APPROVED

Next Generation Charter Schools

Minutes

MetLCS Board - Monthly Finance Call

Date and Time
Thursday May 21, 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
A. Bothner (remote), K. Brisseau (remote), S. Pressley (remote), T. Bryan (remote)

Committee Members Absent
None

Committee Members who arrived after the meeting opened
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 May 21, 2020 at 4:07 PM.

C. Approve Minutes

S. Pressley made a motion to approve the minutes from MetLCS Board - Monthly Finance Call on 04-16-20.
A. Bothner seconded the motion.
The committee **VOTED** to approve the motion.
K. Brisseau arrived.

II. Finance Updates

A. Finance Updates

Mary Beth Rousseau provided the Finance update. The summary of the balance sheet and income statements shows total assets at 10.5 million for an increase from March to April due to funding received for May and June. Debt to asset ratio is low at 2.4, cash on hand is 262 days on hand. The debt service coverage ratio is at 2.63.

Total cash at the end of April was 8.2 million. In the investment account the balance was 5.2 million. A year ago we invested 5 million. We have increased the value of those funds by $250,000. Looking at the statement of activities, enrollment did decrease but is still over the budgeted enrollment. The final bill was for 636 million. Year to date revenue is approximately 11 million where expenses are at 9.5 million (approximately). There is a surplus of approximately 1.3 million.

June will include payroll accrual for teachers so we will see an increase of expenses there. This is already accounted for in the budget. The ending surplus should be closer to the budgeted surplus amount of $287,000 as we progress through the month of June.

There is still some room in some budget lines to spend additional monies, the school is working on this now to purchase additional items.

Ellen was on a call with Board on Track in regards to financial expertise. Someone mentioned the school may not want to generate a surplus this year but a great deal of detail was not provided.

Shanta inquired as to what the surplus is expected to be. Brent shared they expect to be close to what they shared when the budget amendment was approved.

III. Investment Account Updates

A. Investment Account Updates

There are no additional updates regarding the investment accounts other than what has shared above. The quarterly update will be coming in the near future. Aaron asked Brent to have JP Morgan that they are investing on the treasury ladder the way we instructed them to in late March so there is more cash available without having to take an impairment.

IV. Other Business

A. Other Business

Aaron Bothner provided several updates. The Paycheck Protection Program (PPP) loan has been awarded to MetLCS. LHA and MetLCS collaborated to submit the application and the school has received the funds. The school Board will need to have further discussion about whether or not to recommend the funds. Aaron suggests that at next week's money the Board votes to accept these monies. The loan has six months of interest-free allowance. The Board can determine at a later date if/how to utilize these funds. Ellen inquired about the interest-free component of the funds and when the clock starts. Aaron shared he believes it is when the funds are accepted; Brent confirmed this is also his understanding. Aaron also shared that any organization receiving the loan under two million will be deemed to have made their certifications in good faith; more information is in the FAQ section of the PPP website.

Aaron also shared that as per recent discussions with Lighthouse Academies, an audit of billing over the past year will be taking place to ensure monies are going to the right place.

Brent walked the Board through the overall approach to the budget including the revenue, per pupil funding, enrollment, and more. Additionally he provided context around expenditures and major changes/shifts from FY20 to FY21.

Ellen inquired about the format/approach of the budget. Brent confirmed this is a similar approach from a finance perspective. Kurt shared there have been significant cuts on the school's end. Tyra and Kurt are proposing the Lighthouse Academies fee is reduced by 40% which would temporarily provide additional monies for the school. Aaron shared this would be further discussed with the Board. Tyra shared that she would like for the team to consider the current situation with COVID-19 and the use of additional funds (such as money in investment accounts) to cover expenses related to this matter. Aaron shared that the he agrees this is worthy of further discussion and conversation and the Board has been looking into this matter.

Brent shared that there were staff salary increases for 12 month employees. The Board will need to approve these during the May Board meeting in order for offer letters to go out in late May/early June. There is also a proposal in this month's Board packet for additional Chromebooks; this could come out of the Contingency line of this year's budget.

Courtney Russell provided an overview of the benefits process for 20 - 21 and the related impact on the benefits line in the budget. Shanta inquired about the start date of the new benefits program which is July 1, 2020. Shanta asked Courtney to provide additional information about other insurance carriers that were considered and details around same.

Aaron discussed possible options with the operating surplus. Kurt clarified whether or not this included personnel. Aaron shared he is open to discussing the operating surplus for next year and possibly reducing that.

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 5:03 PM.

Respectfully Submitted,
C. Russell