APPROVED

Next Generation Charter Schools

Minutes

MetLCS Board - Monthly Finance Call

Date and Time
Thursday April 16, 2020 at 4:05 PM

Location
813.967.8308 passcode 74216

Mission

We prepare our students for college through a rigorous arts-infused program.

Vision

All students will be taught by a highly effective teacher in a nurturing environment and will achieve at high levels. Each student will develop the knowledge, skills and values necessary for responsible citizenship and life-long learning. The impact of our collective efforts will fundamentally change public education.

Committee Members Present
S. Pressley (remote), T. Bryan (remote)

Committee Members Absent
A. Bothner, K. Brisseau

Guests Present
B. Elliott (remote), C. Russell (remote), E. Chen (remote), K. Davidson (remote), K. McGuire (remote), M. Alston (remote), M. Rousseau (remote), T. Williams (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

S. Pressley called a meeting of the Finance Committee of Next Generation Charter Schools to order on Thursday Apr 16, 2020 at 4:11 PM.

C.

Approve Minutes

T. Bryan made a motion to approve the minutes from MetLCS Board - Monthly Finance Call on 03-24-20.
S. Pressley seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

T. Williams	Absent
M. Alston	Absent
S. Pressley	Aye
K. Brisseau	Absent
K. McGuire	Absent
A. Bothner	Absent
T. Bryan	Aye
J. Boulet	Absent
B. Elliott	Absent
M. Rousseau	Absent
K. Davidson	Absent
M. Rivera	Absent

II. Finance Updates

A. Finance Updates

March Financials include the school continuing to be in a strong fiscal position. Assets are 7.4 million total assets of 9.2 million. Liabilities are 1.6 million. There was a decrease in the current assets and liabilities from February to March based on revenue received. That pushed up the totals of current assets. March we are recognizing the revenue received. The current ratio is very strong and very low debt to asset ratio. Cash on hand is at 6.9 million with 31,786 expenses per day or 217 days cash on hand - this fully exceeds the bond covenants of 90 days cash on hand.

The next covenant is the debt service coverage ratio at 2.51. That means we have 2.5 dollars for every 1 dollar we need to cover on debt service. We need a 1.1 so we are in strong position.

The investment account has 5.2 million in it. This is an increase from the month before. Investments are doing well. We will review those in the next section of the meeting.

Looking at the enrollment, the budgeted enrollment was at 629 and current enrollment is at 642. We are seeing a strong number with our year to date surplus. We are showing a YTD net surplus of a little over 1 million. We will have more expenses that will be accrued in June. We will get closer to the surplus as the months continue. There are some areas that will have some savings.

The District Billing invoice that was submitted to the DOE will be paid at the end of April. The "final" numbers for the year will include per pupil, SpEd funding, and lease assistance - there will be an excess of 269,000 for the year if there are no changes made in the reconciliation process. We are awaiting additional guidance from the city and the state.

Looking at expense categories - staff expenses YTD are under budget with a savings of approximately 300,000.

There are a few lines that are over budget such as Operating Supplies and Equipment. A large piece of that was used this month for Chromebook replenishment during COVID-19. Additionally, Staff Recruitment and Development is over budget.

III. Investment Account Updates

A. Investment Account Updates

The school invested 5 million on May of 2019. Investments have been strengthened by 5%.

For asset allocation - 22% in money market, 19% in short term, and the remainder in long-term investments.

We are in compliance with our Board-approved policies.

We did recategorize to 100% US Treasury funds to minimize potential losses. We will continue to evaluate the market.

IV. Other Business

A. Other Business

Brent was on a call at the beginning of April where he learned per pupil would be 16,112 per scholar which is almost equal to what we are at in terms of revenue for the current year.

The team has been working to determine what is best for the school for next year.

Kurt Davidson shared that with the budget cuts for next year the school will not be able to proceed with the originally planned revised compensation policy. However, the school would like to ensure teachers are adequately compensated and financially motivated to remain at MetLCS for the 20 - 21 school year. The team is proposing the Board consider using the surplus from this year's funds in order to compensate teachers for next year. Principal Davidson shared that with Charter Renewal approaching in the coming years it

is critical that the school retain its teachers in order to positively impact scholar achievement and more. Tyra supported Kurt's proposal.

The Board asked clarifying questions such as if/how this is allowable from an accounting perspective, how and when these additional funds would be distributed, and more.

The school has suggested 12 month employees receive their proposed raises from the FY21 budget.

Kurt shared that teachers would prefer that raises are spread throughout the year. However, the school is attempting to consider how this year's funds can be used in order to pay for these raises. The school is open to the best way to approach this from the LHA Finance Team and others.

Melissa shared that any monies remaining from this school year's revenue to pay for the bonuses. On a separate call earlier in the week, Aaron had asked if we could roll over monies to next year to give them raises within their paycheck on a bi-weekly basis next year.

Brent shared that the Governor shared there is a lot of uncertainly right now; there is a high probability of additional cuts. He is suggesting that we are very conservative regarding funds for the remainder of this year and beyond until we know more. If the Board were to approve raises and we could not support this over year there would be several stakeholders that would be negatively impacting including but not limited to the bondholders, the NYC DOE, and others. We do need to ensure we are operating on a balanced budget every year and in particular with charter renewal approaching.

Karin, Melissa and Courtney will have a call this coming Monday to speak further about the proposed plan here. This group will report back to the team on the call.

Shanta shared that if the Finance Committee needs to reconvene via phone next week prior to Thursday's Board meeting they would be glad to do so.

The Finance Committee is working on a Spending Policy with the framework to be discussed at next week's Board meeting.

V. 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 4:59 PM.

Respectfully Submitted,

C. Russell