

# University Preparatory Academy

Meeting of the Board of Directors  
September 26, 2018  
11:00 am

## BOARD OF DIRECTORS

Melissa Klafter, Board Chair (Present)  
Anthony Polazzi (Present / Joined at 11:30)  
Darryl Cobb (Present)  
Casey Moye (Present)  
Dr. Jennifer Porter-Smith (Present)

## MINUTES

### 1. OPENING EXERCISES

- a. Meeting called to order at 11:02 am
- b. A quorum was established
- c. **APPROVED:** The Board approved to Elect Mr. Casey Moye and Dr. Jennifer Porter-Smith to serve on the Board of Directors. *(Note: Both have completed their governance training and security clearance).*  
*Motion to approve by Melissa Klafter; second by Darryl Cobb; motion passed (Yay 2 / Nay 0 / Absent 1)*

### 2. PUBLIC COMMENT

- a. There were no comments by the public at this time.

### 3. CONSENT AGENDA - Board Chair took a vote on each item individually.

- a. **APPROVED:** The Board approved the Minutes from the June 26, 2018 Board of Directors Meeting.  
*Motion to approve by Darryl Cobb; second by Dr. Jennifer Porter-Smith; motion passed (Yay 4 / Nay 0 / 1 Absent)*
- b. **APPROVED:** The Board approved to Receive and File the Unaudited Financial Statements for the period ending June 30, 2018.  
*Motion to approve by Melissa Klafter; second by Darryl Cobb; motion passed unanimously (Mr. Polazzi is now present and voted)*
  - i. The Board Chair requested that Gravier review the Audited Financials at this time.
    1. Review of losses, enrollment concerns, revenues are going down while expense are going up.
    2. References pg. 32 which states a deteriorating financial condition exists.
    3. References pg. 34 for internal control issues; the aftercare fee should be deposited into the aftercare account, instead they were being deposited into a separate aftercare account. There was also a separate bank account that was not included in the books and records.
      - a. Board Chair Klafter requests to further discuss this item off-line. She would like to ensure that Academica has access to all accounts.
      - b. Principal Ledgister states that the rental fee discussed is for the rental of the church, not aftercare.
    4. Board Chair Klafter requests who comes up with the "Management Response"; it is stated that the Principal would need to come up with these responses.
    5. Discussed the lease; the lease provides for concessions in early years; in this case a concession is given, but there is an obligation to repay at a later date; liability of \$230k which has to be repaid at some point. Board Chair Klafter requests how this amount is quantified; staff from Gravier direct her to the lease where it states the amount. She requests to confirm this has been discussed with Building

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Hope; Gravier staff replies that they have discussed with them and they have confirmed that it does exist.

6. Next year liability will increase to \$341; then it will decrease in 2023 (refers to pg. 25).
  7. Gravier will make themselves available via phone later today to discuss with Board Chair Klafter.
  8. Board Chair requests that Dr. Porter assist Principal Ledgister with the findings and the Management Response. Doug Rodriguez states that he can review the response and offer assistance, as well.
  9. Board Chair Klafter states that as a new school the audit does not look concerning. She asks the auditors if they have an opinion on this in comparison to other schools. Gravier responds that they have to follow the audit rules and that there has to be a financial plan – including increased enrollment. It's not terrible uncommon to see schools in their early years to fall into a deficit. After several years in financial deterioration mode would be very negative. Board Chair Klafter requests a copy of the auditor rules to the Board; they respond that they will send this section of the Florida Statutes.
  10. Dr. Porter Smith will discuss with Principal Ledgister about accounts payable procedures.
    - a. Payments made since the books closed include a \$50k paid on the Building Hope Loan and \$46k to Academica.
- c. **APPROVED:** The Board approved Approval to apply for the Immediate Aide to Restart School Operations (Restart Program designed to provide funds to assist Local Educational Agencies (LEAs) and non-profit, non-public schools in Florida with expenses related to the restart of elementary schools and secondary schools affected by Hurricane Irma. (\$4827 is allocated to UPA).

