



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

Meeting Thursday, March 28th, 2024

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

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Board Members Present:

Paul Pucino, via virtual link
Kerrie Mallory-Thompson, via virtual link
Matthew Simon, via virtual link
Ross Meyer, via virtual link
Keisha McKinnor, via virtual link at 5:18pm

Board Members Absent:

Ron Harrison

Others Present:

Clark Crace, President
Annie Loftis, Executive Assistant & Quality and Compliance Strategist
Hannah Moody, ADI

General Matters:

A quorum was determined to be present on the virtual Zoom link. Keisha needed to join the meeting late, so Paul led the board meeting. Paul called the meeting to order at approximately 5:03 p.m. Paul called for a motion to approve the agenda as presented. Ross made a 1st, Kerrie made a 2nd, and all board members present were in favor. The agenda was approved.

Public Comment:

Paul 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:

Paul asked if board members had reviewed the minutes from the February 29th, 2024 meeting, and they all indicated they had.

There were no questions regarding the minutes, so Paul called a motion to approve the February 29th, 2024 minutes as presented. Ross made a 1st, and Kerrie made a 2nd. All board members present were in favor, and the minutes were approved.

Financials:

February Balance Sheet and Profit/Loss statement

Paul then moved to the February financials. He shared highlights and noted that the Balance Sheet showed total cash balances at approximately \$5.4 million, total assets at approximately \$43 million, revenue at approximately \$21.1 million, and expenses at \$19.8 million. This yielded a net income of approximately \$1.3 million.

Fiscal Year 2024 Cash Flow

Paul noted that the FY24 Cash Flow indicated actual revenue and expenses through the end of February and projected revenue/expenses from March through the end of June. He noted the decrease in revenue, again, mainly due to lower enrollment at the Online School. He shared that the school had adjusted expenditures to ensure it was still meeting the DSCR and DCOH covenants. Diana shared that the Cash Flow based on actual expenses would be closely monitored monthly to ensure covenants were met.

Paul asked for a motion to approve the FY 2024 Cash Flow and February financials. Ross made a 1st, Kerrie made a 2nd, and all board members present were in favor, and the motion passed.

FY24 Revised Budget

Paul then moved to review the FY24 Revised Budget. The Revised budget showed total revenue at \$31,292,424, which reflects a decrease in revenue from the original budget mainly due to lower-than-expected enrollment at the Online Schools. Expenses in 2024 are projected to be approximately \$30,401,000. He noted that AZACS was still projected to exceed required bond covenants with 61.6 Days Cash on Hand (DCOH) and a 1.42 Debt Service Coverage Ratio (DSCR).

After the discussion, Paul called for a motion to approve the FY24 Revised Budget. Ross made a 1st, Kerrie made a 2nd, and all board members present were in favor. The motion passed.

ASBCS Review of the 2023 Audit

Paul then moved to the next agenda item, the ASBCS review of the 2023 audit. He shared that the annual audit covers two areas: Operational Performance and Financial Performance. Paul turned the meeting over to Annie, who shared that the Arizona State Board for Charter Schools reviewed our 2023 audit reporting package. Annie reported that ASBCS found no operational non-compliance issues. Regarding financial performance, there were also zero non-compliance issues with financial practices. AZACS received a rating of "good standing." This means that AZACS meets the Board's operational and financial performance expectations. Board members were glad to hear this and had no follow-up questions.

Online K-8 School and Online High School Calendar and Instructional Days

Paul then moved to the Online School Calendar and the Instructional Days. Paul turned the meeting over to Clark, who shared that this Online School Calendar is very similar to the in-person Phoenix schools. Clark explained that there are no half-day Wednesdays at the online school. Instead, students have some Fridays off to allow for professional development, as indicated in the calendar. The AZACS Board was required to take action to correct the fact that ASBCS shows that the Online School operates 365 days per year, which was a clerical error. AZACS offers 180 school days for students enrolled at the Online Schools, which is the same number of days as the in-person schools and follows a traditional school calendar. Board meeting minutes of this change are required to submit this correction to the ASBCS portal.

Paul called for a motion to approve the Online School K-8 and Online High School Calendar reflecting 180 instructional days. Keisha made a 1st, Kerrie made a 2nd, and all board members present were in favor. The online calendar was approved.

Announcements

Paul moved to the 10-year Anniversary Gala and Fundraising Update.

He turned the meeting over to Annie, who shared that AZACS had reached 55% of the fundraising goal. Annie also asked board members to RSVP regarding their attendance at the gala by replying to Diana's email no later than March 29th, 2024.

Adjournment

Since no further items were on the agenda, Paul called for a motion to adjourn the meeting at 5:36pm. Ross made a 1st, and Matt seconded the motion. All board members present approved, and the meeting was adjourned.