Tuesday, September 22, 2020
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/99555002159](https://asu.zoom.us/j/99555002159) or by dialing 602-753-0140 at 1:00pm. 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 August 12, 2020.
2. Request Approval to appoint the Designated FEMA Applicants Agent for ASU Preparatory Academy.

D. Informational Items

1. Presentation of ASU Preparatory Academies Re-Opening Plan.
3. Introduction of ASU Prep Digital’s Director of Academics, Director of Digital Academy, and Elementary School Principal.
4. The next ASU Preparatory Academy Board of Directors Meeting is Tuesday, November 3, 2020.

E. Adjournment

1. Adjournment
### Agenda Item Details

<table>
<thead>
<tr>
<th>Meeting</th>
<th>September 22, 2020 - Board of Directors Meeting – Notice of Public Meeting – Notice of Regular Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>C. Approval of Action Items</td>
</tr>
<tr>
<td></td>
<td>1. Request Approval of the Board of Director meeting minutes for August 12, 2020.</td>
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<thead>
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<th>Type</th>
<th>Action</th>
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### Recommended Action

It is requested that the Board of Directors approve the meeting minutes from August 12, 2020.
Board of Directors Meeting
Regular Session Minutes
Wednesday, August 12, 2020
1:00 pm

George Dean, Chairman, presided over the ASU Preparatory Academy Board of Directors Meeting via Zoom link https://asu.zoom.us/j/98719870556.

Board Members Present:

George Dean
Chairperson

José Cárdenas
Vice Chairperson

Anna Battle
Senior Official/Secretary

James Rund
Director

Board Members NOT Present:

Abra Villegas
Director

Non-Board Members Present:

Alea Boudreau
Board Clerk

John Kemper
Treasurer, ASU Prep

Julie Young
Managing Director, ASU Prep & ASU Prep Digital

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

Forrest Valora
Finance & Budget Officer, ASU Prep

Board Members NOT Present:

Abran Villegas
Director

A. Regular Session

1. Call to Order – George Dean
   George Dean called the meeting to order at 1:03pm

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 July 14, 2020.
   Discussion: None
On a motion by James Rund, and a second by Anna Battle, the Board approved the meeting minutes for July 14, 2020.

FINAL RESOLUTION: Motion Carries
YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

2. Request Approval from the Board of Directors to adopt the revised 2020-2021 school calendars for ASU Preparatory Academies Phoenix, South Phoenix, Polytechnic and Casa Grande campuses.

Discussion: Anna Battle provided an overview of justification for the revision. ASU Preparatory Academy students will begin virtual learning on 8/17/20 vs. the original start date of 8/10/20. ASU Prep is taking precautions based on public health recommendations and standards and educating all members of the community on steps they can take to reduce risks to themselves and others. ASU Prep is following public safety standards and recommendations, evolving as they change. The new start date will also allow extra time to provide parent orientations, deploy student laptops, learning materials, hotspots, and allow additional teacher professional development and preparation.

On a motion by James Rund, and a second by Jose Cardenas, the Board approved the adoption of the revised 2020-2021 school calendars.

FINAL RESOLUTION: Motion Carries
YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

3. Request Approval from the Board of Directors to adopt the Arizona Department of Education/ASU Preparatory Academy Mitigation Plan.

Discussion: Catherine Crary presented the Mitigation Plan that will be submitted after Board approval to the Arizona Department of Education. ASU Prep will follow the guidance provided by the Arizona Department of Education (ADE), Arizona Department of Health Services (ADHS), Maricopa County Department of Public Health (MCDPH), Pinal County Public Health (PCPH), and the Centers for Disease Control (CDC). Specifically, ASU Prep will utilize the following guidance to make decisions:

- ADE Roadmap for Reopening Schools (June 2020)
- ADE Considerations for Leaders in Reopening Schools (June 2020)
- ADHS Safely Returning to In-Person Instruction (August 6, 2020)
  - Including the School Benchmarks by County – Dashboard
- CDC Considerations for Schools: Operating Schools During COVID-19 (May 19, 2020)

On a motion by James Rund, and a second by Jose Cardenas, the Board approved the Arizona Department of Education/ASU Preparatory Academy Mitigation Plan.

