

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday February 17, 2022 at 4:00 PM

Location

Veritas Prep Charter School 1st Floor Conference Room or Dial-In Number: 866-848-2216,
Conference Code: 7783935205, Leader Code: 2356

Committee Members Present

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

Committee Members Absent

R. Martin, T. Gabinetti

Guests Present

N. Gauthier (remote)

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 Feb 17, 2022 at 4:04 PM.

C.

Approve Minutes

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 01-20-22.

T. Maxey seconded the motion.

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

II. Finance

A. Monthly Financial Reports

Lynne says with closing out January, we're still showing a deficit around tuition projection numbers from DESE. Other than that, everything else is holding steady. Also, we're almost fully staffed.

Lynne asks for questions around revenue and expenses.

Denise asked if Lynne included the \$636,000 from the district into original budget?

Lynne said she was going with what was anticipated to come in (e.g. SOA). She wanted to show what we could use since we didn't know exactly what we would need returning to in-person learning.

Denise says our deficit has increased by about \$12,000 (\$140,000 to \$152,000) since last month. Is this accurate or are there things that will take that number down?

Lynne says there are cushions but she's not ready to relieve them yet because we are still responding to accelerate student learning.

Denise is concerned building a budget on funds we anticipated receiving. Now it may be time to scrub the budget and determine the things in peoples' requested budgets that we may need to cut back on.

Lynne says at this point she doesn't think we're going to cut back on anything but she will have to follow up with individuals (Amy Clark, William Davis, etc.) to determine what may be left over. At the end of each year we tend to have savings in certain buckets that we can use to cover that deficit. She also needs to connect with Shannon, Director of Talent, to see if we are doing any more this hiring this year because that will effect that number as well.

Denise would like to look at expenses if this number keeps going up rather than stabilizing. We need to know what we really expect and what kind of cushion we have in these numbers.

Lynne points out a few examples of where we may be able to get some relief:

- 1.) Special education: Originally the budget for this line was \$200,000 but we've only spent \$40,000 and she has a projection of about \$154,000. We have now hired providers for these services. This is an area where she needs to meet with Jonathan Swan and figure out how much we're really going to spend here.
- 2.) General Instructional Supplies: \$64,000 and we've spent \$40,000.
- 3.) Operation of the plant/Utilities: Usually come under here and she hasn't yet relieved any funds from here.

Denise asks if we have to restate our approved budget?

Lynne says we don't have to restate it but you have to tell auditors why there's a difference. We may have a variance notation on one or two lines.

David asks what the impact of the contingency figure is?

Denise says that was eliminated on the projections already. The current loss is with no contingency funds available.

Matt says we're actually \$500,000 behind without the \$350,000 contingency.

Lynne says no because the \$350,000 originally was a holding place because when the ESSER funds came in they balanced this number out.

Denise mentions that we still have a difference to account for related to enrollment that will be another loss in revenue.

Matt asks what is the best collaborative approach or next steps for the March meeting?

Lynne says she needs to meet with people who own certain budget lines and find out where they are and then she will have a better idea of what we are looking at.

B. COVID Relief Grants Update

Denise is concerned that we are spending money before we get it.

Lynne says we are because all of our grants are reimbursable funds.

Denise asks how long it takes to receive the funds?

Lynne says between 3-4 weeks. She typically does reimbursements quarterly.

Denise mentioned that the two new grants (Early College and Teacher Diversification) will show up here as well.

Lynne says yes, some for teacher diversification will be pushed into the summer.

Lynne has created a report for COVID relief grants for finance committee members/Board members to see more detailed lines that show how we're currently using ESSER funds and how we're planning on using them.

Denise asks about the ESSER I grant. Are we planning on using all of it in 2022 like we have in previous years?

Lynne says what we have spent to date is \$145,000 and \$94,000 is what we already brought in so she only requested the difference. This grant will be done this year and be balanced out.

Denise asks about the income statement, is that number subject to change?

Lynne says yes, if we don't spend all of ESSER II we can extend it for another year and if that's the case, our projection amount could go up or down.

Denise asks how that reconciles with the grant schedule? Can the grants offset expenses for the year so the deficit can be alleviated?

Lynne says possibly, but although ESSER is flexible, there are certain parameters within which the funds must be used. We also have to consider "maintenance of effort".

Denise thinks many of the remaining expenses do seem to fall under the parameters of the grant.

Lynne says yes, she needs to go through the budget line by line and hopefully that's something that can help with the bottom line.

Lynne says we are not spending ESSER III money this year, we need to have our concrete plan of how to spend it in place first.

C. Capital Expenditure Update

Lynne says our mixed assets threshold policy says we will only capture assets if individual units are over \$5,000. Lynne says there is not much furniture that will be over \$5,000 so the majority of furniture is all going to be expense.

We do have some furniture quotes and we are right around \$300,000 for the general academic program. For the kitchen, Lynne is holding off on the amount because we are waiting to see if we get a grant to support this. Floorboards, gym equipment, etc. is just over \$10,000. However, these things don't change the capital plan.

Denise asks where in our 2022 budget is the money for this furniture?

Lynne says under the 5262 budget line - which will be in the FY23 budget. Most of the purchases themselves will happen in July and August.

III. Investment Committee

A. Investment Sub-Committee Update

Matt updates the committee that we had our first meeting on June 8th and Steve Howard from Seeley Howard talked about how we have our investments allocated and we went through each of the investments. We are off to a good start, our portfolio is down about 3% but we recognize that this is in line with how the year has started and this is a long term portfolio and we are looking at it over time. They will keep an eye on when we can tiptoe into more risk assets.

We will continue to meet on a quarterly basis. Everyone is invited to attend.

B. Investment Uses Discussion

Denise wanted to discuss if we should decide what would be permissible uses for investment funds or keep it more general?

Matt thinks it makes sense to talk through this but remember that it may be a considerable amount of time before we ever use these funds. He wonders if the managing of the funds stays in the investment subcommittee and uses of the funds is more of a finance/Board responsibility.

C. Scholarship Fund Discussion

Denise has started a fund for scholarships for graduating seniors (Aaron has one too). When she was talking to the investment advisor, she can't specify that it is for Veritas so she was looking for guidance on making sure this money goes to Veritas rather than staying with the community fund where any student can apply and receive them.

Matt wonders if you look at another investment manager so you can achieve what you want with your funds. Maybe Seeley Howard?

IV. Other Business

A. Request to Increase Credit Card Limit

D. Fuller made a motion to bring a vote to the Board to increase the Veritas credit card limit by \$10,000.

M. Landon seconded the motion.

Lynne asks the finance committee to approve and bring to the Board for a vote to increase the credit card limit for Veritas credit cards. This request is to help support the new Director of Operations for the High School, Shirley Amunya. The current credit card limit for several team members is \$25,000. She is asking for an increase of \$10,000. The committee **VOTED** unanimously to approve the motion.

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 5:09 PM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- Financial Reports to Finance Committee 1.pdf
- Grant Summary to FC.pdf
- VERITAS 02.08.22 Update.pdf