APPROVED

Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time
Thursday September 16, 2021 at 8:30 AM

Location
Veritas Prep Charter School ZOOM meeting instructions:
Lynne at Veritas (she/her) is inviting you to a scheduled Zoom meeting. Topic: VPCS Finance Committee Meeting ZOOM Time: Sep 16, 2021 08:30 AM Eastern Time (US and Canada)

Join Zoom Meeting https://vpcs-org.zoom.us/j/86782069535?pwd=UkVvM2w4aE8rTzM5ZHMydTdLcWFnQT09

Meeting ID: 867 8206 9535
Passcode: TcE6rV0T

One tap mobile +13017158592,,86782069535#,,,,*22035223# US (Washington DC) +13126266799,,86782069535#,,,,*22035223# US (Chicago) Dial by your location +1 301 715 8592 US (Washington DC) +1 312 626 6799 US (Chicago) +1 346 248 7799 US (Houston) +1 669 900 6833 US (San Jose) +1 929 205 6099 US (New York) +1 253 215 8782 US (Tacoma) Meeting ID: 867 8206 9535 Passcode: 22035223 Find your local number: https://vpcs-org.zoom.us/u/kd7fBzPFhN

Committee Members Present
D. Ford (remote), D. Fuller, L. Goncalves (remote), M. Landon, R. Romano, T. Maxey (remote)

Committee Members Absent
R. Martin, T. Gabinetti

Committee Members who arrived after the meeting opened
M. Landon

Committee Members who left before the meeting adjourned
L. Goncalves

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

D. Ford called a meeting of the Finance Committee of Veritas Preparatory Charter School to order on Thursday Sep 16, 2021 at 8:30 AM.
L. Goncalves left at 9:10 AM.

C. Approve Minutes

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 07-15-21.
T. Maxey seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Landon	Aye
T. Gabinetti	Absent
R. Romano	Aye
D. Ford	Aye
D. Fuller	Aye
L. Goncalves	Aye
R. Martin	Absent
T. Maxey	Aye

D. Approve Minutes

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 08-26-21.
M. Landon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

L. Goncalves	Absent
R. Romano	Aye
D. Fuller	Aye
D. Ford	Aye
T. Gabinetti	Absent

Roll Call

M. Landon	Aye
R. Martin	Absent
T. Maxey	Aye

II. Other Business

A. FY21 Audit Presentation by AAFCPAs

Auditors from AAF introduced themselves to the board. David Kelleher and Nichole Reilly and prepared to present the audit report to the committee. They explained that federal grants are up this year above $750k so the audit included a federal component for the first time. Clean audit, no findings.

Nichole explained the combined financial statements and started with the Friends of VPS changes of net position explaining how it connects to the surplus statement which we will review in a bit. $70,000 capital grant came in last year and was spent this year. Unrestricted revenue came in and we ran the school with more than a $700k surplus this year. The components of that are mostly from the revenue side with tuition increases and grant revenue. Tuition was up $915k this year. COVID created some shifting in expenses, less in some areas but more in areas like technology and equipment. Biggest change was in salaries, up $600k plus this year with additional staff and increases in retained staff. Nichole invited questions, trustee asked why the MTRS is separate from the benefits. Nichole explained how the MTRS system works, how it is kept on our books and statements as an in-kind to show the state is providing and what the value would be at that point in time. Nichole pointed trustees to the foot note where this is also explained. Denise clarified that we are not ever responsible for funding the pension as a school.

Nichole reviewed the balance sheet with the committee. Transportation costs that the state paid to us but went unused need to go back to the state. They estimated and sent payment for transportation assuming that SPS wasn't covering those costs. SPS did end up covering them so the state will recoup those funds with reductions to revenue in future payments. It is sitting on our books as an accrual. Denise asked about funds we are now investing and how they would be accounted for on the balance sheet, Nichole explained how they would be booked and how the footnotes would explain equities.

Nichole showed the committee the new reports from the Federal portion of the audit which list all the sources and funds coming from federal programs. There were no issues or findings. Title 1 was tested and the charter school program were the two identified programs and everything is in compliance. We are not yet considered a "low risk" audit which means AAF tests 40% of federal funds and that is only because we haven't had multiple years of audits yet. We will eventually, assuming another clean audit next year, be considered low risk which means AAF has to test less percentage of funds. Denise asked if we needed to update our procedures and David shared the board report which provides some feedback for how we can improve the procurement policy. There board

report also shares a couple of adjustments which were not material. AAF checked cash disbursement and there were no issues and no issues with dual signatures or back up for invoices so that is all good. AAF also checked MTRS as a follow up to last year audit, all in compliance.

Nichole and David shared the surplus calculation report with the board and explained how it works and what the allowable surplus amount is. We are about half way to the allowable amount so this is something to keep in mind and look at once or twice per year to plan for capital expenditures. We've increased our reserve to be able to cover around two months of operating which is great. Our goal is to build to 90 days and we made progress toward it this year.

B. Finance Committee Goals

M. Landon arrived at 9:12 AM.

III. 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 9:36 AM.

Respectfully Submitted,
D. Ford
D. Fuller made a motion to adjourn the meeting.
M. Landon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Documents used during the meeting

- VPCS Surplus Calculation DRAFT 9.9.21.pdf
- VPCS Board Report DRAFT 9.14.21.pdf
- VPCS Financial Statements DRAFT 9.14.21.pdf
- VPCS Management Letter DRAFT 9.9.21.pdf
- VPCS Ratios DRAFT 9.9.21.pdf
- Finance Committee Goals FY 2022.docx
- Financial Reports to Finance Committee 1.pdf