



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

Meeting Thursday, December 7th, 2023

4125 N. 14th Street, Phoenix, AZ 85014

----- MINUTES -----

Board Members Present:

Ron Harrison, via virtual link

Paul Pucino, via virtual link

Kerrie Mallory-Thompson, via virtual link

Ross Meyer, via virtual link

Board Members Absent:

Amir Nizam

Matthew Simon

Keisha McKinnor

Others Present:

Diana Diaz-Harrison, Founder and Executive Director

Clark Crace, AZACS President

Annie Loftis, Executive Assistant

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 5:03 pm. Ron called for a motion to approve the agenda as presented. Paul made a 1st, Ross 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 in attendance.

Minutes:

Ron asked if board members had reviewed the minutes from the September 28th and October 12th board meetings and if there were any questions. Board members indicated they had reviewed the minutes and Paul requested an edit on the minutes from September 28th to reflect, "covenant requirements." That change was made in real time during the meeting. Ron called a motion to approve both the minutes from September 28th with the update and the October 12th meetings. Paul made a 1st, Ross made a 2nd. All board members present were in favor and both sets of minutes were approved.

Financials

Balance Sheet & Profit and Loss Statement:

Ron then turned the meeting over to Paul who led the board through a review of the Balance Sheet and Profit and Loss Statement. Paul explained that to date AZACS had approximately \$12,380,000 in total income which was slightly below the projected FY24 budget mainly due to lower enrollment in the online schools. There were approximately \$12,300,000 in expenses and there was positive net income of approximately \$80,000.

Total assets are \$37 million including real estate. Paul shared that the bond covenants, which are Days Cash on Hand and Debt Service Coverage Ratio are a focus for continual review to ensure AZACS will meet or exceed its covenants and the status of those would be reviewed at the next meeting.

After the presentation and discussion, Ron asked for a motion to approve the Balance Sheet and Profit and Loss Statement. Kerrie made a 1st, Ross made a 2nd. All board members present were in favor and the financials were approved.

Updates to Stipend Policy and Procurement Policy:

Ron then turned it over to Diana to discuss updates to the employee Stipend Policy. Diana explained that the policy was previously approved by the board to apply only to the administration team and that now this policy would be applicable to all AZACS staff. This policy is for individuals that go above and beyond their normal job requirements and work hours. The approval process increases accountability and checks and balances. Paul asked if there are guidelines for the stipends that would be administered. Clark responded and gave an example of extra hours being worked to complete special projects like the yearbook, or work groups that meet over the summer to update curriculum plans.

Ron then turned it over to Diana who explained updates to the Procurement Policy. The updated policy would require the school to have a bidding process that is aligned to federal requirements and review of debarment in Sam.gov for potential vendors. This process would apply to purchases of \$25,000 or more, which is in alignment with updated federal requirements. Claudina explained that the threshold in the current policy was \$10,000 but the AZ Department of Education had recommended that the threshold be increased to \$25,000 to align with updated federal procurement requirements.

After the discussion Ron asked for a motion to approve both the updated Stipend Policy and Procurement Policy and to add those to the Finance Manual as presented. Ross made a 1st, Paul made a 2nd. All board members present were in favor and the motion passed.

Auditor Update:

Ron then turned it over to Diana to update the board on the new auditor for AZACS' annual audit. Diana explained that after a thorough vetting process, which included Paul interviewing AZACS' current auditor, Anthony Lorenzo and the potential new auditor, Henry Fortino, that it was determined to be in AZACS best interest to have Henry Fortino complete the financial portion of the audit. Diana explained that the Legal Compliance Questionnaire portion of the audit had almost been completed by Anthony and that he would close out that portion of the audit. Henry will move forward with just the financial aspect of the audit. Claudina shared that she has worked with Henry Fortino and he is a well respected auditor for charter Schools. Ron asked if there were questions and there was a brief discussion regarding the transition.

Executive Session:

Disclosure of Executive Session Regarding an Executive Personnel Matter Per ARS § 38-431.03.

