

**BOARD MEETING MINUTES**

**ASCEND CAREER ACADEMY**

**MEETING DATE: May 5<sup>th</sup> 2021**

**5251 Coconut Creek Parkway Margate, FL 33063**

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**A meeting has been called to discuss and approve the 3 items below.**

**Greg DuMont, as Chairman of the Governing Board, called the meeting to order at 2:00PM.**

**Roll call was taken with the following members on the call: Board Chair Greg DuMont, Board Members Cheryl Leonti and Sayra Hughes; Principal of ACA Vincent Alessi and Confidential secretary of ACA Denise Garcia.**

**The Board Meeting was not open to the public. 3 agenda items were discussed (1) Review of current operating budget and preparation of projected budget. (2) Teacher/Staff salaries, bonuses and raises. (3) Transitions of administrative and management team.**

**I. AGENDA ITEM TITLE: Annual operating budget**

**REQUESTED ACTION:** Review of current operating budget and preparation of projected budget.

**SUMMARY EXPLANATION AND BACKGROUND:** We will review the current budget and prepare a preliminary forecast in the areas of enrollment, revenue, operating expenses, security, loans and any other financial obligation in order to maintain fiscal responsibility.

**FINANCIAL IMPACT:** TBD

**EXHIBIT:** Annual Operating Budget

**Budget Revenue** – Predicated on per student funding levels consistent with 2019/20 actual amounts received and latest estimates from Broward County Schools, at student enrollment estimates for 275 FTE in Fall and 300 FTE in Spring; Revenue phased based upon historical funding timelines, growth from the 256 Students from Spring 2020.

**Sub-Lease Revenue** – Aligned to the Sub-Lease to church counter-party being continued, \$2,000 per month.

**Free & Reduced Lunch** – Assumed available for 100% of the student population with such funding available for the full year. Estimates for Capital Outlay funds provided by the State of FL and consistent with prior year, with growth for enrollment growth. Based upon 250 students and associated funding starting October 1 and 275-300 students for the second semester, with the associated true-up for second semester occurring in May/June. As currently projected, with all costs outlined below, and all necessary teacher contracts, the school is projected to have a modest surplus for the fiscal 2020/21 school year.

**Projected Enrollments** – July 2020 - January 2021 at June 30, 2020 Funding levels as per State Directive of carrying forward the Spring 2020 counts and funding. Adjustment higher based upon actual enrollments in February 2021. As of the date of this meeting, the school feels it is on pace and in line with the budget and costs assumptions however there is significant unknown risk to the at-risk student populations served given the migration to remote learning in Spring and the expected continuation of the same for the start of school.

**School Lease** – Alliance (Landlord) lease obligations are \$350,000 for SY 2020/21 per Lease Amendment #3. To the extent enrollments are funded at a level above the budget outlined above, apportion of incremental revenue will be paid in the form of incremental lease obligations, given the accommodation or repayment of debt obligations. In addition, Ascend will be required to pay CAM of approx. \$49,500 for the year. June 30, 2020 Balance Sheet

**Liabilities** – There were 7 outstanding liabilities related to prior fiscal periods:

**Teacher Salaries** – obligation from Fiscal 19/20 school year, spread into July. Such obligation has been and will be paid in accordance with teacher contracts from Fiscal 2019/20 funds.

**Audit Obligation/Accrual** – An \$8,000 accrual has been maintained to satisfy the obligation by the school for its annual audit. Funds have been reserved for this obligation which expect to be disbursed in October 2020.

**Alliance Note Payable** – Alliance provided a Capital line of Credit. Such line of credit has been paid down slightly in SY 2019/20 and is accruing interest. The Board and Alliance have previously negotiated low interest rate and a payment of principal, as and when operating reserves allow. Interest for SY 20/21 is set at \$8,000 annually or 1%, whichever is greater, consistent with the prior year and will be paid in August. Principal payments are not required, only made based upon excess fund balances, post recurring debt-service obligations.

**Generation Z Education Note Payable** – Generation Z provided an initial Capital line of Credit which it rolled into a note. Such Note is accruing interest and is secondary in priority to the Alliance Credit Facility and is being serviced at 5% (approx. \$2500 annually. No principal payments are due in the near future.

**Discretionary performance bonuses** – Due to the pandemic, and overall enrollments, ACA slightly underperformed its SY 19/20 budget and based upon the uncertainty of the pandemic, no bonuses have been approved or accrued.

**Trade Payables** – Being Serviced in the normal course of operations including all overheads, utilities and support contracts.

**PPP Loan** – Denovo Inc. (DBA Ascend) applied for and was afforded a Government PPP loan. Denovo applied for and received approximately \$195,000 through this program for use in salary continuation and rent. Denovo will apply for forgiveness in the fall but if not forgiven such loan will convert to a loan interest loan in calendar 2021. Notes, Contracts, Invoices and monthly Financial Statements for all of these obligations are available for review by the Board.

**Computer Hardware** – Orders to be placed as follows: New computers (175 for students, up to 5 for teachers), providing Ascend enough for the open of school and likely the majority of the first semester for a total of \$65,000 combined for the year. All in-line with budgeted amounts units' costs at or lower than SY 2020/21 and working capital available as of the date of this meeting is sufficient to fund. Amounts will be expended if/as needed. The School will likely buy three (3) classroom printers to enhance teaching, at a cost of less than \$3,000 and may expand use of class projectors (not more than three (3)). Needs for future growth are reflected in the budget re: growth to 275-300 students and orders placed as necessary.

