APPROVED

Next Generation Charter Schools

Minutes

Finance Committee Meeting

Date and Time
Thursday August 17, 2023 at 4:05 PM

Location
Join Zoom Meeting
https://metlcs.zoom.us/j/99333770398?pwd=MGgrcVE1L2RKSjdKT2syazVabjJRUT09

Meeting ID: 993 3377 0398
Passcode: 779998

Mission

At Nuasin Next Generation, we believe in the unlimited talent and intellectual potential of our scholars and our community. We cultivate this talent and intellectual potential through a progressive education that focuses on deep exploration, thoughtful questioning, relentless curiosity and critical thinking. Nuasin Next Generation Charter School implements a progressive K-12 educational program and an unyielding commitment to cultivating our scholars' innate intellectual talents to empower our graduates to achieve excellence in their postsecondary paths and make positive impacts on the broader community. Every single one of our scholars have the potential to be great and change the world, at Nuasin Next Generation we prepare our scholars for that opportunity.

3 Pillars

The Mission of Nuasin Next Generation stands firmly on the foundation of our three pillars: Rigor, Self-Advocacy, and Community. These three pillars are the guiding principles for our school and culture. Please find a deeper explanation of our pillars below.

Rigor:
We use the word "rigor" not in the stringent or inflexible sense, but in the sense of an unyielding need to challenge and push our scholars because we understand and believe in the potential, talent, and ability of our scholars and community. We challenge our scholars to build their confidence and help them realize what they can achieve.

Self-Advocacy:
Our scholars are empowered to advocate for themselves, their families, and their communities. As our scholars come to understand that their voices are valued and needed, they learn to

advocate for themselves. Our scholars are seen and valued; they understand that not only do they have the right to express their opinions, views, and perspectives, but it is their obligation to do so.

Community:
Our scholars will embrace community and understand that as a member of a community you have certain
inalienable rights, the right to be seen, the right to be heard, the right to be protected and the right to be loved and
cherished. Our students will also learn of their obligations. As a member of a community you have the obligation to
respect, listen, support and only want and assume the best in all others. Every member of our community must understand that they are active participants in the Nuasin community and the community goes as we go.

Committee Members Present
A. Bothner (remote), K. Brisseau (remote), S. Pressley (remote), T. Bryan (remote)

Committee Members Absent
E. Chen

Guests Present
G. Borja, J. Keeney (remote), M. Alston, M. Russell (remote), S. Rasheed (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 Aug 17, 2023 at 4:20 PM.

II. Finance

A. General Updates

Information sent to auditors. JK responds that there is one bond that has matured and rolled over. He was informed there is an opportunity to roll into a higher rate investment. He is going to invest in that analysis that would require longer term investments for longer maturities. MR responds we are removing all cash in money market. He is ok with having investments in short term investments. SP reports 4th sector will report on different cash investments and provide analysis on best practice. SP requests for report to be clearer on what a projected deficit, and to note that we are not in one.

B. June and End of Year Financials

SR reports total cash 2.3 million. received per pupil funding in first week of July. Met with auditor about new lease tender, recording lease in our books. The auditors met with 4th sector to formulate best practice and software to record moving forward. 9.4 million total assets as of the end of this year. 44.9 million in assets, since we are recording liabilities based on new lease. MR asks to restate and explain increase. 4th sector abiding to a new standard. Overall financial position has increased since we are now recording the building as an asset. Total enrollment 673 students, we have recognized 17.9 in revenue. total expenses 17.5 million. We ended the year budgeting 33K deficit.
AB requests to record the new jump and differences in asset change which is due to a new accounting rule.
MR also requests for 4th sector to create a document we can add to BOT to reference in the future as well.
SR replies that he will create something. Only change in metrics is due to the asset liability recorded.
MR requested more information on the differences in surpluses. our surplus is 122,088, we ended the year on our forecasted surplus. This accounts for P/L. Our budgeted surplus was 33K deficit and we ended in a positive.
17.7 million in revenue. Balance sheet contains ROU asset, Right of Use Asset, this is for the building. MR asks what circumstances allow us to add this to our balance sheet, long term lease, ownership? SR responds that any asset you have for more than 1 year, MR asks if you have a 40 year lease building, SR responds that you would add this as ROU. JK responds that if you have ROU then it becomes an asset. MR asks about how long the mortgage is on the property and SR responds 2022. MR responds that the value is a discount rate for what the value is now. Net present value. The other 3 changes are reflected in the liabilities. 700K is part of short term lease, deferred rent, is how much we pay for the lease. We apply this and adjust it with ROU value. There is none on June since it was adjusted with the ROU asset. SR responds defines deferred rent: accumulated balance, that is subtracted off of what we owe. Long term lease liability reflects the payments we will make until 2052.
ROU based on net present value of lease, not value of building. MR asks if in 2051, at what point will we look at asset in book as market value? SR responds that we will continue monetizing lease payment in P/L, and it will continue to decrease. Will the building value ever go on our book? What will happen to our asset once we finish paying it? JK responds that it will be fully depreciated and that it will decrease in value, the only way to gain market value is to sell the building. SR responds that it is a liability based on payment. MR asks why the reasoning the law was changed? JK responds that this new law treats the lease as a capital lease, is a real asset since you can use it for 35 years and should be on your balance sheet.

C. Strategic Goals 2023-2024

SP reports strategic goals were reviewed. She has discussed with Aaron and Malik. She is requesting feedback on where to start for the year, foundation points and success points. TB mentions we should define financial stability, SP asks what that would look like? She asks MR to speak on difficulty finding development person? KB reports that having a diverse financial resource pool is a healthy goal. MR reports that we should adhere to and establish metrics. Thinking through with 4th sector and closely looking at cash flow. SP reports that financial stability is the most important and requests feedback on what that looks like. MR responds that establishing and monitoring financial metrics. TB leaves the meeting 4:59.
SP discusses focusing on a narrative that all board members can refer to. SP discusses creating a high profile, high impact donor list. SP reports this is the Finance committee setting the bar, MR responds this is more what we can do and metrics we will me monitoring and managing. MR wants to understand what is realistic and attainable, SP reports this will allow expansion committee to uphold metrics. KB agrees with all that is presented. SP is requesting recommendations and mentions priority is to hire a Development Director. SP also mentions coaching someone into the right culture. SP asks if there is a top person out of everyone interviewed so far. MR responds that we do not have someone for that space yet. MR would like SP to meet some of the candidates to get her input as well. MR proposes a calendar to review pipeline and create a strategy to look at possibilities.

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 5:11 PM.

Respectfully Submitted,
S. Pressley