

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday May 19, 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

[Join Zoom Meeting](#)

ID: 82384629673

Passcode: 966439

[\(US\) +1 929-205-6099](#)

Passcode: 966439

Committee Members Present

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

Committee Members Absent

D. Fuller

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 May 19, 2022 at 4:02 PM.

C. Approve Minutes

M. Landon made a motion to approve the minutes from Finance Committee Meeting on 04-21-22.

R. Martin seconded the motion.

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

II. Finance

A. Monthly Financial Reports

Lynne shares the monthly financials. Cash is down for a few reasons (a lot will be picked up by grants): There are reimbursements we won't get for the high school until July and we weren't able to draw down on grants last month because it was in an amendment cycle. When the drawdown window opens on the 25th, those funds will come in by the end of the month (\$500 to \$700K). Lynne and Rachel discussed taking the opportunity to access our line of credit this year.

Denise thinks there is no problem with this. A lot of companies have lines of credits they don't use. If we drew on ours now, we'll pay it back in 60-90 days, so it makes sense to do it. There is no downside in using it.

Matt asks if will effect ratios or year end reporting?

Denise says no, it won't increase anything enough to make any difference.

Lynne says that is the biggest item up for conversation at the moment. Everything else is holding pretty steady at this point.

Robbie asks about Friends of Veritas, what is it?

Lynne says Friends has been in existence since Veritas has existed, it is our non-profit entity. It will function at a much lower level when we leave Holyoke. Our Pine Street location is also owned by Friends.

Denise asks what is the 331K for?

Lynne says that is ESSER III funds. We have the first 10% of the grant but we won't start touching this until halfway through next year.

Lynne talks about our current deficit which has been lowered down to \$23,000. Some of that is due to us using ESSER II funds. We may get to a balanced budget at the end of the year.

Rachel mentions the Friends budget and the pretty big swing has to do with us ending the contract with Holyoke early. We didn't want to close out this budget with a lot of money leftover that we were supposed to use for Holyoke so we are trying to spend it for Holyoke in useful ways and fill some of the needs that we have that we usually tend to be more conservative about.

Denise asks if we're due anymore money related to Holyoke?

Lynne says the third quarter management fee has not come in yet and then there is a final one after that as well. The max management fee would be \$175,000. Lynne gave the example of how we are using some of the fees thoughtfully to close out Holyoke: we pay a fee to Summit (temp agency) to get people into positions that we really needed to fill in Holyoke.

B. Capital Budget

Lynne opens it up for questions. The High School technology, flooring, weight room upgrades, and other systems, like security, should all be completed by June.

Denise asks about the HVAC system?

Lynne says the basement failed. It wrecked the line inside the wall and because we couldn't find parts to repair it, we brought it on to the new system.

Denise asks about all the equipment on page 2?

Lynne says she will change those dates to July before it is sent to the Board next week.

Denise asks about pushing out the window renovation?

Lynne says it will probably happen in 2023.

Rachel talks about targeted interventions with students through ESSER funds. Summer school costs are higher this year because students need it and that is what ESSER monies are for. Rachel wonders how badly we need to do those windows (maybe push it out a year) because that money may be better used to accelerate learning. Maybe we

can look for other sources of money to fund the window project so we can re-allocate some of the ESSER money to support student learning.

Denise would like to think about windows that are unsafe. Can we repair some of the windows that could pose a danger to people?

Lynne says that we would just be very clear that those windows cannot be used or opened.

Committee agrees to bring this budget to the Board for a vote next week at their May meeting.

C. FY 2023 Budget Draft for Review

Tuition rate has not been modified since we last discussed it, however, the House did end up approving the Facilities Per Pupil (FPP) rate in their budget. The team also talked about Summer Academy which was added here.

Lynne also thinks 100% of people will participate at the single rate. Lynne shared the document she uses to pick apart monies from the grants we are receiving.

Denise recommends that this document would be good to share with the Board so they can see how we are planning to spend these funds. She thinks it is good for the Board to see what percent of ESSER III funds are going to salaries, what is going to accelerated learning, etc.

Lynne says she can map these things out fully once we get into July.

Matt asks about personnel costs sustained by ESSER funding?

Lynne says if there is any indication of what the state is doing with SOA act, we will start to balance the ESSER funds we have used for these purposes. We are hoping that we may be able to keep some of the effective positions we have been able to create and sustain through ESSER funds through SOA funds.

Lynne talks about the new High School - HR costs are increased but the rate per person didn't go up, same with Board on Track. A lot of the administrative costs have held steady, which is good. Lynne also mentioned we changed the base salary of our educators from \$47,000 to \$50,000 so that we are closer to the district starting salary which we did because of SOA.

Denise asks if we feel good about this now?

Lynne says we do, our staff retention is very high this year.

Rachel says that our Director of Talent, Shannon Langone, will join this month's Board meeting to give some more updates around this topic.

Lynne talks about our instructional costs. With opening a high school, it will resemble what happened when we opened the middle school - we opened with an idea and an expectation of what we would spend and then it changed. We may have planned to spend money in one area that we need to spend in another. She did increase the amount to \$400,000 to give us some extra wiggle room. We have an overall contingency of about 3% per student.

Rachel is less worried about enrollment for high school (9th grade) then she is for 5th grade so it's always good to have some contingency built in to the budget especially as we continue to recover from the pandemic and return to full in-person learning.

Denise asks about the high school opening: how will we account for high school and middle school budgets which are part of one organization but also separate entities?

Lynne has some ideas about using different classifications or sub-accounts under header accounts that will help distinguish between costs at each school.

Committee agrees to bring this proposed budget to the Board for a vote next week at their May meeting.

III. Other Business

A. Investments

Denise asks how investments are going?

Matt says they are going in the wrong direction but he will take a closer look at this.

Lynne asks what category you see investments in?

Denise says it is below that line.

IV. 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 5:02 PM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- Financial Reports to Finance May.pdf
- VPCS_Capital Budget.pdf
- VPCS FY23 Budget draft as of 5.15.22.pdf