**School Capacity** – There are no needs for infrastructure. Teaching & Learning Capacity, including furniture exists for approximately 350 students. Furniture and space re: desks, tables, classrooms are all in good order. Painting and cleaning are taking place during the summer break and there are sufficient cash reserves to support the same. Expenditures for paint and repairs will not be incurred as Mr. Alessi negotiated to have the janitorial vendor paint and repair necessary areas

in lieu of cleaning to have been provided between April and June. Small investments in tables/chairs, and associated repairs and \$10,000 for movable classroom walls for social distancing will be done in the normal course to keep all common areas in good working conditions and compliant with health and safety guidance surrounding the pandemic. Small additions such as art and school aligned decorations have and will continue to be added at nominal cost to enhance the school environment. Appropriate expenditures for PPP have been budgeted. The school will likely need to think about some further improvements re: common area painting and potential need for FF&E to comply with health and safety requirements associated with the pandemic. These requirements are being monitored by school leadership closely. The School is maintaining the security system implemented in SY 2018/19 and measures undertaken at prior meetings including metal detectors and video monitoring equipment. Financial Summary Based upon enrollments and operating expense assumptions the school is expected to meet all of its fiscal operating costs, including salaries and wage requirements, lease, computing hardware, curriculum leases, monthly recurring operating expenditures and debt service. The approximate balance of \$167,000 of estimated working capital available as of the date of this meeting and the projected \$24,000 SY 2020/21 surplus is also deemed sufficient for funding operations for the full year.

**DISCUSSION:** Board Chair DuMont presented the budget assumptions, as summarized above, using the detailed Operating Budget, including all material line-item assumptions. Mr Alessi reviewed expenditures that would be trimmed, from nonessential areas, excluding instruction, should student growth targets of fund assumptions become materially different. Moreover, Mr. Alessi has phased the purchases/expenditures to align to student growth and on a need only basis, outside of instructional activities. Mr. Alessi discussed the assumptions utilized for enrollments and operating expenses as well, in comparison to SY 2019/20 and indicated that he was comfortable that the school would operate well at these assumed levels.

Ms Leonti motioned the Board to approve the budget as presented. Ms. Hughes seconded and the motion was carried unanimously. The Board Agreed to review progress and assumptions at

**Board Action Taken in Open Meeting On: May 5<sup>th</sup> 2021**

**Approved** \_\_\_\_\_

**Disapproved** \_\_\_\_\_

**Tabled** \_\_\_\_\_

**II. AGENDA ITEM TITLE:** Teacher/Staff salaries, bonuses and raises.

**REQUESTED ACTION:** Discussion of salaries for all full-time staff members and all new incoming staff/teachers. All instructional staff must receive an increase in the amount approved by FLDOE as part of the Teacher Salary Increase.

Teachers will receive the rate increase and a one-time bonus of \$1,000 which has been approved by FLDOE for the 21/22 school year.

**SUMMARY EXPLANATION AND BACKGROUND:** All teachers will receive a one-time bonus of \$1,000 and a rate increase of .96%

**FINANCIAL IMPACT:** TBD

**EXHIBIT:** Current salary schedule, projected operating budget and SBBC raise schedule

**DISCUSSION:**

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Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Tabled \_\_\_\_\_

**III. AGENDA ITEM TITLE:** Transitions of administrative and management team.

**REQUESTED ACTION:** Proposed restructuring of job assignments and roles/responsibilities.

**SUMMARY EXPLANATION AND BACKGROUND:**

After six years of managing school operations, Mr. Alessi is transitioning to a Chief Financial Officer status, in addition to his duties as Chief Academic Officer. Daily operations of the school will be transitioned to his recommended replacement as principal, Ms. Stacy Johnson, who is currently in a Masters program for Ed. Leadership and has consistently provided the school with a dedicated focus on students and staff. Denise Garcia will focus her efforts on managing the school finances with Mr. Alessi and the Board, inclusive of monitoring the budget, working with our accountants, vendors, submitting reports for compliance purposes with SBBC and FLDOE, and reviewing status of all revenue in bank accounts and liabilities each month.

Alessi: Principal to Director

Garcia: Confidential Secretary to business/operations Manager

Johnson: Educational Resource Coordinator to Principal

**FINANCIAL IMPACT:** TBD

**EXHIBIT:** Annual Operating Budget and staff salary schedule.

**Discussion:** The Administrative Team changes will include reassignment of Mr. Alessi's status from principal to Executive Director, Ms. Johnson's reassignment from Education Manager to School Director/Principal, and Ms. Denise Garcia's reassignment to Accounting Manager for ACA. Salary Proposal and financial impact to the school's budget were also discussed.

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**Approved** \_\_\_\_\_

**Disapproved** \_\_\_\_\_

**Tabled** \_\_\_\_\_

Signed By: \_\_\_\_\_

**(Governing Board Chair)**

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**(Governing Board Member)**

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**(Governing Board Member)**