*Motion to approve by Melissa Klafter; second by Darryl Cobb; motion passed unanimously*

### 4. ACTION & DISCUSSION ITEMS

- a. Principal Report (Electronic Report was emailed to the Board)
  - i. Met enrollment goal of 278, currently at 280; 94% economically disadvantaged; 6% homeless; 3 full units in Kinder with 54 scholars; discussed if retention policy may have affected student enrollment; increase in school grade to a “C” in 17-18; goal is to get a “B” in 18-19; working with Academica to increase; visited a school in Miami which is very similar to share best practices; Board Member Polazzi requests a continuous update at each board meeting regarding the school’s track to get a “B”.
  - ii. Review of upcoming events.
  - iii. Charter Review at the school on October 10<sup>th</sup>.
  - iv. FTE week is Oct. 8<sup>th</sup>
  - v. Need to hire a PT PE teacher
  - vi. Using a security service company
  - vii. Building Updates – In the process of “hardening” the school (increasing security measures) - ongoing door project and pending fence project.
- b. Financial Report
  - i. Reviewed & Disussed: 6/30/18 audited financial statements.
  - ii. Tabled: Approval of Revised 2018-19 Annual Budget.
    1. Based on 278 students; includes the Sun Capital Grant as per the original budget; deficit of \$49k; reflects positive cash flow.
    2. Board Chair Klafter notes the change in the number of students, but questions the changes to many more additional line items; Alina states that they budget is based on the number of students and if they board goes over budget, then the district will not approve.
    3. Board Chair Klafter requests to table the budget; she would like more time to review. Board Member Polazzi agrees that he agrees not to approve a budget which reflects a deficit. Ana Martinez states that the original budget reflected a grant. The funding has changed since the original budget and district admin overhead increase.

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### 5. ANNOUNCEMENTS AND NOTIFICATIONS

- a. Next Board Meeting: November 21<sup>st</sup> at 11am
- b. Special Meeting to be held Friday to approve the audit. Board members should email any questions to Ana or Kelly. Ana says that Gravier will update the draft version circulated today and she will circulate that to the board today for their review; Board Chair Klafter requests a track change review for easy review. She requests Richard's response by tomorrow.

### 6. ADJOURNED MEETING

# University Preparatory Academy

Meeting of the Board of Directors  
September 28, 2018  
11:00 am

## BOARD OF DIRECTORS

Melissa Klafter, Board Chair (Present)  
Anthony Polazzi (Present)  
Darryl Cobb (Present)  
Casey Moye (Present)  
Dr. Jennifer Porter-Smith (Present)

## MINUTES

### 1. OPENING EXERCISES

- a. Meeting called to order.
- b. A quorum was established.

### 2. PUBLIC COMMENT

- a. There were no comments by the public.

### 3. ACTION & DISCUSSION ITEMS

- a. Discuss: Annual Audit
  - a. Discussed the depreciation; Richard requests if an extension can be granted; Ana states that last year the audit was submitted late; Board Chair Klafter states that she is not opposed to requesting an extension, but they can decide later in the meeting; the latest draft that was circulated contains the revisions requested by the Board and Academica.
  - b. Questions by Board Chair Klafter
    1. What is the \$60k deferred asset and how was it validated? Did Gravier get a confirmation for this amount?
      - a. \$50k is part of the lease with Building Hope and \$10k is for utilities with a construction company.
    2. Note 3 - I note that substantially all of the schools assets were reclassified as furniture, equipment and textbooks. This, along with the substantial purchase of assets with CSP funds contributed to a large increase in depreciation expense for the year. I note that the school had two major "capital" purchases over the year (new AC and playground). Are those assets in Buildings and Improvements which would result in a longer depreciation period, or are they combined with furniture, etc?
      - a. Reclassification of \$300k in assets going away from building / computer equipment going into classroom supplies and textbooks.
      - b. Focused on the \$12k for Building and Improvements; Ana states that if improvements were made they would be allocated here and would depreciate over the lifetime. Ms. Klafter requests for back up on the \$12k. She feels this line might be higher than the \$12k due the replacement of A/C and other improvements. Monique states that she would have classified these elsewhere. Ms. Klafter requests that they reclassify the A/C and Playground. Richard states that the A/C wasn't purchased by the school. The playground was paid by the CSP grant. Monique states that the playground would have been on last year's audit. Melissa requests that Richard still work with Monique as she feels there out of pocket expenses.
    3. Note 5 – Please see some small suggested edits and a clarification with Sun Capital. Partners Foundation, Inc.
      - a. Ms. Klafter would like to soften the language. Gravier states that BH confirmed that they are in default of the loan. Although some payments have now been made. Melissa suggests alternate language without using the word default. They will put that the line has not been extended, but that the school is making payments.

