

Tuesday, February 9, 2021

Board of Directors Meeting Agenda

The Board reserves the right to change the order of items on the agenda, with exception of public hearings. One or more members of the Board may participate in the meeting by telephonic communications. The Board Members and members of the public may join this meeting via Zoom <https://asu.zoom.us/j/94886574655> Or by dialing 602-753-0140 at 3:00pm. Pursuant to A.R.S. §38-431.02(H) the Board will not discuss, consider, or decide those matters not listed on the agenda.

A. Regular Session

1. Call to Order – George Dean
2. Pledge of Allegiance – George Dean
3. Roll Call – Board Clerk

B. Public Participation

1. Call for Public Participation - George Dean

C. Approval of Action Items

1. Request Approval of the Board of Directors meeting minutes for November 12, 2020.
2. Request Approval to consolidate ASU Preparatory Academy Charter Districts.

D. Informational Items

1. ASU Preparatory Academy Immersion Schools Re-Opening Plan.
2. ASU Preparatory Academy Financial Update.
3. Next Board Meeting is Tuesday, April 27, 2021.

E. Adjournment

1. Adjournment

Agenda Item Details

Meeting	February 9, 2021 - Board of Directors Meeting – Notice of Public Meeting – Notice of Regular Session
Category	C. Approval of Action Items 1. Request Approval of the Board of Director meeting minutes for November 12, 2020.
Access	Public
Type	Action

Recommended Action

It is requested that the Board of Directors approve the meeting minutes from November 12, 2020.

**Board of Directors Meeting
Regular Session Minutes
Thursday, November 12, 2020
12:00 pm**

George Dean, Chairman, presided over the ASU Preparatory Academy Board of Directors Meeting via Zoom link <https://asu.zoom.us/j/81496742555>.

Board Members Present:

George Dean
Director/Chairperson

José Cárdenas
Director/Vice Chairperson

Anna Battle
*Director/Senior Official/
Secretary*

James Rund
Director

*Board Members **NOT**
Present:*

N/A

Non-Board Members Present:

Alea Boudreau
Board Clerk

Julie Young
*Managing Director,
ASU Prep & ASU Prep Digital*

Amy McGrath
*Chief Operating Officer,
ASU Prep & ASU Prep Digital*

Catherine Crary
*Director of Strategy, Evaluation &
Development, ASU Prep*

Forrest Valora
Finance & Budget Officer, ASU Prep

Michael Butts
*5th Grade Social Studies Teacher,
ASU Prep*

A. Regular Session

1. Call to Order – George Dean
George Dean called the meeting to order at 12:03pm
2. Pledge of Allegiance – George Dean
George Dean led the meeting attendees in the Pledge of Allegiance.
3. Roll Call – Board Clerk
Alea Boudreau took roll call and verified a quorum was present.

B. Public Participation

1. George Dean made a call for Public Participation. There were no attendees present.

C. Approval of Action Items

1. Request Approval of the Board of Directors meeting minutes for September 22, 2020.

Discussion: None

On a motion by James Rund, and a second by Anna Battle, the Board approved the meeting minutes for September 22, 2020.

FINAL RESOLUTION: Motion Carries

YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

2. Request Approval of the Board of Directors special meeting minutes for October 26, 2020.

Discussion: None

On a motion by James Rund, and a second by Jose Cardenas, the Board approved the special meeting minutes for October 26, 2020.

FINAL RESOLUTION: Motion Carries

YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

3. Request Approval of the Board of Directors special meeting minutes for October 28, 2020.

Discussion: None

On a motion by Jose Cardenas, and a second by James Rund, the Board approved the special meeting minutes for October 28, 2020.

FINAL RESOLUTION: Motion Carries

YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

4. Request Approval from the Board of Directors to appoint Interim Treasurer for ASU Preparatory Academy.

Discussion: Anna Battle advised the board that John Kemper is no longer employed with ASU Preparatory Academy and until the CFO position is backfilled, an interim treasurer will need to be appointed. It was proposed that Forrest Valora be appointed the Interim Treasurer for ASU Preparatory Academy.

On a motion by James Rund, and a second by Jose Cardenas, the Board approved Forrest Valora to be the Interim Treasurer for ASU Preparatory Academy.

FINAL RESOLUTION: Motion Carries

YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

5. Request Approval from the Board of Directors to add Pilgrim's Rest site to ASU Preparatory Academies Phoenix Elementary School Charter.

Discussion: Anna Battle presented a Power Point outlining the benefits of partnering with Pilgrim's Rest Baptist Church, including the mission and shared goals, Arizona landscape, marketing strategy, facility analysis, financial proforma, and business planning next steps. The Board was provided an opportunity to comment and ask questions.

On a motion by Jose Cardenas, and a second by James Rund, the Board approved to add Pilgrim's Rest site to ASU Preparatory Academies Phoenix Elementary School Charter.

FINAL RESOLUTION: Motion Carries

YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

D. Informational Items

1. ASU Preparatory Academies Reopening Plan

ASU Preparatory Academy's updated Reopening Plan was presented to the Board by Catherine Crary. The Board was provided an opportunity to comment and ask questions.

2. ASU Preparatory Academy Financial Update

Forrest Valora shared FY21 Q1 financial update with the Board. The Board was provided an opportunity to comment and ask questions.

3. Next Board Meeting is Tuesday, February 9, 2021.

The next ASU Prep Board Meeting takes place on Tuesday, February 9, 2021.

E. Adjournment

1. **Adjournment**

On a motion by Jose Cardenas, and a second by James Rund, the meeting was adjourned.