FINAL RESOLUTION: Motion Carries
YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.
4. Request Approval from the Board of Directors to adopt the Continuity of Pay for Employees Policy.

Discussion: Forrest Valora presented the proposed policy to the Board. Per the Arizona Executive Order 2020-51, Arizona’s public schools may continue to pay their employees or classes of employees, including hourly employees, during periods of school building closure. This is not the situation currently at ASU Prep, but approval is needed in case this situation would occur in the future.

On a motion by James Rund, and a second by Jose Cardenas, the Board approved to adopt the Continuity of Pay for Employees Policy.

FINAL RESOLUTION: Motion Carries
YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

5. Request Approval from the Board of Directors to expand the enrollment cap of ASU Prep Digital students from 2,000 to 6,000.

Discussion: John Kemper advised the board that ASU Prep Digital has increased interest for enrollment from an Arizona full time perspective as well as national interest. ASU Prep currently has 4,900 students registered to begin 8/17/20 and 9/8/20 and is requesting the additional cap to ensure appropriate funding from the State of Arizona.

On a motion by James Rund, and a second by Jose Cardenas, the Board approved to expand the enrollment cap of ASU Prep Digital students from 2,000 to 6,000.

FINAL RESOLUTION: Motion Carries
YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

D. Informational Items

1. ASU Prep/PESD Lease
   ASU Preparatory Academy’s Lease with Phoenix Elementary School District will be presented to the Phoenix Elementary School District Governing Board meeting on 8/13/20. John Kemper provided the Board with lease details and Anna Battle provided the Board with the proposed In-Kind Services.

2. Next Board Meeting is Tuesday, September 22, 2020.
   The next ASU Prep Board Meeting takes place on Tuesday, September 22, 2020 at 1pm via Zoom https://asu.zoom.us/j/99555002159 Or dial in number 602-753-0140.
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 1:34 pm.
YEA: George Dean, Jose Cardenas, Anna Battle, and James Rund.

Respectfully submitted this 27th day of August, 2020.

By:

ASU Preparatory Academy
Board of Directors Chairperson or designee
Agenda Item Details

Meeting                  September 22, 2020 - Board of Directors Meeting - Notice of Regular
Category                Session C.  Approval of Action Items

2. Request approval to appoint the Designated FEMA Applicants Agent for ASU Preparatory Academy.

Access                  Public
Type                    Action

Recommended Action

School districts and charter schools have the opportunity to be reimbursed for COVID related expenses through FEMA (Federal Emergency Management Agency). We would like to explore any opportunities there might be for our organization to be reimbursed for COVID related expenses. In order to do this, the Board of Directors needs to approve a designated applicants agent. We are proposing that Forrest Valora act as the applicants agent for ASU Preparatory Academy.
ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS
DESIGNATION OF APPLICANT’S AGENT FORM

The intent of this DESIGNATION is to appoint an APPLICANT’S AGENT for the following:

Select program(s) ✓ Public Assistance  ☐ HMA Mitigation Program  ☐ SEC Mitigation

Select duration ☐ Until further notice  ☐ Only Event  ☐ From ___ to ___

Applicant: ASU Preparatory Academy

CERTIFICATION

I, John Kemper, duly appointed and CFO of ASU Preparatory Academy, do hereby certify that the information below is true and correct, based on a resolution passed and approved (attached) by the Governing Board of ASU Preparatory Academy on the 22 day of September, 2020.

Forrest Valora II has been designated as the Applicant's Agent to act on behalf of ASU Preparatory Academy.

