



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

Meeting Thursday, February 29th, 2024

1430 E. Indian School Rd. Suite 220 Phoenix AZ 85014

----- MINUTES -----

**Board Members Present:**

Ron Harrison, via virtual link  
Keisha McKinnor, via virtual link  
Paul Pucino, via virtual link  
Kerrie Mallory-Thompson, via virtual link  
Matthew Simon, via virtual link  
Ross Meyer, via virtual link

**Board Members Absent:**

None

**Others Present:**

Diana Diaz-Harrison, Founder and Executive Director  
Clark Crace, President  
Annie Loftis, Executive Assistant & Quality and Compliance Strategist  
Claudina Douglas, ADI  
Hannah Moody, ADI

**General Matters:**

A quorum was determined to be present on the virtual zoom link. Keisha called the meeting to order at approximately 5:00 pm. Keisha called for a motion to approve the agenda as presented. Ron made a 1<sup>st</sup>, Paul made a 2<sup>nd</sup>, all board members present were in favor and the agenda was approved.

**Public Comment:**

Keisha 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:**

Keisha asked if board members had reviewed the minutes from the January 25th, 2024 meeting and they all indicated they had.

Since there were no additional questions or discussion, Keisha called a motion to approve the January 25th, 2024 minutes as presented. Matt made a 1st, Ross made a 2nd. All board members present were in favor and the minutes were approved.

## **Financials:**

### **Cash Flow**

Keisha then turned the meeting over to Paul who shared highlights of the FY24 Cash Flow. He noted that numbers through the month of January were actuals and that ending cash for the month was \$687,667. Total ending cash is more than five million. While the projected Debt Service Coverage Ratio (DSCR) was projected to be at 1.4 and exceeded bond covenants, Paul stated it would be beneficial to have a DSCR closer to 2.0. After a brief discussion Keisha asked if there were any questions. Matt asked what actions would need to be taken to improve the DSCR. Paul responded that AZACS needs to track expenses and attempt to increase revenue and noted that grants and fundraising dollars were projected conservatively for the year.

After the discussion, Keisha asked for a motion to approve the FY 24 Cash Flow as presented. Ron made a 1st, Matt made a 2nd, all board members present were in favor and the motion passed.

### **Afton Report**

Keisha then moved to the Afton Financial Report. Diana gave background regarding the Afton report and reminded the board that Charter Schools Growth Fund provided a one million dollar loan toward the 1430 building project. Charter Schools Growth Fund hired Afton to review the financial capacity of AZACS. The review included interviews of AZACS board members Paul and Ross. Paul added that this is a standard review of AZACS' financials and they gave recommendations as to what AZACS should do in the future to build financial capacity internally.

Paul added that Afton is recommending that a more formal finance committee be formed. The report also recommended adding another board member with financial expertise.

Kerrie asked if the bylaws need to be changed to add the finance committee. Diana responded that the current bylaws already allow for the formation of committees.

### **FY23 Audit - Roll Call Vote**

Paul explained that the PowerPoint summary provided a breakdown and highlights of the audit. He shared that the Annual Compliance Questionnaire was conducted by auditor Anthony Lorenzo. The report showed that 100% of the applicable areas were in compliance. This includes attendance, hiring practices and special education compliance.

Paul reminded the board that the finance portion of the audit was conducted by auditor Henry Fortino. Paul shared that the finance audit showed the school was in compliance in all areas and shared highlights such as total assets at 35 million total expenses at about 24 million and an ending cash balance at more than 6.5 million at the end of FY23. Paul discussed the auditor's opinion on the Employee Retention Credit (ERC) that was included in the audit.

Keisha asked for a roll call vote to approve the FY23 Audit. Paul said yae, Matt said yae, Ross said yae, Ron said yae, Kerrie said yea, and Keisha said yea all individually for the roll call vote and the FY23 Audit was approved.

### **West Valley Logic Model - Hybrid Program Update:**

Keisha then turned the meeting over to Diana to review the West Valley Logic Model and strategic plan. Diana turned the meeting over to Clark as he has taken the lead on assessing the hybrid program. Clark explained that the initial plan at the West Valley included a hybrid model for middle school grades. He added that hybrid model was a pilot program and that AZACS had decided to discontinue it in FY25 due to low parent demand for the program. He shared that the hybrid families have been given options for next school year to stay in person full-time, go online full-time or transfer to the Phoenix campus with provided shuttle service. All hybrid families made their choices for next year. Diana added that full-time in-person students have the option for flex Wednesday in their schedule, which provided the flexibility hybrid families were seeking. Diana shared that the growth plan per the Logic Model is still on track to add one grade level per year at the West Valley.

### **Student Calendars for the 24-25 School Year:**

Keisha then moved to the calendars for the FY25 school year. Keisha turned the meeting over to Diana and Clark. Clark shared that the calendars reflect the proposed school days in FY25 for the Phoenix, West Valley and Tucson campuses. He noted that Extended School Year (ESY) in the current school year had several sessions after school breaks but in FY25 ESY will be held for three weeks in June, giving more extended time over the summer break. This change also aligns AZACS more closely to school districts in the surrounding area. This update in the calendar will also cut down about 10 to 15 days for staff and help with payroll expenses in the FY25 school year.

The Tucson calendar has the additional required Rodeo Days but will still adhere to the 180 instructional days by eliminating one professional development day and the Presidents' Day holiday. Keisha asked if there were any questions. Ross asks for an explanation regarding ESY and a focus on non-regression. Clark responded that ESY will be held in the summer for three weeks which will help prevent the traditional regression that occurs during the summer. Kerrie also asked about the start and end times and Clark shared the proposed daily schedule.

After the discussion, Keisha asked for a motion to approve the Phoenix/West Valley FY25 Calendars as well as the Tucson FY25 Calendar. Kerrie made a 1st, Ron made a 2nd all board members present were in favor and both calendars were approved.

### **Announcements:**

Keisha then moved to the announcement section of the board meeting agenda and turned it over to Diana.

### **NAACS Fellowship Visit:**

Diana shared that NAACS had a number of fellows at AZACS undergoing training from Louisiana, Nevada and Florida.

### **Gala Update:**

Diana also added that she had secured a 25,000 Gold Sponsor and that United Healthcare toured and visited and could lead to a sponsorship. Diana shared that AZACS was at 45% of the fundraising goal for the gala. She asked the AZACS board to share the gala with their contacts and support fundraising opportunities.

Diana also added that AZACS is hosting two different restaurant fundraisers at Aunt Chilada's and on the Border and invited board members to attend to help raise funds for the school.

### **Adjournment:**

Since there were no further items on the agenda, Keisha called for a motion to adjourn the meeting at 6:01pm. Paul made a 1<sup>st</sup>, Matt seconded the motion. All board members present approved and the meeting was adjourned.