

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Tuesday September 20, 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), D. Fuller (remote), L. Goncalves (remote), M. Landon (remote), R. Martin (remote), R. Romano (remote)

Committee Members Absent

T. Maxey

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 Tuesday Sep 20, 2022 at 4:03 PM.

C. Approve Minutes

M. Landon made a motion to approve the minutes from Finance Committee Meeting on 08-18-22.

R. Martin seconded the motion.

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

II. Finance

A. Monthly Financial Reports

B. FY22 Audit Presentation

Denise asks about the balance sheet - what happens if the market recovers and we gain?

David says there would be an income item in the general revenue items that would reflect this.

Denise asks if the committee should be looking at this monthly or quarterly?

Nichole says it's up to us - might be easier to look at market to market on a monthly basis and then quarterly or annually parse out those other pieces of the income.

Denise asks about the lease for the High School?

Nichole says we have an asset and a liability in this. It should straight line depreciate over the life of the lease.

Lynne says we have to account for the difference and how we do this is where we have some flexibility. Denise and Lynne will discuss this before the next meeting.

Nichole presents the audit report to the committee (attached):

- Board report outlines things to focus on moving forward, nothing major.
- We have the general management letter which says we have a clean sheet/no audit findings.
- Read through the management summary if you have a chance.

- Overall, looking at revenue and expense, tuition is down a little, government grants are up, in-kind is in and out, and MTRS numbers went down (across the board for MA schools).
- As far as expenses go, they increased, most areas went up here because we transitioned from a remote year to an in-person year where we needed more supplies to function fully i.e. transportation and nutrition.
- As far as changes on the balance sheet, they were in the asset section and are related to the high school lease and our decision to begin an investment portfolio.

Nichole highlights a few footnotes:

- They had to breakout the level of our each of our investments and that is categorized under "new". They worked with Seeley Howard to complete this.
- They have the new additions that appear under assets that shows what the balances are made up of.
- There is a whole high school lease section included which discloses those streams of payment as well.
- They ask that everyone read through the "related parties" section.

The last page of the report is a list of our federal expenditures. A copy will also be sent to the federal government that says that an audit was performed and there were no findings.

Denise says given the number of charters that you audit what are the overall results?

Nichole says in general most controls for schools they audit are in good shape. Where we will see more issues will be school's procurement policies which are currently required to be tested as part of CSB.

Ratios:

- As far as statistics, it has stayed pretty flat.
- There were more employees and lower number of students.
- Ratio of current assets to liabilities went from 2 to 1.
- Equity stayed pretty consistent at 1.5.
- Component of operating revenue - most everyone had an increase in their grants and contributions.
- Operating expenses - went up, as we discussed returning to in-person learning had a big impact on this.
- Tuition per student has stayed flat, government funding per student increased to support acceleration of learning for students post-pandemic.
- We have about 1 and 1/2 months of reserves which we want to see grow as we expand. The average for schools like us is 5 months.

Surplus calculation:

- \$1,764,697, we're allowed to carry over 3 million (this allowable carryover will grow as we grow).

Nichole discussed the new GASB subscription accounting standard.

The adjusting journal entries are listed at the end of the report.

David asks where the audit goes?

Nichole says it goes to DESE and the federal government.

Matt asks about benchmarking ratios - what are the ramifications for displaying like we're displaying now?

David says two of our boxes that are in the red will be the same for most schools this year because there is so much grant money coming through DESE. On the others, Lynne did a great job explaining in the discussion analysis why those boxes were red, like we are in expansion mode so we had to pay down on our line of credit for about \$300,000.

III. FY22 Goals Review and reflection

A. FY22 Goal Review

Move to October meeting.

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 5:04 PM.

Respectfully Submitted,
D. Ford