

**Mallard Creek and
Southwest Charlotte STEM Academy
Board of Directors Meeting
June 21st, 2023 at 6:00 pm
Via ZOOM**

6:00 Call to Order

The meeting was called to order at 6:06 pm

Present: Deanna Smith, Shekeria Barnes, Tyrone Harmon, Kellen Nixon, Christy Condon, Shelly Domenech

Absent: none

Also Present: Justin Matthews, Jennifer Lucas

6:05 Approval of Minutes from the May meeting

Christy made a motion to approve the minutes and Tyrone Harmon,

6:10 Public Comment: none but Mrs. Tedder was present.

6:20: Financials

Review of the May Financials : All good news

Starting with MCSA. First look at the balance sheet. All looks good so far. Comparing end of fiscal year of June 23. School has acquired over a million dollars in assets. On the liabilities school has less liabilities than it did last year. So year over year the better part of $\frac{3}{4}$ million dollars to the good. BVA: Out of a \$10million dollar budget, we acquired many grants and other funds so we have received well over what we budgeted for. This is good news for the school. We had more funds in grants and lunch program with all our improvements. State revenue almost at 100% which is super important because we have captured all of it. 98% of local was received so this is good with students moving in and out. Before and After care looks close to budget and waiting to see how the summer program runs. Biggest line item in expenses is always salaries. The reason is we matched CMS salary scale which they don't publish until the fall, so we increased salaries retroactive to remain competitive. Across expenses you see a lot of inflationary items that were tough on other programs this year. Some are result of the grant funds because those funds need to be discharged a specific way. Review of the YTD columns and we are predicted to end the year a larger surplus than we expected so the school did a great job discharging funds.

SCSA: Look at the balance sheet for comparison here. For a school so young it is very cash heathy and allows the school to acquire anything it needs or add staffing if needed. Last year had 3.2 million in assets and will end the year over 4 million in assets. Their liabilities increased, but most of it is in employees and accrual for payroll and benefits. Bottom line is substantially to the good and will end over \$4 million. Almost all the state and local funds have been brought in and discharged. The new lunch program is also doing better than expected. We are slightly higher in what we expected and we discharged some additional funds in grant. You see some inflationary items and a good amount if funds that went into capital improvements. We also added an additional route for buses during the school year so you'll see that in

transportation. Bottom line we expected 250,000 in surplus, but we are looking at over double that 😊

Board question: net percentage vs. revenue what is the percentage? Because of the bond, we are required to be at a 1.05 debt service which requires us to be at a surplus in restricted cash to make sure we don't overspend. So although we have that much cash, we are required to carry about ¼ million dollars at all times. We also have to true up some costs that are outstanding just a bit. So we expect the school to land north of its bond covenants so we are about 10-20% of debt service must always be on the bottom line. So the school carries over \$400,000 in annualized ds.

Review of the 23-24 Early Bird Budgets

Budget process utilizes the most current numbers we have for the current year and then translates all that work into the next year's budget based on expected revenues, enrollment and then expected expenses in prioritized fashion. We work with the Principal for this process who helps prioritize what is needed. Apply what the principals prioritize as what is most needed for the school next year.

Presentation of both budgets for next year. We are looking at revenues flat because all the big grants and covid funds, ESSER funds are ending.

Transportation and travel will increase next year and we have built in capital improvements including:

Vape detectors, PA system and cosmetic improvements work on the facility.

SCSA: Budget looks great, and SCSA is growing well, and continue to grow enrollment and see where its final stable target is Right now it is targeted for 850 students. When we first built this building we projected 850-900. SCSA has had such a strong budget over the past 3 years, SCSA is carrying some additional federal funds over to next year as school did not need to discharge all of the funds this year. The overall budget is just under \$10 million dollars so it is similar to MCSA. They are catching up to MCSA by adding close to 100 new students. Then they will also stabilize and revenue will only increase with state increases. Staffing has increased in the budget as Principal Barnes is adding staff to provide additional instructional support. The rest of the expenses are similar as last year. They don't need a lot of additional technology or other unusual items. We have increased transportation well above where we were for students as transportation isn't a barrier. Some additional capital acquisitions. Looking to increase some landscaping and other areas for site improvements line. This school is moving into its 5th year, and they have a strong reserve and the school is meeting all its covenants for the cash reserve, coverage ratio and also the maintenance reserve that is required. The additional federal reserve puts them in a slightly better cash position for next year.

Board questions: related to transportation are we increasing routes, or a double run?

Answer: No, we are adding an entire new bus to the fleet to increase transportation options for more students and reduces carline and traffic. This decision was based on transportation software and density.

Further discussion on routes, and mapping for zones and waitlist at SCSA. It is expected that this new bus will solve for the wait list.

Kellen made the motion to approve the SCSA and MCSA EB budget. Second by Christy Condon. No further discussion and the motion was approved unanimously.

7:20 Christy Condon made a motion to adjourn and Shelly Domenech seconds the motion. No discussion, motion passed unanimously.

7:20 Meeting adjourned