APPROVED

Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time
Thursday August 21, 2025 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), M. Landon (remote)

Committee Members Absent
A. Martínez, R. Martin

Guests Present
K. Turner (remote), L. Goncalves (remote), N. Gauthier (remote), R. Romano (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 Aug 21, 2025 at 4:02 PM.

C. Approve Minutes (1)

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 05-15-25.
M. Landon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

D. Approve Minutes (2)

D. Ford made a motion to approve the minutes from Finance Committee Meeting on 06-17-25.
D. Fuller seconded the motion.
The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Committee Goal Setting for FY26

Financial Stability Goals Discussion
The committee discussed the strategic priority of achieving a $300,000 to $500,000 surplus.
Lynne indicated this goal is aspirational for FY 26 and could potentially be met if enrollment remains stable and the school lives within the agreed budget for supplies and materials.

Policy Review Requirements
Denise mentioned that finance and governance policies need to be reviewed as discussed in the June strategy meeting.
Lynne confirmed that fiscal policies and procedures revision is required this year due to federal grant changes and other structural changes like the bill.com system.
The committee had previously established a risk management process to assess a couple of policies each year, including data security and enrollment policies.

Charter School Enrollment Cap Analysis
Denise researched charter school enrollment caps and discovered that Springfield has reached its regional cap.
She found that Bay State Academy has lost 100 students over five years, dropping from 500 students in 2018-2019 to 400 students by 2022-2023.
The committee discussed the possibility of requesting additional seats from underperforming charter schools that are chronically under-enrolled.

Enrollment Expansion Strategy
Rachel explained that their current cap is 760 students, which represents 18% of Springfield district school spending.
The Department of Education previously denied their request for additional seats beyond what was granted for the high school opening.
The committee discussed that adding 20-25 seats could help financially and operationally, particularly to address fifth-grade enrollment challenges and high school attrition.

Investment Strategy for Surplus Funds
Denise proposed investing surplus funds at 4-4.5% interest rates to generate approximately $30,000-35,000 annually.
She suggested creating a sub-account for interest income to build a fund for teacher salary improvements and bonuses.
Lynne provided realistic cash flow analysis showing that only about 50% of the month would have sufficient funds available for investment, reducing the potential income to around $20,000.

Teacher Compensation Strategy
The committee discussed using investment income and surplus funds to create a teacher compensation improvement fund.
Rachel emphasized that any base salary increases must be sustainable within the operating budget and estimated needing about $500,000 for significant compensation improvements.
The committee explored performance-based bonuses and tenure-based bonuses, such as $5,000 for five-year employees and $10,000 for ten-year employees.

Teacher Compensation Timeline
Rachel stated that teacher compensation restructuring must be completed by March 2026 when renewal letters are issued.
The committee identified a current path to about $240,000 in operating budget improvements but acknowledged more work is needed to reach the $500,000 target.
The goal is to make Veritas competitive with sending districts for teacher recruitment and retention.

Board Succession Planning
Lynne raised concerns about board succession, particularly for finance committee members.
The committee agreed that recruiting strong finance people to the board is critical since finance chair and treasurer roles are the hardest to fill.
They decided to add board succession planning as a finance committee goal to ensure future committee sustainability.

Facilities and Lease Management

Rachel confirmed that the high school lease renewal is due in January 2026 after five years in the building.

The committee discussed including purchase option language in the lease renewal negotiations with the building owner.

They acknowledged the need to have serious conversations about building purchase options with the current landlord.

Middle School Building Concerns

Denise expressed concerns about the aging middle school building infrastructure, estimating $2.5-3 million in needed repairs.

She identified potential issues with the roof, windows, elevator, and heating system that could require significant capital investment.

The committee discussed whether major building repairs would be cost-effective or if finding alternative housing for all grades would be preferable.

Alternative Facility Options

The committee discussed the possibility of finding a single building to house all grades K-12.

Rachel acknowledged that while building options in Springfield are limited, having alternative addresses could provide leverage in lease negotiations.

They noted that most available buildings in Springfield are old and would require prohibitive renovation costs to become suitable schools.

B. Monthly Financial Reports

Monthly Financial Review Process

The committee established that monthly finance committee agendas should include goals review and progress updates.

This ensures continuous monitoring of strategic objectives rather than waiting until March to assess progress.

Matt emphasized the importance of regular goal tracking to maintain accountability.

C. Audit Highlights

Audit Presentation Scheduling

The committee received an update on the annual audit. Preparatory work is underway, and the auditors have begun their initial review of documents and financial statements for FY25. The audit is expected to close by early September.

Lynne requested that auditors present their findings at the September finance committee meeting rather than waiting until October.

The committee agreed to extend the September meeting to 90 minutes to accommodate the 45-minute audit presentation.

The meeting will run from 4:00 PM to 5:30 PM to allow sufficient time for both audit presentation and regular business.

D. FY25 Year-End Financial Update

Financial Reporting Changes
Lynne explained that depreciation will now be reported above the line rather than below the line in financial statements.
This change was requested by auditors to align with Department of Education requirements for charter schools.
The committee discussed the implications of this change for cash flow analysis and budget management.

Federal Grant Funding Update
Lynne reported that all five federal grants appear to be fully funded, which was unexpected given previous concerns.
The grants total over $1 million, requiring continued annual audits at a cost of approximately $12,000-15,000.
Grant allocation and spending plans are still being developed by Amy and Rachel to ensure compliance with changed requirements.

High School Improvement Initiatives
Rachel reported that new principal Steve Mahoney is implementing building improvements and higher academic standards.
Approximately $25,000 is being spent on graphics, bulletin boards, and other facility enhancements to make the building more inviting.
These expenses are being covered by contingency funds that were built into the budget for new leadership initiatives.

Summer School Success Story
The committee heard about improved summer school outcomes under new leadership, with better teacher support and student completion rates.
A specific success story was shared about a student who was planning to drop out at 16 but became engaged through summer school and was hired for additional projects.
This demonstrates the positive impact of stronger leadership and higher expectations on student outcomes.

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 5:09 PM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- VPCS Trustee Strategic Priorities_7.24.25.docx
- Financial Reports to Finance Committee August.pdf