

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday October 19, 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](#)

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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 Oct 19, 2023 at 4:10 PM.

C. Approve Minutes

M. Landon made a motion to approve the minutes from Finance Committee Meeting on 09-21-23.

D. Fuller seconded the motion.

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

II. Finance

A. Monthly Financial Reports

Lynne talks about the positives on the revenue side i.e. Barr Grant.

On the expenses side, some of the grants are impacting the numbers here i.e. the capital skills grant which is both an increase to revenue and expenses because we will have to spend the money and then get reimbursed by the grant. The lag here is anywhere from 25-45 days. Lynne says many grants are shifting to being drawn on as you expend.

Denise asks about the grant report?

Lynne says she has one in the financial reports but she is waiting for all approvals. She will have the detailed report in November.

Denise would like to know what we expend from each grant as we do it. She also asks about the projection column - does it reflect the other grants?

Lynne says it does - if you look at government grants and funding it reflects all the grants that were just approved.

Denise asks if folks think we should revise the approved budget to reflect the difference - what is in the projection column?

Lynne says it's almost a \$600,000 difference due to increase in tuition, the \$200,000 in grants, and in restricted grants (Barr Foundation) there is an additional amount.

David asks if other categories have changed as well?

Lynne says yes and they are reflected in the financials (i.e. staffing, instructional materials).

Matt says because we have the projections column - we can keep an eye on that and what it looks like compared to the approved budget as we move forward.

Denise says the percent year to date budget is always measured against the approved budget not the projected budget.

Lynne says she could add another column that is percentage year to date.

Denise is in favor of revising the budget because it is a significant difference.

Lynne says there is not any one line item that is more than 10% other than instructional materials.

Rachel asks if we are certain that we will only get paid for 604 kids? We want to get paid for 620.

Lynne says yes. We will receive that tuition payment around December.

Rachel asks because that will create another significant flux in revenues. She suggests waiting until December to decide to amend the budget rather than do it multiple times.

Rachel explains to the committee why we may only get paid for 604 students as opposed to 620.

Lynne talks about the enrollment report and the loss of students to date. We don't want to drop below 604.

Denise says if we're not going to get paid for them, we probably shouldn't backfill anymore seats.

Rachel says until we know we're getting paid for them, we won't backfill anymore seats.

Denise asks about the personnel salaries line?

Rachel says what we assumed for salaries was more than what we anticipated - a lot of this was to retain certain positions, right now grants are covering these differences.

Denise asks about the extra money in instructional materials is also paid for by grants?

Lynne says yes.

Denise asks if we didn't get paid for tuition this month - what caused the negative operating budget?

Lynne says it was the grants that didn't get approved until this month.

Denise says the grants that weren't approved didn't have money spent against them, correct?

Lynne says the grant were allocate din the summer and leadership team submitted in a timely manner. They allowed us to start spending in September but they wouldn't fund us until October. The issue is on their end, not ours.

Denise says given the fact that we have \$600,000 out on the line and we are tight on cash - taking money out early is making her nervous.

Lynne says on her end, she is being as strategic as she can - we are drawing on the line of credit to make payroll but then paying it back the same day or the next day - keeping interest in mind. As soon as the grants are funded, we should be able to get right back on track.

Matt asks about cash flow?

Lynne says she struggled on the cash flow because we haven't had to draw on the line of credit the way we are now in years. She will provide the committee with weekly cash flow updates moving forward as opposed to monthly so they can see how we are handling the line of credit more accurately.

Matt asks what the EOY projection is for the line of credit?

Lynne says she wants to be at zero by June 30th.

Lynne says two things happened over the last 24 months that landed us where we are. First, operating loss or break even which didn't help cash flow and increased cash outlays and we don't get revenues until the end of the month. Second, the capital investments we made that drew on cash were not financed.

Denise says as well as the increase in taxes which came out of cash.

Lynne agrees - we had to cut a lot to cover the taxes last year and this year as well.

Rachel says as a leadership team, we also tightened up our practices around the budget and spending.

Denise says we are going to be so tight liquidity wise that we don't have a lot of flexibility for unexpected expenditures unless we were to take the money out of the investment account.

Lynne says there is TDQ that funds charter schools for capital purchases. We may have to look into that if we ran into an emergency situation.

Denise mentions fundraising.

Lynne says if we could it would need to be unrestricted.

Rachel says we're talking about it - we will be putting out an annual appeal letter and strategizing more for the future. We are also exploring other options i.e. Barr and Davis Foundations, SEL grant, etc.

Matt talks about general fundraising from other stakeholders outside of grants.

Rachel agrees and we are going to send out an annual appeal before then end of the calendar year - we will have opportunities to raise money throughout the year. She set the goal of \$50,000 in personal donations.

David asks about enrollment for next year, when we add students will that help?

Rachel says we have a 5 year budget projection and things do get better as we move forward.

Matt asks if there is anything reflected in the budget right now related to fundraising?

Lynne says not on the VPCS budget but on the Friends side we have some.

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 5:02 PM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- Financial Reports to Finance Committee - October.pdf