FINAL RESOLUTION: Meeting adjourned at 12:41 pm.

YEA: George Dean, Jose Cardenas, Anna Battle and James Rund.

Respectfully submitted this 13th day of November, 2020.

By: 
ASU Preparatory Academy
Board of Directors Chairperson or designee

Agenda Item Details

Meeting	February 9, 2021 - Board of Directors Meeting – Notice of Public Meeting – Notice of Regular Session
Category	C. Approval of Action Items 2. Request Approval to consolidate ASU Preparatory Academy Charter Districts.
Access	Public
Type	Action

Recommended Action

ASU Prep Academy is currently comprised of 12 Charter Districts and 11 Charter Schools. ASU Preparatory Academy would like board approval to consolidate our charter districts and charter schools.

Discussion Points:

- Expiration of small school weights funding
- Creation of efficiencies and reduction of administrative work
- Reduction in compliance related submissions: Federal, State & Auditor General reports
- Consolidation might have to be phased over a couple years
- Meetings with Department of Education have went well with no concerns on their end. They have done this successfully with other charter organizations.

Agenda Item Details

Meeting	February 9, 2021 - Board of Directors Meeting - Notice of Public Meeting - Notice of Regular Session
Category	D. Informational Item
Subject	1. ASU Preparatory Academy Immersion Schools Reopening Update.
Access	Public
Type	Information

Recommended Action –

ASU Preparatory Academy’s updated Reopening Plan for the 2020-2021 School Year will be discussed with the Board.

Agenda Item Details

Meeting	February 9, 2021 - Board of Directors Meeting - Notice of Public Meeting - Notice of Regular Session
Category	D. Informational Item
Subject	2. ASU Preparatory Academy Financial Update.
Access	Public
Type	Information

Recommended Action –

ASU Preparatory Academy financial update will be shared with the Board.

FY21 Midyear update

Income Statement YTD & Forecast

	<u>FY21 YTD</u>	<u>FY21 FCST</u>	<u>Y^Y Change</u>
Revenue			
Immersion	14,310,459	29,706,864	-17.4% Student count under budget, decrease is federal funds, student fees, hybrid learning at 95%
Digital	20,524,357	42,506,202	403.9% AZFT digital student count increase, increase in content licensing & collaboratives
Total Revenue	34,834,816	72,213,066	62.6%
Expense			
Personnel	19,374,316	43,643,345	63.2% Increase in personnel due to digital student enrollment increase
Instructional Supplies & Services	3,221,149	8,091,652	525.8% Software licenses
Professional Education Services	454,477	1,046,853	-50.6% Contract services brought in house
Instructional Fixtures & Equipment	543,976	1,253,005	88.9% Classroom Tech and Student Laptops
Marketing	1,360,380	3,133,527	31.9% Digital student recruitment
IT & Software Services	496,134	1,742,805	114.3% Classroom Tech
Other Operational Services	2,521,355	4,535,746	-20.8% Parking, Transportation, athletics, clubs
Rent - Utilities - Facilities	1,639,048	3,775,416	-20.2% Site Closures
ASU Service Agreement Fee	725,000	1,450,000	0.0%
Total Expense	30,335,835	68,672,349	55.1%
Net Operating Income	4,498,981	3,540,717	1038.9% Decrease from H1 YTD is from spend on filling vacant positions, new positions, teacher performance pay out, opening of facilities and tech purchases July spend will be around \$5.5-\$6.5M between payroll and operating expenses with very little to
Cash	15,100,000	9,547,949	29.8% no cash coming in. That will leave \$3-\$4M cash balance at the end of July.
Debt	4,945,000	4,835,000	-2.2% Bonds

Income Statement Forecast & Budget

	<u>FY21 BDG</u>	<u>FY21 FCST</u>	<u>FCST vs BDG VAR</u>
Revenue			
Immersion	31,161,629	29,706,864	-1,454,765 AZFT student count is less than budget, hybrid learning funded at 95%
Digital	44,377,654	42,506,202	-1,871,452 AZFT student count is less than budget
Total Revenue	75,539,283	72,213,066	-3,326,217
Expense			
Personnel	44,262,642	43,643,345	-619,297 Personnel tracking to come in under budget. Staffing to enrollment
Instructional Supplies & Services	11,776,131	8,091,652	-3,684,479 Site closures, outsourced services
Professional Education Services	3,023,841	1,046,853	-1,976,988 Site closures, outsourced services
Instructional Fixtures & Equipment	517,772	1,253,005	735,233 Classroom Tech and Student Laptops
Marketing	3,050,000	3,133,527	83,527
IT & Software Services	1,875,899	1,742,805	-133,094 Site Closures
Other Operational Services	3,003,766	4,535,746	1,531,980 Contract Svc - legal, AZ Virtual Academy Trainers, Curr/Prod Development
Rent - Utilities - Facilities	3,935,963	3,775,416	-160,547 Site closures
ASU Service Agreement Fee	1,450,000	1,450,000	0
Total Expense	72,896,014	68,672,349	-4,223,665
Net Operating Income	2,643,269	3,540,717	897,448 Projecting to exceed budget

Agenda Item Details

Meeting	February 9, 2021 - Board of Directors Meeting - Notice of Public Meeting - Notice of Regular Session
Category	D. Informational Item
Subject	3. Upcoming ASU Prep Board Meeting
Access	Public
Type	Information

Recommended Action –

The next ASU Prep Board Meeting will take place on Tuesday, April 27, 2021.