



Meeting of the Board of Directors of ARIZONA AUTISM CHARTER SCHOOLS, INC.

Meeting Thursday, October 12th, 2023

4125 N. 14th Street, Phoenix, AZ 85014

----- MINUTES -----

Board Members Present:

Ron Harrison, via virtual link

Paul Pucino, via virtual link

Ross Meyer, via virtual link

Matt Simon, via virtual link

Amir Nizam, via virtual link

Kerrie Mallory-Thompson, via virtual link

Board Members Absent:

Keisha McKinnor

Others Present:

Diana Diaz-Harrison, Founder and Executive Director

Clark Crace, AZACS President

Annie Loftis, Executive Assistant

Hannah Moody, ADI

Claudina Douglas, ADI

General Matters:

A quorum was determined to be present on the virtual zoom link. Ron called the meeting to order at approximately 5:02 pm. Ron called for a motion to approve the agenda as presented. Paul made a 1st, Kerrie made a 2nd, all board members present were in favor and the agenda was approved.

Public Comment:

Ron asked if there were any members of the public on the zoom virtual link or in person for comment. There were no members of the public present on the zoom link.

Financials:

Ron turned the meeting over to Paul to discuss financials:

FY23 Annual Financial Report (AFR):

Paul explained that there is great detail in the report that will show revenue and expenses.

The FY23 Annual Financial Report shows total revenue at \$25,705,000 compared to \$17,416,000 in revenue in FY22. That is an increase of over \$8,000,000. Expenses in FY23, came in at just over \$23 million.

Paul pointed out that expenses are typically driven mainly by salaries with the average certified teacher salary at \$59,709 for fiscal year 23. In 2022 the average salary was \$53,930 which reflects about a 10% increase.

After a brief discussion Ron called for a motion to approve the FY 23 Annual Financial Report (AFR). Matt made a 1st, Kerrie made a 2nd. All board members present were in favor and the FY23 AFR was approved.

12 Month Cash Flow:

Paul then moved to the 12 Month Cash Flow:

Total revenue in July was approximately \$2 million and August was approximately \$2.4 million. In July there were approximately \$1.5 million in expenses and in August there were approximately \$2.2 million in expenses.

The projected FY24 revenue was \$31,722,910, less than the original budget due to lower than anticipated enrollment at the Online Schools.

The 12 Month Cash Flow projected AZACS ending FY24 with a Dept Service Coverage Ratio of 2.98 and Days Cash on Hand at 86 days, both exceeding bond covenants.

After a short discussion Ron asked for a motion to approve the FY 24 12 Month Cash Flow: Kerrie will made a 1st, Amir made a 2nd and all board members present were in favor and the motion passed.

Potential Change in Auditor:

Ron then turned the meeting over to Diana. Diana explained that AZACS' current auditor is unsure about how schools should recognize revenue from the Employee Retention Tax Credit. AZACS was considering changing to Henry Fortino. Claudina from

ADI shared that she has worked with Mr. Fortino and that he was a well respected school auditor. Ideally, Anthony and Henry would collaborate for an audit transition. Claudina stated that it was common and preferred by the charter board for schools to change auditors every 5-10 years. AZACS had only worked with Lorenzo PLC and after 10 years was considering a change. Diana said she would set up meeting with Paul and the current and potential new auditor and would keep the rest of the board posted on recommendations.

Adjournment:

Since there were no further items on the agenda, Ron called for a motion to adjourn the meeting at approximately 5:56pm. Paul made a 1st, Kerrie made a second. The motion passed unanimously and the meeting was adjourned.