CFO (Authorizing Official’s Signature) (Title) (Date)

Designated Applicant’s Agent

Name Forrest Valora II
Title/Official Position Controller
Full Mailing Address 1130 E. University Dr. Suite 230 Tempe, AZ 85281
Email Address forrest.valora@asu.edu
Daytime Telephone Number 480-727-5805 Cell 480-206-9357
(Please include area code and extension if not a direct number)

For DEMA Use Only

Received By: __________ March 2020 Form #AZ PA 204-4
(Initials & Date)
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<td>D. Informational Item</td>
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<tr>
<td>Subject</td>
<td>1. ASU Preparatory Academies Re-Opening Plan</td>
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<td>Access</td>
<td>Public</td>
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<td>Type</td>
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**Recommended Action –**

ASU Preparatory Academy’s updated Reopening Plan will be discussed with the Board.
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**Recommended Action –**

Information on the annual external financial audit will be shared with the Board.
ASU Preparatory Academy

REPORT TO THE BOARD OF DIRECTORS

June 30, 2020
August 31, 2020

To the Board of Directors of
ASU Preparatory Academy
Tempe, Arizona

We have audited the consolidated financial statements of ASU Preparatory Academy (ASU Prep) for the year ended June 30, 2020, and have issued our report thereon dated August 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2020. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Findings**

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ASU Prep are described in Note 1 to the consolidated financial statements. During the year ended June 30, 2020, ASU Prep changed accounting policies related to the presentation of restricted cash on the cash flows statement by adopting FASB Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. We noted no transactions entered into by ASU Prep during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

Management is required to estimate the amount of expense allocated to program and supporting services reported in the consolidated statement of activities and in Note 10 of the consolidated financial statements.

The amount of depreciation recorded by management is based on useful lives estimated by management.

We evaluated the key factors and assumptions related to expense allocations and depreciation in determining that they appear reasonable in relation to the consolidated financial statements taken as a whole.
The financial statement disclosures are neutral, consistent, and clear.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected the misstatements identified during the audit in the attached "Adjusting Journal Entries" (AJE) schedule. Management has recorded post-closing entries identified in the attached "Client Adjusting Journal Entries" (CAJE) schedule.

**Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated August 31, 2020.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to ASU Prep's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as ASU Prep's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Other Matters

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

This information is intended solely for the use of Board of Directors and management of ASU Prep and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Fester & Chapman, PLLC
ASU Preparatory Academy  
June 30, 2020  
Adjusting Journal Entries  

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<th>Number</th>
<th>Date</th>
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<th>Account No</th>
<th>Debit</th>
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<td>6/30/2020</td>
<td>Compensated Absences</td>
<td>20229</td>
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<td>Accrued Employee Benefits</td>
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To properly state compensated absences.
ASU Preparatory Academy  
*June 30, 2020*  
**Client Adjusting Journal Entries**

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<td>Miscellaneous Expenses</td>
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<td>Unrestricted Net Assets</td>
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<td>To properly state beginning net assets.</td>
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<td>Accounts Payable</td>
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<td>114,826</td>
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<td>To properly state accounts payable.</td>
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<td>CAJE 03</td>
<td>6/30/2020</td>
<td>Other Professional Services</td>
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<td>CAJE 04</td>
<td>6/30/2020</td>
<td>Collaborative Revenue - National</td>
<td>41321</td>
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<td>To properly state collaborative revenue and accounts receivable.</td>
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<td>CAJE 05</td>
<td>6/30/2020</td>
<td>Instructional Materials/Software, Textbooks</td>
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<td>CAJE 06</td>
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<td>Equipment (over $5,000)</td>
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<td>Depreciation Expense</td>
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<td>Accumulated Depreciation</td>
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<td>To properly state CIP, fixed assets, and depreciation expense.</td>
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<td>CAJE 07</td>
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<td>Construction in Progress</td>
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<td>182,163</td>
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<td>To record loss on disposal related to old CIP,</td>
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<td>CAJE 08</td>
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<td>To reclassify receivables to proper accounts.</td>
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<td>3. Introduction of ASU Prep Digital Academic Team</td>
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**Recommended Action** –

Introduction of Dr. Laura Maloney (Director of Academics), Michael Kasper (Director of Digital Academy), and Allison Voltaire (Elementary School Principal).
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**Recommended Action –**

The next ASU Prep board meeting will take place on Tuesday, November 3, 2020.