

BOARD MEETING MINUTES
July 12, 2024 – 6:00 P.M.

BOARD OF DIRECTORS
DHARMA EDUCATIONAL INSTITUTE
DBA NEW HORIZONS CHARTER ACADEMY

6501 FAIR AVE., NORTH HOLLYWOOD, CA 91601
6:00 P.M. – Zoom Meeting
Join Zoom Meeting:

Meeting ID: 841 7641 4368

I. CLOSED SESSION - Facilities

II. OPEN SESSION

A. CALL TO ORDER

- 6:05 PM

B. ROLL CALL

Present/Absent:

Mr. David Sams (Chairman) P
Ms. Ilana Youngheim P
Dr. Mario Castaneda A
Ms. Mary Minassian P
Mr. Gilbert Najm P
Ms. Sharon Hansel-Cohen A
Mr. Richard Thomas (Executive Director) P

Present – Bea Italia (Office/HR Manager), Naeem Rashid (Operations Coordinator), Xiomara Medrano (Pupil Services Clerk)

II. COMMUNICATIONS/ITEMS SCHEDULED FOR ACTION

A. ORAL COMMUNICATIONS:

Non-agenda items: no Public Comments requested
shall be for more than two (2) minutes and the total time for this purpose shall not exceed fifteen (15) minutes. Ordinarily, Board members will not respond to presentations and no action can be taken. However, the Board may give direction to staff following a presentation.

B. For Information: Executive Director/Principal's Report regarding:

1. Executive Director/Principal Report

C. Board/Staff Discussions/Items Scheduled For Action

1. Approval of Minutes June 25, 2024 Board Meeting

- Vote: 4-0 Approved - Motion to Approve – Mr. Najm, 2nd – Mr. Sams
- Reviewed on-screen, opportunity for questions provided, Mr. Sams asked if there are any comments or amendments to previous minutes. No comments or amendments.

2. Review and Discuss May 2024 Financials

- Vote: 4-0 Approved - Motion to Approve – Ms. Minassian, 2nd – Mr. Najm
- *Monthly financials prepared by with Richard Yang from Charter Impact; Enrollment 194, ADA at 178, Revenues Projected \$4.5mm and Expenses Projected at \$4.5mm Enrollment, deficit has been reduced based on recognition of revenues and expenses aligned with forecasts- Forecast \$10,000 surplus budget for end of 2024; Revenue forecast provided for 2024-2025 school year; compliance reporting overview reviewed; In the “Governor May Revise” stage of budget processing with the state and additional COLA ADA funding to be allotted by the state; Funding initiatives exist (state) for free meals and learning recovery that must be spent by deadlines pending additional regulation; New ELOP spending deadlines (2 years); Review of check register for month of May 2024 transactions, Checks listed on Check Register, approved and no comments.*

3. ConApp Reviewed and Discussed

- Vote: 4-0 Approved Motion to Approve – Mr. Najm, 2nd – Mr. Sams
- *Richard Thomas presents annual update for 2023-2024 ConApp- overview of components of report (assurances, protected prayer certification, LCAP Federal Addendum Certification, 24/25 Application for Funding of Categorical Programs, 24/25 Substitute System for Time Accounting, Title II Expenditure FY Report, 22/23 Homeless Policy, budget and reporting results); The ConApp was reviewed by the Board.*

4. Prop39 Facility Use Agreement 24/25 Early Out Alternative Agreement

- Vote: 4-0, Approved Motion to Approve – Mr. Sams, 2nd – Mr. Najm
- *Mr. Thomas – Presented LAUSD Prop39 Early-Out Alternative Agreement. New Horizons Charter Academy Legal Team of YMC reviewed and prepared response to districts Alt Agreement offer to allow NHCA to exit the FUA when the Friar Property is available to occupy approximately at end of October. The district also agreed to provide an additional classroom for use with programming.*

5. Review and Discuss General Accounting Fiscal Policies and Procedures

- Vote: 4-0 Approved - Motion to Approve – Ms. Minassian, 2nd – Mr. Sams
- *Richard Thomas presents procedures manual revised at May 28th, 2024 Board Meeting- travel expenditures for executive director (must be board approved moving forward along with reimbursement forms), missing receipt forms for the executive director (also must be board approved), and outgoing wire transfers (anything over \$20,000 must have board approval, maximum \$100 per individual for business meals*

