscal cliff since prior to moving into the current school building and they are confident that the school is certainly on the cusp of it.

C. Sneed noted that for the upcoming budget, for the school budget, do they approve a budget projecting a deficit? However, C. Sneed hopes to have a plan in place instead, to avoid this scenario, which is preferred. But in order to do this, they have to know in a timely way, where our dollars are currently.

B. Chan suggested that he needs a roadmap from the school as to where spending will be prioritized so they can follow the road map and tag purchases accordingly. B. Chan reviewed the process for budgeting and forecasting currently in place. B. Chan also noted the ESSER dollars is a one-time opportunity so future budgets, should be based on per pupil dollars. B. Chan suggested that certain fees we have accrued are single-expense fees and have been tagged to ESSER.

C. Sneed agreed that this has been the practice of the school and board, concerning allocation for single-expense fees (as it relates to ESSER) where appropriate based on limited/temporary funding (e.g. 1-2 years, not year over year). He continued to share that operating revenue vs. costs or expenses, that the school building takes up a significant

portion of the budget and we've never been able to have a fixed number on building operating expenses. Scaling up due to learning loss was another significant factor in budget concerns coming up for the next year.

C. Sneed noted that we currently budget based on per pupil and building up from there, almost building a new budget, so we can figure out clearly and concisely where budget costs and cuts will come from to get the school in a solid place for next year.

B. Chan noted that ESSER funding is one of the few grants the school can use to supplant their budget and reviewed at a high level, the way that the existing grant can be utilized.

C. Sneed agreed and shared that because of this opportunity, we've been able to shift our budgeting and begin building a reserve, but as they move away from ESSER, they're looking at how are they going to be able to continue to successfully do this without having an asset or resource that gives us the ability to supplant budget.

Fundraising, Grants & Loans

It's almost a day one budget we are building now. C. Sneed emphasized the school's current work and commitment to looking for more grant opportunities, B. Carlson's upcoming meeting with CEO M. Duffy, and the broader need across the board to prioritize fundraising as a means to be able to continue programming and keep the board's commitment to the students and school leadership.

B. Carlson noted he was unaware until the last few months but he noted he wouldn't have recommended paying the loan back to the foundation so quickly, and would have asked for that to be extended. However, we have paid it off and that's a good thing, but there is now new pressure to plug other holes in the budget.

C. Sneed emphasized to B. Chan that the timely information/data to build this budget is essential. There is a sense of urgency to pin this down so we have enough lead time to raise funds as needed. C. Sneed noted he does not want to have to vote on a budget that's projecting a deficit and our foundation partners should be supporting this effort despite the foundation's business needs.

D. Zieff asked about contingency plans. He noted that ideally, fundraising would cover at least 10% of the operating budget, but that should we not be able to raise enough money, can borrowing be a part of the contingency plans for the school.

C. Sneed noted that yes, they brought this to J. Scalice's attention; finding ways to establish a credit facility and leverage the current reserve that the school has established as an additional asset that gives the school some lede time and a multiple against our reserve.

C. Sneed also noted that the rate we are receiving now is not competitive so they are looking to ensure that what we do receive is competitive.

M&T - partnership

C. Sneed asked E. Vega specifically about partnership with M&T Bank and whether or not they have an interest in contributing to the school's efforts, how much they have available for education efforts and the route/approach to exploring this relationship. E. Vega noted that her membership on the board means the bank is interested in a relationship, whether through sponsorships or lessons (e.g. financial literacy classes). E. Vega has a meeting in early April to present information about the school and school efforts. C. Sneed wanted to know if J. Scalice could join this meeting, but E. Vega noted no, that this upcoming meeting wouldn't be appropriate for J. Scalice to attend, but there will be opportunities.

J. Scalice and L. Hubbard have been discussing them meeting with community development partners to discuss opportunities at the School, and are on board and ready - including opening up their calendars for opportunities that arise.