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4. Note 6 – Please confirm that the repair reserve that was waved by BH is NOT in expense in the current (or prior years)
  - c. Melissa requests that Richard circulate
  - b. **APPROVED:** The Board approved the 6/30/18 audited financial statements conditioned upon Chair review of the final draft.  
*Motion by Melissa Klafter; second by Anthony Polazzi; motion passed unanimously*
  - c. Other Items by Board, Staff, or ESP
    - a. There were no additional items.
4. **ANNOUNCEMENTS AND NOTIFICATIONS**
  - a. Next Board Meeting: November 21<sup>st</sup> at 11am

## 5. **ADJOURNED MEETING**

# University Preparatory Academy

Meeting of the Board of Directors  
December 4, 2018

## BOARD OF DIRECTORS

Melissa Klafter, Board Chair (Present)  
Anthony Polazzi (Present)  
Darryl Cobb (Present)  
Casey Moye (Present)  
Dr. Jennifer Porter-Smith (Present)

## MINUTES

### 1. OPENING EXERCISES

- a. Meeting called to order
- b. A quorum was established
- c. In addition to the board members noted above, Principal Ledgister & several employees from Academica participated in the meeting.

### 2. PUBLIC COMMENT

- a. There were no comments by the public.

### 3. CONSENT AGENDA

- a. **APPROVED:** The Board approved the Minutes from the September 26, 2018 Board of Directors Meeting.
- b. **APPROVED:** The Board approved the Minutes from the September 28, 2018 Board of Directors Meeting.

*Motion to approve the consent agenda by Anthony Polazzi; second by Jennifer Porter-Smith; motion passed unanimously*

### 4. ACTION & DISCUSSION ITEMS

- a. Principal Report (Written report provided & reviewed) (*Principal Ledgister*)
  - i. Enrollment Update – Current enrollment is at 289; budget was based on 278; October FTE was based on 285 students; 90% of students are economically disadvantaged.
  - ii. Data Report
  - iii. Recent & Upcoming Initiatives
  - iv. Awards / Celebrations
  - v. Staffing Needs
  - vi. Building Updates
- b. Financial Report
  - i. Receipt and filing of 9/30/18 & 10/31/18 financial statements. (*Ana Martinez / Christina Perdomo*)
    1. Been working with Board Chair Klafter; financials were submitted late to due to a deficit; Chair Klafter discusses concerns with the timing of the financial reporting; Ana states that they need a letter from Sun Capital to serve as proof of the funds committed; the board discusses the long term goal of funding; Sun Capital was supposed to serve as an interim source; a long term fundraising goal needs to be established; the board would like to further discuss prior to the March meeting.
  - ii. **APPROVED:** The Board approved the Revised 2018-19 Annual Budget.
    1. Discussed what a break even budget looks like; possible lease amendment needed due to no build-out; Ana states that perhaps the funds from Sun Capital can be split as a loan and a grant; budget reflects increased student count; discussed if the loan amounts can be included at this time; discussed leaving

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the \$250k on the budget as previously stated; a letter is not on file which reflects this commitment to submit at this time.

*Motion to approve the revised budget by Anthony Polazzzi; second by Casey Moye; motion passed unanimously*

- c. Other Items by Board, Staff, or ESP
  - i. Discussed need to meet in January; Board Chair Klafter requested that Kelly assist in scheduling this. Board would like revised budget and five year projection at least one week before the board meeting.
  - ii. **APPROVED:** The Board approved to renew the charter school contract with Palm Beach County Public Schools for a five-year term. The Board further approved the creation of a resolution for all board members to execute.  
*Motion to approve the renewal of the charter for a five year by Anthony Polazzzi; second by Casey Moye; motion passed unanimously*

### 5. ANNOUNCEMENTS AND NOTIFICATIONS

- a. Next Board Meeting: March 6<sup>th</sup> at 11am
- b. Special Meeting to be called in January, as discussed today.

### 6. ADJOURNED MEETING AT 12:52PM