Ron then moved to the Executive Session regarding a personnel matter and asked for a motion to begin. Paul made 1st and Ross made 2nd. All board members present were in favor and the AZACS board entered into Executive Session at 5:28 PM.

After the discussion in the Executive Session, Ron asked for a motion to end the Executive Session. Paul made a 1st and Ross made a 2nd. All board members present were in favor of ending the Executive Session at 5:33pm.

Emergency Succession Plan:

Ron then moved to the Emergency Succession Plan. Diana reminded the board that the Emergency Succession Plan identified the next executive team member in line to lead AZACS in case Diana were to become unavailable. Previously, Lisa Long was the first person in the succession plan, and now Clark Crace, currently serving as President, would be next in line. The second person identified in the succession plan was Myla Goyne, currently serving as Chief Academic Officer. After a brief discussion Ron asked for a motion to approve the updated Emergency Succession Plan. Ross made a 1st, Kerrie made a 2nd. All board members present were in favor and the motion passed.

FEMA Documentation:

Authorized Representative Form:

Ron then moved to the FEMA Authorized Representative form and turned the meeting over to Diana and Annie. Annie explained that this form was required to allow Clark Crace to be an authorized representative for FEMA on behalf of AZACS.

Ron asked for a motion to approve the Authorized Representative form. Kerrie made a 1st, Paul made a 2nd. All board members present were in favor and the motion passed.

Grants Portal Access

Ron then moved to the FEMA Grants Portal Access form. Annie explained that this form allows Clark Crace to access the FEMA Grants Portal on behalf of AZACS. Ron asked if there are any questions and there are none.

Ron asked for a motion to approve the FEMA Grants Portal Access form giving Clark access. Kerrie made a 1st, Paul made a 2nd. All members of the board present were in favor and the motion passed.

Resignation of Board Member, Amir Nizam

Ron moved to the resignation of Amir Nizam as a member of the AZACS board. Ron turned the meeting over to Diana. Diana explained that Amir had contacted her and stated that he no longer had the capacity to serve on the AZACS board as he is too busy with work responsibilities. She added that Amir shared that he had learned a lot and was still going to be supportive of the 10 Year Anniversary Gala. Diana shared that she was very grateful for Amir's participation on the board and his contribution to the gala. Ross asked that we keep Amir engaged as a supporter since he had brought him to the AZACS board.

Ron asked for a motion to approve the removal of Amir Nizam from the AZACS board. Ross made a 1st, Paul made a 2nd. All board members present were in favor and the motion passed.

Announcements:

National Title 1 Distinguished School Award:

Ron turned it over to Diana who shared that the Arizona Department of Education approached AZACS to participate in a national Title 1 school competition. AZACS submitted an application and data and hosted a tour of the Main Campus. AZACS was very successful and was one of two schools that won in the state of Arizona! Now AZACS will represent Arizona at a national level for the National Title 1 Distinguished School award. Diana also shared that there was a potential of partnering with ADE to apply for larger federal grants. She added that in March we will host Superintendent Tom Horn for a check presentation ceremony. This will include a school tour and we are inviting the community, parents, AZACS board members and the media.

10 Year Anniversary Gala Fundraising and Tax Credit Donations:

Ron turned this topic over to Diana who shared that AZACS had raised approximately \$75,000 in gala donations and pledges as well as tax credit donations! She shared that we are currently selling two different shirts to raise additional funds for the 10 year gala that will benefit AZACS. One is a 10 Years of Impact shirt and the other is a specific Gala shirt. She added that Keisha, AZACS' Board President, will be dancing and raising funds for the gala ! Diana shared that former AZACS Board Member, Viet Do, is working on a sponsorship from the Mayo Clinic, where he is a physician. Diana added that United Healthcare and SD Crane are currently possible sponsors.

Adjournment:

Since there were no additional items on the agenda and no other questions or comments, Ron called for a motion to adjourn the AZACS board meeting. Ross made a 1st, Kerrie made a 2nd. All board members present were in favor of adjourning at 5:52 PM.