E. Vega shared the steps she's taken so far, including meeting with our Director of Community Partnerships A. Brown, to be prepared for her meetings with M&T leadership concerning their support of GOBPT. She shared they've been collaborating openly with E. Vega and all she needs moving forward, is a clear ask from the school for M&T. E. Vega presented lots of different options to ensure someone from the school is a part of these upcoming meetings, or the meeting is hosted at the school. Given E. Vega is facilitating multiple conversations, she encouraged the leadership team to offer perhaps a tour of the school as a part of this process as well. If sponsorship is urgent, she can present it at her April 4th meeting for beginning of May partnership to begin.

C. Sneed asked if M&T had specific dollars allocated for community and/or what they're looking for so we can make a targeted ask from the bank. E. Vega shared that M&T has been generous with the asks she has made - and she expects there isn't a ceiling for the ask(s) of the bank. C. Sneed is wondering if there's a true 100,000 opportunity and if so, how we approach the ask, and whether opportunities rest not just with local branches, but the M&T foundation, if they have one. E. Vega shared that they have an entire department focused on the community and non-profits. It is exclusively for collaborations with non-profits. We primarily need to center what the value of GOBPT in the community. E. Vega is going to ask what the max/limit they extend. E. Vega felt like that there is perhaps not a limit, but rather, tell them what the school needs as it relates to specific projects and how it's aligned with the mission statement, the "why," and the impact on community.

C. Sneed clarified, even if there's an ask of M&T and they cannot fulfill the ask, would they come back with a counter offer rather than a flat out denial. E. Vega feels confident in the strong relationship(s) between M&T and our school leadership/board.

J. Scalice noted he would touch bases with A. Brown and assess what projects existing are in alignment with the conversations that have already been having with M&T.

B. Carlson asked D.Zieff, based on his experience, what is the likelihood of a place like M&T or other corporations/institutions/companies becoming a sponsor of non-profits. D. Zieff shared that it varies. D. Zieff confirmed that having a clear and concrete ask if helpful, and/or naming specific sponsorships according to aligned donations.

As a close to the discussion, C. Sneed noted that we need to be a standout in the midst of many other schools and non profit organizations.

E. Vega agreed, noting that a school visit and campus tour, along with a discussion of "this is where we are now, but this is where we want to go and can go with your sponsorship," along with the projected impact - will be critical to raise the type of funds we need to raise.

III. Financial Overview/Administrative

A. Current Cash Position

B. Chan said we are closing in on the revenue, he's meeting with his GOF colleagues and then with the school leadership team to close out the year end gap in expenses.

B. Chan said they're being controlled on the personnel and School operations side.

C. Sneed asked the committee to review the dashboard and reach out with questions.

B. Chan addressed the deferred rent convo, sharing a chart of straight-line rent versus escalating rent calculations, based on an annual estimate based on 19 years of the total.

D. Zieff shared that he wasn't flagging the mathematical calculations of deferred rent, but rather, given the 990 is viewed as a public relations Document (as it relates to fundraising and generating fiscal support), he was emphasizing the need to at least write a line or two about the purpose and function of the deferred rent, and how it's structured for the school's benefit rather than detriment.

IV. Additional Items

A. Additional Items

B.

Recurring

C. Sneed asked about new vendors, of which there are 5 for approval, for end of year trips for students. C. Sneed revisited the conversation of a consent agenda to vote for vendors as a slate and allows the board to look at ahead of time and vote more quickly/easily for this upcoming board meeting and future meetings. B. Carlson is comfortable with doing so.

Corey Sneed made a motion to approve the minutes from GOBPT February Monthly Finance Committee Meeting on 02-06-23.

Eva Vega seconded the motion.

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

D. Zieff wanted to know when they could review the budget laid out by J. Scalice. C. Sneed noted that they'd call a meeting if needed to review together. The finance committee discussed reconvening at the school in the coming weeks to review and discuss the budget.

V. 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 2:05 PM.

Respectfully Submitted,
Corey Sneed