

MINUTES

Athenian eAcademy Board Meeting

October 27, 2015

Boys & Girls Club of Provo

Call to Order 5:35PM, Brett Nielsen

Present: Brett Nielsen, Holly Richardson, Matt Throckmorton, Amy Smith (virtual)

1. Dashboard is reviewed. Matt explains details
2. Financials. Max from Charter Solutions explains details.
 - a. Most new schools are not this strong at this point
 - b. With 60-days cash on hand, again, great position for a new charter. Goal of 90-days by end of Year 3 is a great goal. Strong financial vision
 - c. It is noted, we have a strong budget even though we fell 25 students short of budgeted enrollment of 590.
 - d. The Board will adopt at a future board meeting more detailed Financial Policies, in addition to what is found within the Charter document.
 - e. Action items include clarifying who signs checks
 - f. Matt explains the 'cash on hand' and notes adjustment to monthly payment that will take place at the end of November.
3. Matt explains budget. While we are in a good spot, we will incur additional expenses through the end of the year as we determine operational and staffing holes. The goal is to finish the year with \$220,000 in the bank. This means, all things considered we are not exactly 60-days cash on hand.
4. Background Check. Matt explains that the law has changed and AeA Board members need to obtain the same background check as all AeA employees. This means our current background checks are insufficient. Matt will find the easiest option for board members to comply. Due by December of this year.
5. Open discussion and questions:
 - a. Heather provides background on what is taking place on the campuses.
 - b. Matt discusses replication and what that looks like in the future
 - c. Holly asks if we need to go before the State Charter School Board in the near future for any reason.
 - d. Matt notes we need to add another two or three board members in the coming year.
6. The next board meeting is set for December 2. Matt will verify everyone's schedule as we get closer, with a desire to have a Board Dinner after the meeting. Looking at possibly meeting in Tremonton
7. Amy moves to adjourn, Matt seconds 6:18PM

No Motions made

AeA Dashboard

| Financial/Operations | | | |
|--|--|----------------------|------|
| Cash on-hand | \$622,216 | 70-days | |
| Projected End of Year | Pending adjusted budget | \$220,000 (goal) | |
| Monthly Burn rate | \$265,000 +/- | | |
| Key Vendors | Charter Solutions – business, H-Wire – Technology support, SPEDCo Services – Special Education, Brady Services – cleaning supplies, Ricoh – Printers, American Charter Development – facilities, Boys & Girls Club of Provo – Provo site, UEN – Internet, Diamond TLC – AF Lease | | |
| Student Data | | | |
| Unenrolled since Oct 1 | 10% (57 students) | 99 (17.31%) | |
| New enroll since Oct 1 | N/A | 49 | |
| Suspensions | N/A | 9 students | |
| Expulsions | N/A | 5 withdrawn | |
| SPED | 10% typical | 82 (14.33%) | |
| Economically challenge (FRPL) | 33% | 33.39% | |
| From Home School Population | N/A | Approx 15% | |
| Currently Part-time | 10% | 22 students (3.84%) | |
| Computers on Campus | N/A | 265 (adding 30 more) | |
| Curriculum: Core Knowledge, Saxon Math, EdCity/Edmontum, Kahn Academy, Rosetta Stone, Study Island | | | |
| Enrollment (FY16 & FY17) | | | |
| | Current (K, 1-8,HS) | Lottery (k,1-8,HS) | Goal |
| Tremonton | 139 (21, 101, 17) | 7, 11, 1 = 19 | 150* |
| Ballard | 144 (15, 114, 15) | 6, 18, 1 = 25 | 200 |
| Provo | 18 (2, 13, 3) | 2, 1, 0 = 3 | 50 |
| Delta | 43 (3, 32, 8) | 3, 4, 0 = 7 | 50* |
| Nephi | 17 (0, 13, 4) | 4, 0, 0 = 4 | 50 |
| Ephraim | 47 (3, 36, 8) | 3, 8, 0 = 11 | 50* |
| Richfield | 117 (7, 88, 22) | 4, 5, 4 = 13 | 150* |
| | 525 (51, 397, 77) | 29, 47, 6 = 82 | 700 |
| Staffing | | | |
| Tremonton | 4.5 teachers, 5 Paras, 2 SPED Techs, 1 Janitor | | |
| Ballard | 7 teachers, 8 Paras, 2 SPED (1 each), 1 Janitor | | |
| Provo | 1 teacher, 2 Paras, 1 SPED Tech, 0 Janitor | | |
| Delta | 2 teachers, 2 Paras, 1 SPED Tech, 1 Janitor | | |
| Nephi | 1 teacher, 1 Para, 0 SPED Tech, 1 Janitor (volunteer) | | |
| Ephraim | 2 teachers, 3 Paras, 1 SPED Tech, 1 Janitor | | |
| Richfield | 4.5 teachers, 5 Paras, 3 SPED (1 and 2 of each), 1 Janitor | | |
| High School | 5.5 teachers, 0 Paras, 1 SPED, 0 Janitors | | |
| Sped | 4 full time, 9 SPED Techs | | |
| Office | Matt Throckmorton, Heather Sudweeks, Heather Campbell*, Tiffany Meyers*, Open, Tracy Hendrickson, Rebecca Strait, Tammie Bankhead, Malinda Durfee (* SPED) | | |
| Total | 8 – Admin, 31 teachers, 26 Paras, 13 SPED, 6 Janitor | | |

4. Lease and Purchase Explanation

1. Lease Addendum: Just finalizes the Commencement Date, and the Total Development Costs. In the event these costs change, we can amend the Lease. [NOTE: Development Costs are pending though stands at \$4.6million. Commencement Date provided at board meeting.]
2. Purchase Agreement: It is consistent with Section 52 of your Lease, which allows you to purchase it for 120% of your Total Development Costs. We need your Board to approve it, contingent upon the following: (a) receiving an appraisal in an amount of the Purchase Price or more, (b) receiving feedback from the State Charter School Board that it is acceptable, or the Seller making changes consistent with anything they require, and (c) review of the EB-5 loan documents that you would assume at Closing, and the conclusion that assuming them are reasonable and acceptable. (We hope to get copies of them very soon, but maybe not by Tuesday)
3. Next Steps: We'll then need your board to approve a budget as follows to prepare for the USDA Loan Application. I'll try to get quotes for each of these as soon as possible:
 - a. Appraisal: Cost of \$3,000 to \$5,000. There are two qualified charter school appraisers in Utah, and we'll get bids from both, and go with the lowest bid. Much of the cost will be visiting each location.
 - b. Inspection: Cost of \$3,000 to \$4,000. There are several qualified inspectors. We'll get quotes from several, and go with the lowest. Much of the cost will be visiting each location.
 - c. USDA Feasibility Study: Cost of \$20,000 to \$25,000. Required for a USDA financing. There is only one accounting firm in Utah that the USDA accepts. The cost can be rolled into the financing, delaying payment. (The cost of the Appraisal and Inspection must be paid within 30 days, but can also be reimbursed from the financing.)

The plan will be to try and get all this information together, and come back to the AeA board in March or April with a final application for them to review and approve and submit to the USDA. We should then hear back by about July, and then be able to close in September or October. AeA will likely save over \$10,000 a month after the financing closes, so we want to move it along as quickly as possible.