6. Review and Discuss Bridge Loan

- Vote: 4-0 Approved, Motion to Approve – Ms. Minassian, 2nd – Mr. Najm
- *The Board reviewed the contract between Campanie Group and NHCA for broker services to assist NHCA with obtaining bridge loan financing for Friar Property Tenant Improvements. The contract has a \$5,000 retainer, and \$40,000 fee if John Phan of Campanie Group secures a lender. NHCA continues to pursue bridge loan financing with Banc of California, Hanmi Bank, and Civic Builders.*

11. Review, Discuss EFG and EPI Invoices/Check Request Friar Property

- Vote: 4-0 Approved, Motion to Approve – Mr. Najm, 2nd – Mr. Sams
- *Richard Thomas requesting approval of expenses/invoices for EPI based on Invoices included in Board Package for \$192,795 and Water Facility Charges for \$39,258 to LADWP and Wire Transfer of \$16,241 for City of LA Building Services presented to Board related to current work orders to be part of ongoing tenant improvements at Friar Property per the construction budget; Expenses related to architecture fees, electrical, wiring, demolition of parking lot. Board reviewed all invoices and approved invoices as the work is aligned with tenant improvements budget.*

12. LAUSD Annual Oversight Visit Report 23/24

- Vote: 4-0 Approved, Motion to Approve – Mr. Sams, 2nd Mr. Najm
- The Board received the Annual Oversight Report for review. Mr. Thomas presented each

category of review, Governance (3-Proficient), Academic (2 Developing), Operations (3-Proficient) and Fiscal Review (2-Developing). Mr. Thomas discussed the detail of the report from each category. Noting any recommendations for growth or improvement from LAUSD in each category. There were no growth or recommendations in Governance, Academic or Operations. The ED/P commented that NHCA is always striving to improve in all areas reviewed by LAUSD with regards to Governance, Academics and Operations and Fiscal Internal Controls and Procedures. NHCA has contracted with outside Tutoring Company to provide 3 days per week after school tutoring. NHCA employs Instructional Aides in each class to support small group instruction, strong ELD support, MTSS, RTI strategies. ED/P noted that NHCA outperformed LAUSD and State in significant subgroup data in ELA and Math. There are areas of growth, and NHCA continues to recover from learning loss attributed to COVID school closures. These school closures impacted the highest need students, EL students and socio-economically disadvantaged students. The Board had no comments or questions from report details. The fiscal review noted that New Horizons Fiscal position was positive and had favorable ratio's in each category. LAUSD had growth recommendations in the Fiscal Category. The Board to discuss in detail the Fiscal Review section in next action item.

12. LAUSD Annual Oversight Visit Report 23/24 – Notice of Concern

- Vote: 4-0 Approved, Motion to Approve – Mr. Sams, 2nd Mr. Najm
- Attached to the Board Minutes is the Notice of Concern (attachment 1) sent to Board Chair Mr. Sams by LAUSD Fiscal Team. The Annual Oversight Visit Report (attachment 2). The Board of Directors received this Notice of Concern to review in detail prior to Board Meeting. Attached to Board Minutes is the response (attachment 3) provided by Executive Director/Principal addressing items outlined in the notice of concern. The attached responses were provided to Board of Directors for review prior to Board Meeting. Attached is the revised Accounting Fiscal Policies and Procedures (attachment 4) reviewed with Back Office provider and Board of Directors from May 28th, 2024 Board Meeting. Attached is the July 12, 2024 Revised Accounting Fiscal Policies and Procedures (attachment 5) which were revised to include additional language regarding meal policies, travel procedures/policies and wire transfer policies and procedures. The ED/P provided LAUSD Fiscal Team an action plan per each area shared at separate Fiscal Team meeting on May 14th, 2024 with ED/P. The attachment 6 outlines the action plan addressing areas that LAUSD Fiscal noted that needed growth or improvements. The revised May 28th Accounting Fiscal Policies and Procedures were updated to add language developed from the attachment 6 Action Plan shared with LAUSD district Fiscal Team.
- Per the review of the attachment 3 (ED/P response) the Board approved the meetings that were provided by ED/P to support programming, educational strategies, pedagogy, operations, scheduling, STEM programming, ELD, SEL related to High School development grant and NHCA school needs. The Board found that the majority of the meals were funded by the HS Development Grant, and should be coded to this revenue source accordingly. The meetings were determined to be school related and for the benefit of the school. The Board noted that if ED/P was able to schedule meetings with consultants who were providing Pro Bono support to the school in the evening, Saturday or Sunday, this was in support of the school and convenient for the consultant. The Board set a maximum meal per individual at meetings. The Board noted that several meetings outlined in section 1 or section 3 of Notice of Concern were below the maximum per individual set by the Board. The Board noted that per the Board Approved ED/P employment contract (excerpt provided to district) noted that ED/P would be reimbursed for conference attendance, travel and meals related to school business, and that ED/P was acting in good faith to acquire useful information that would benefit the school and did not submit Travel Reimbursement Forms with Check Request because ED/P thought approval was provided via contract and when check request was submitted with receipts. The Board

