

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday June 15, 2023 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. Romano (remote), T. Maxey (remote)

Committee Members Absent

R. Martin

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 Jun 15, 2023 at 4:03 PM.

C. Approve Minutes

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 05-18-23.

M. Landon seconded the motion.

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

II. Finance

A. Monthly Financial Reports

Revenue Highlights and Changes: Actual enrollment is 481 students. The projected tuition revenue is based on an average of 489 students from the beginning of the school year until February. Grants are being monitored closely and trending as expected with the majority of those allowable expenses being related to staffing costs. In January about \$24k was recognized from ECF and Medicaid funds that were not previously captured in the budget or projections. A couple of small grants were approved and expected to be fully expended by June 30, 2023: MyCAP \$9k and PREP \$25k

Expense Highlights and Changes: See notes on the bottom of the Statement of Revenue, Expenses and Change in Net Position for more details regarding expenses. Released the full amount of Contingency due to lower than expected student enrollment and increased costs in many of the budget lines.

Change in Net Position: With cash averaging below \$1million we are currently experiencing a 30 day 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 there is still a deficit overall. Rachel and Lynne met to discuss this and there is some additional ECF funding - our financial consultant is doing a reconciliation which could be around \$10-15K. We are also looking for additional funding on the technology side - we could then shift some of that expense to FY24 to make it so the remaining expense for this year will be relieved until next year. Those two things could provide

approximately \$20K of relief. School ends next Tuesday so we are tightening up on any further purchases this year.

Denise asks if we are still going to show a negative balance at the end of the FY?

Lynne mentioned the option of potentially using some Friends funds to help balance the budget (don't have to decide until the end of June). Lynne explains to the committee how and why this could work. Overall, Lynne is making a suggestion that \$100K is moved from Friends to VPCS.

The committee discusses the Friends debt covenant and how that factors in to this idea.

Matt asks if we didn't transfer this money from Friends, would these assets just remain on the Friends budget?

Lynne says yes, with the purpose of being used for the good of the school.

Denise says we need to test the covenant.

Lynne says that's what our People's Bank rep is doing right now.

Denise asks how soon after June 30th would we know what the end position for the school is (without Friends money)?

Lynne says we work hard to have our vendors give us final invoices by July 10th. Internally, she should know where we're at in a week and a half.

Matt asks what the unplanned expenditures in the footnote are - do they provide relief in the next fiscal year?

Lynne says no, these are things that we hadn't planned for this year and we hadn't included them in the budget for next year. A lot of these are related to cleaning and facility damage, a difference in the E-Rate projection, and some unplanned transportation costs.

David asks about the high school lease projected and actual numbers?

Lynne says we have not received some invoices for the property tax yet.

B. Financial Reports - Changes

Lynne informs the committee that based on some feedback from earlier in the year, she would like to know if folks would like the financial reports to be set up differently or display

information in an alternate way. That way she can work on any requested changes over the summer.

Matt asks how different are the standard reports and how long does it take Lynne to do the customized reports?

Lynne says this is her template so at the beginning of the year it takes some time to set up but after that populating the information from QuickBooks doesn't take that long. What takes time every month is looking at that projections and checking in with the folks who are responsible for certain budget lines. So whether she uses the standard or custom report(s), it is the projections that take the most time.

Denise mentions the column that says "% year to date to budget" can be confusing.

Lynne says she can pull that column off of this report and create another report that includes this information and a variance column.

David asks where the projection numbers come from?

Lynne says they are her best guess at where we're going to land based on her conversations with those utilizing certain buckets of money.

Rachel says it is more than Lynne's best guess because she is constantly keeping up with these numbers and has a pretty good idea of what the numbers look like month to month.

Matt says he thinks the current reports are good and from his perspective everything he would want to know is currently included.

Denise asks what are we held accountable to? The budget or the projections?

Lynne says the budget.

Denise agrees that the reports are good as is.

Lynne says we could add some of the dashboards/graphs from QuickBooks.

Rachel says that could be helpful - especially for planning purposes.

C. Capital Budget FY24

Denise asks if we need to approve this at the next Board meeting?

Lynne says we need it for the annual report.

The committee agrees to bring this to the Board for a vote next week.

Matt suggests one small formatting change.

Matt asks about projects that have a start date this or next month that say we may have grant support - do we know if we do yet?

Lynne says she uses the word "anticipated" because sometimes we could get a little more funding than we initially planned due to E-Ratings. Lynne said she can remove the word "anticipated" off of one but not the others.

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 4:49 PM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- Financial Reports to Finance Committee 1 June.pdf
- VPCS FY24 Capital Budget draft June Meeting.pdf