

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday December 15, 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 Thursday Dec 15, 2022 at 4:02 PM.

C. Approve Minutes

R. Martin made a motion to approve the minutes from Finance Committee Meeting on 11-17-22.

D. Fuller seconded the motion.

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

II. Finance

A. Monthly Financial Reports

Charter School Notes

Revenue Highlights and Changes: Enrollment is 495 students, as expected when discussed last month that we would experience a few more students unenrolling between October and February. Grants are being monitored closely and trending as expected with the majority of those allowable expenses being related to staffing costs.

Expense Highlights and Changes: We will consider a budget revision in January or February to account for known increased costs. See notes on the bottom of the Statement of Revenue, Expenses and Change in Net Position for more details regarding expenses.

Change in Net Position: With cash averaging below \$1million we are currently experiencing a 30 window of available cash which is 60 days short of ideally where it would be, so there is strong need for future surpluses to build the available cash back up to a healthy level. There have been recent investments in fixed assets and long term purchases that have been paid for out of cash. The majority of those purchases have been planned (\$675k) and some unplanned (\$86k) which is what reduced our available cash by about 25 days, just to share a different perspective.

Lynne says that purchasing is still running higher than she would have anticipated for this year. This is mostly due to the new high school.

Denise asks how much of the payroll expense is reimbursed through the grants?

Lynne says grants are picking up about \$200,000 per month. Some of these are historical grants but a larger portion is ESSER funding.

Matt asks if Lynne does a cash flow analysis month to month?

Lynne says when she closes a month she looks at a few months ahead and reevaluates where we are.

David asks if we are fully finished with Holyoke?

Lynne says yes, it is all taken care of.

Revenue and Expenses - the biggest thing here is still enrollment, we spoke about this last month. We knew we were still going to lose a few more students. She is still projecting similarly to last month.

Denise says the deficit is increasing, is it going to get worse?

Lynne says it is up in the air for a few reasons:

- 1.) If we continue to lose students, the tuition coming in has to be adjusted.
- 2.) We are still having staffing fluctuations. We are doing a staffing update tomorrow to discuss this more. Rachel adds there are still two open positions at the moment and potentially one or two more. Unfortunately, this is very fluid. The committee discusses this issue further.
- 3.) Finally, under utilities we don't think we've seen the full rate increases (i.e. for gas).

David asks if there is any thought about changing the number of students we admit?

Lynne says yes we have discussed this. We are looking at different scenarios and considering them all.

Rachel says we did an attrition study when we were thinking about the expansion. Normally, half the school leaves in the first year. We set a goal of 80% and we hit it. 80% was a very strong number to reach and we're hoping to do that again this year.

David asks about how the students are doing who came from another school to Veritas HS?

Rachel says we have two groups. One group has students who are high achievers and are very happy to be with us. The other group is those who have struggled at every school they've been to and continue to look for a school that works for them.

We are working with other charters like Springfield Prep who have about 35 students who still do not have a high school plan in hopes to recruit them. We will bring these students to the HS for a tour and then host a parent information session for their parents. This would create a strong pipeline for our high school moving forward.

B. Updated Capital Plan

Lynne presents the updated capital plan.

We have come under budget on several of the projects. We came over on furniture.

Denise asks about expenditures for the HS. What is the \$150,000 for?

Lynne says that is for the classrooms for the sophomore year.

Denise thinks something like the furniture we may not want to pay from our cash reserves anymore and rather take out a loan to pay over time. She says many manufacturers have good leasing options because they want to get their goods out the door. She wants to think about how we can conserve cash over the next two years until we can generate the excess surplus that we need.

Lynne says she is watching that as well as watching that for technology products. This could be a payables concept and not a loan.

Lynne says if we don't use ESSER funds for the window project (which would require us to amend our grant), we would have to do it through a loan.

Lynne asks the committee about a few things on the capital plan to ensure that the committee is comfortable with doing them.

1.) We have to do the lower parking lot project this spring because the base has collapsed/deteriorated underneath it.

2.) The cabling for technology is going to be expensive. Lynne has held off on this but she is being told that it needs to happen sooner than later (middle school \$80,000). The high school has to be completed this year but it is not as expensive (\$60,000).

Denise would like some more information about why this is so critical.

Lynne will get more information for the committee on this item.

3.) Entryway doors. Do we want to make our middle school front entrance safer/more secure?

Denise would like to hold on this. David agrees.

Matt says the ideal situation would be a safety-focused grant for this type of project.

C. Middle School/High School Expense Reports

We will discuss this at the beginning of next month's meeting.

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 5:07 PM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- Financial Reports to Finance Committee 1.pdf
- VPCS_Capital Budget.pdf
- Functional Expense Breakdown.pdf