noted that in section 1 of notice of concern – Travel Reimbursement Form (as noted in May 28, 2024 Revised Accounting Fiscal Policies and Procedures (FPP) attachment 4), would be provided by ED/P for all travel related expenses and this Travel Reimbursement Form would accompany the Check Request Form sent for Board Chair or Board Secretary approval. The Board noted that travel and meal receipts as described in the (FPP) should be provided with the 60-day timeline. The Board noted that (FPP) indicated that future meals will include agenda/purpose, attendees, and any meals that exceed the maximum amount set in (FPP) would require pre-approval. The Board noted that when ED/P attends CCSA and CSDC conference, that it is consistent with the hotels next to Convention Center whether in Sacramento or San Diego are typically above the Federal Per Diem rate. The ED/P will present travel accommodations for pre-approval for any travel expenses that exceeds the Federal Per Diem rate as outlined on (FPP). The Board noted that Board Chair or Board Secretary would monitor travel and meal expenses.

- The Board noted in the language in (FPP), that future wire transfers will be reviewed by back office to reconcile the outgoing wire transfer bank wire voucher and confirm receiving party confirms receipt of outgoing wire. The back office will reconcile the outgoing wire activity on bank statement with the outgoing wire transfer wire voucher. The Board will review all outgoing wire transfer as part of their monthly financial review. The Board will approve any outgoing wires that exceed \$20,000 as outline in the revised (FPP). The Board has noted that the 2nd Item listed on the Notice of Concern regarding proper documentation and approvals has been resolved by the LAUSD Fiscal Team. The ED/P provided the Board Approved lease agreement that outlined the 3 outgoing wires for \$10,000 to Friar Equity Partners (Lease Owner). These wire transfers were pre-approved by the Board as part of the lease. The ED/P executed these 3 wires with proper approval. The ED/P provided the Bank Wire Voucher for California Credit Union (outgoing Bank) and the First Republic Bank (receiving bank) documentation from Friar Equity Partners confirming receipt of 3 wires of \$10,000. The Board noted that the ED/P acted properly with these 3 transactions in connection with the Board approved lease. The Board noted that the revised May 28th Accounting Fiscal Policies and Procedures (attachment 4) indicates the changes in language regarding dollar amount that the ED/P is authorized to make on behalf of New Horizons Charter Academy. The revised (FPP) attachment 5 has further added language regarding the review and monitoring of bank wire transfers by the back office and Board. The item is considered resolved by the Board and LAUSD Fiscal Oversight Team. No further actions required.

13. Executive Director/Principal Report

- Vote: N/A
- *Richard Thomas presents upcoming important dates (first day of school, August 19th, 2024); NHCA has their recruiting team working during summer to increase awareness of NHCA School at Friar Property with Van Nuys Community for upcoming school year of 24/25. The support staff have blanketed both the Van Nuys Community and North Hollywood community regarding Banners have been placed at Friar property, and have been effective at attracting parents with many inquiries about the Charter School, 17 new applications made for upcoming school year from Van Nuys area; Tutoring program provided by Sparks Tutoring was effective in closing the achievement gap for many students with learning loss and below grade-level based on assessment data.*

ADJOURNED

- 7:18 PM