

New Horizons Charter Academy

Board Meeting

December 3rd 2020

Board Present – David Sams (Chair), Stephen Rinka Esq., Dr. Christina Duran, Richard Thomas ED
Not Present: Dr. Mario Castenada

Staff / Public - Xiomara Medrano, Bea Italia, Guillermo Gomez, Dolores Roque, Geetha Huma C.P.A.

- I. **CLOSED SESSION** – Conference with Legal Counsel – Anticipated Litigation
 - a. Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 2 cases

Zoom Meeting Commenced at: 11:00 AM

Public Comments: - None

Items for Action

Dr. Duran – Is it possible to meet with Mr. Gomez to review the minutes.

Mr. Thomas – You are free to work with Mr. Gomez and streamline those features to make them presentable and to our standard. I can make some of those changes right now.

Approval of Board Meeting Minutes (September Board Meeting) with revisions made:

- Motion made to approve – Dr. Christina Duran
- Second – David Sams
- Motion Carries (3 votes)

Approval of Board Meeting Minutes (October Board Meeting) with revisions made:

- Motion made to approve – Dr. Christina Duran
- Second – David Sams
- Motion Carries (3 votes)

Monthly Financial Report

October 2020 Financials (Charter Impact) – The average Average Daily Attendance is 269, this will not impact revenue, because schools are currently being supported by the hold-harmless clause for student attendance during the pandemic.

1. Revenue forecast for the year at \$4.17 M, not a significant change, the only change is the addition of the STEPS Grant (Emergency Preparedness) from LAUSD, an addition of \$8,000. There will also be some legal costs reimbursement included in November.
2. Expenses forecasted at \$3.9M, which comes with an increase in your healthcare cost. Charter Impact will continue to monitor. Your sub services also increased, as they correspond to Special Education expenses from services provided by *Cross Country*, and there were additional costs for your after-school program, *Think Together*.

3. Surplus forecasted at \$267K and ending fund balance at \$734K.
4. Your cash balance as of October is slightly under \$1MM, but that includes financing for the deferral financing @ 6% interest rate.
 - a. These numbers include \$588,000 based on the reinstated LCFF funding restored by the Governor. This also includes money returned to you from the CARES Act.
 - i. NHCA also has Learning Loss Funds, which account for \$106,000, that needs to be spent by the end of this month, from the Federal Cares Act, do you care to address these funds?

Richard Thomas – NHCA purchased (150) new laptops, and have incurred professional development cost, as well expenditures pre-approved, such as our IT services. NHCA may be able to buy an additional (100) Chromebooks.

Motion to Approve October 2020 Financials:

- Motion made to approve – Stephen Rinka
- Second – David Sams
- Motion Carries (3-0 votes)

First Interim Financials 2020-2021 (Charter Impact)

The original budget is presented for audits, along with the Budget that was approved by the Board. If you look at your actual year-to date, the total revenues account for \$4.2M, with total expenses of \$3.9M, with a surplus of \$266,000. Charter Impact reported state and federal expenses, which is what we supply to our authorizers. Charter Impact also shared your restricted and unrestricted revenues. This is our *First Interim Reporting*; the *Second Interim Reporting* will occur in January (there are 4 reporting cycles per year).

Motion to Approve First Interim Financials for 2020-2021:

- Motion made to approve – Stephen Rinka
- Second – David Sams
- Motion Carries (3-0 votes)

Local Control Funding Formula (LCFF) Budget Overview for Parents (Charter Impact) – This share with parents your plan to service students with high needs population, for 2020-2021.

Richard Thomas – NHCA provide a variety of services where these funds are used. We are providing a variety of technologies and programs to support our high need students; this is also presented in our Local Control Accountability Plan (LCAP). This budget shares what we have spent in our budget to service these high need students.

Charter Impact – For the 2019-2020 school year, what was budgeted was \$564,000 and what was spent was \$648,000 dollars.

Richard Thomas – The majority of the expanded expenses are related to technology devices and platforms needed to respond to the pandemic, the expenditures were necessary to provide access to distant-learning instruction.

Motion to Approve Local Control Funding Formula Budget (Parent Overview)

- Motion made to approve – Stephen Rinka
- Second – David Sams
- Motion Carries (3-0 votes)

Board Resolution for Charter School Capital (Factoring Program) - This funding proposal is from Charter School Capital and the cost to borrow is \$14,000, on a net of \$650,000 if we are to fund the entire amount. In addition, please note deferrals, payments, and our already acquired \$150,000 **Economic Disaster Fund** from the SBA that can be used prior to borrowing. NHCA will only take what we need from the receivables, because the factoring allows us to take up to two weeks to draw on funds when it is necessary. The targeted fund dates, with a discount rate of \$21,000, NHCA can also utilize our *COVID-19 Relief Donation* of \$6,500. These monies are only used, as incurred.

Motion to Approve a Factoring Program with Charter School Capital (not to exceed \$2.8 M)

- Motion made to approve – Stephen Rinka
- Second – David Sams
- Motion Carries (3-0 votes)

Health and Safety Plan for COVID-19 – NHCA have added safety items relating to what we must have in place to protect against Covid-19. This speaks to our testing with *Coverify* to test our employees once a week (free to our employees). We also utilize *brightwheel*, to screen our staff and visitors on campus, this document outlines all the features in our current plan.

Motion to Approve the Health and Safety Plan for Covid-19

- Motion to approve – Dr. Christina Duran
- Second – David Sams
- Motion Carries (3-0 votes)

Conflict of Interest Policy Adoption - We were informed by the County that we needed to have a document that demonstrates that none of our Board Members, Executive Directors, or Assistant Principals had no conflicts of interest to NHCA.

- Motion made to approve – Stephen Rinka
- Second – David Sams
- Motion Carries (3-0 votes)

Illness and Injury COVID-19 Addendum – This eleven-page document shares what the NHCA infection plan is and how we have complied to share our injury and illness policies with our employees.

- Motion to Approve – Dr. Duran
- Second - David Sams
- Motion Carries – (3-0 votes)

CAM AND STIFEL Loan Revision – We are sharing a revised master loan agreement. The purpose to having the revised motion is to allow us to have the opportunity to act swiftly, in-case we move forward with their proposal.

- Motion made to approve – Stephen Rinka
- Second – David Sams
- Motion Carries (3-0 votes)

Executive Report

- **Prop 39 2021-2022 Updates** – The District accepted our Prop 39 documentation, and they accepted our Average Daily Attendance (ADA) calculation.
- **Co-Location Mitigation of Overallocation Penalties** – We had a meeting with the LAUSD Chief of Staff, and many charter schools spoke in a zoom meeting to try to find a resolution to our overallocation penalties. The Charter School Administrators offered many constructive options, and their Chief of Staff will be presenting them to Superintendent Austin Beutner.

Covid-19 Updates and Reopening Framework 2020-2021 - We are under the impression that we will be returning to campus, when allowed. We will have a Cohort model that invites students to attend twice per week and utilize our Fridays to support our students of greatest need, this is 10%-25% of our students. We will additionally provide future support, through Saturday School instruction.

Meal Distribution – We are still serving meals to our students and will continue to do so.

Meeting adjourned at 12:30 AM

Next Board Meeting – *If needed, will be held in December.*