

Jacquelyn Y. Kelley Discovery Charter School
Board of Trustees Meeting
Term 2022-2023

The Board of Trustees meeting of Jacquelyn Y. Kelley Discovery Charter School was held on **Monday, January 9, 2023**, in the Board Room at 4700 Parkside Avenue, Philadelphia Pennsylvania 19131. The meeting was called to order at **6:44** pm. Roll call was taken by the Board Chair. He determined that there was a quorum.

Trustees Present:

Tonia Elmore, CEO
Sharlynn Cloud, CEO Elect
Jabbar Tyler, Board Chair
Adrienne Bell, Board Vice-Chair
Calvin White
Sharon Thornton
Lynn Nichols
Andrew Grannum
Aishia Campbell

Trustees Not Present:

Pastor Donald Moore
Shauna Collins, Treasurer
Sergio Diggs

Others Present:

Sharlynn Cloud
Leigh Ann Kelly
Robin Holland, Auditor
Estena McGhee
Fred Fields
Cheryl Lomax

Principal
Omnivest
J. Miller & Associates
Potential Board Member
IT Support
Administrative Support

Open Forum began at 6:44 pm

Independent Audit Report:

Kelly: Each year the school is required to have an independent audit. It was conducted by Robin Holland of Joyce Miller & Associates.

Robin Holland issued a non-modified, clean opinion for the audit period covering July 1, 2021, to June 30, 2022.

- You will find the language in the report is different. The opinion is related to the financial statement the organization presents which includes your debt, your capital assets, your liability related to your pension under PSERS, as well as your general funds, which include long-term liabilities, assets.
- There was a new accounting standard that needed to be implemented. It addresses leases, such as copier leases, to be reflected in the financial statement.
- New bonds were issued which resulted in disclosures in respect to what the bond is worth. The refinancing settlement agreement disclosure was also included.

We found the internal controls over the financial reporting were adequate and did not identify any weaknesses. We did not identify any non-compliance matters but did experience some delays in receiving requested information. Once the audit is approved, it is uploaded to the federal clearing house and PADE. With respect to 990, the 990 has been extended to August 15th although it is usually due on May 15th. We will have the 990 ready for your review by the end of January.

Questions, Comments, Discussion:

- Elmore: As regards the delays, the request for information, documentation, and signatures was not received in a timely manner. I have requested to meet with your firm and Omnivest to discuss how we can prevent delays moving forward.
- Kelly: Just a reminder that last year there was as one time unusual \$3.3M legal cost to the School District of Philadelphia which resulted in the net loss.

Omnivest Financial Report:

Kelly provided the Board with copies of the Financial Report

Financial Information for December 2022:

December 31, 2022, Actual NOI w/out ESSER Funding: \$221,457

December 31, 2022, Budget NOL w/out ESSER Funding: (\$22,082)

Budget Variance: \$243,539

December 2022 Highlights:

Revenue without ESSER Funding is above budget by \$111k.

1. Local/State above by \$87k and Federal above by \$24k
 - a. Philadelphia Tuition is below budget by (\$11k), Special Ed below by (\$13k)
 - b. Out of District above budget by \$89k – Southeast Delco \$19k, William Penn \$49k and Upper Darby \$21k
 - c. Interest Income above by \$1k
 - d. Trips above by \$9k
 - e. NSLP Revenue above budget by \$23k

ESSER Funding

2. Elementary and Secondary School Emergency Relief funds – recognized \$194k for salaries above budget by \$137k.

Expenses without ESSER Funding below budget by \$133k

3. Salaries and Wages, Employee Taxes & Benefits net below budget by \$158k
4. Staff Development is on budget.
5. After School Programs above budget by (\$1k)
6. Professional Fees is above budget by (\$12k)
 - a. Special education services (psychology, speech, OT, tuition) \$6k
 - b. Health Services (\$17k) – Wellness Center for 2 months (Education Plus Health)
 - c. Therapeutic Services \$5k
 - d. Legal (\$6k) – rebate report related to Bond.
7. Building Services below by \$2k
 - a. Bond Interest above budget by (\$2k)
 - b. Janitorial Services above by (\$1k)
 - c. Utilities \$5k
 - d. Repairs below by \$2k
 - e. Maintenance Supplies above by (\$2k) - Lowe's
8. Insurance is on budget.
9. Leases above budget by (\$1k)
10. Communication below budget by \$1k
11. Student Supplies & Expenditures above budget by (\$8k)
 - a. Books below by \$12k – Savvas Learning Refund
 - b. Supplies below by \$5k.
 - c. Accrue credit card expense from PNC/Wells Fargo (\$25k)
12. Food program above budget by (\$4k), offset by revenue.
13. Supplies, Equipment & Furniture below budget by \$1k
 - a. Computers above budget by (\$3k)
 - b. Admin Software below budget by \$2k
 - c. Supplies are below \$2k.
14. Office Expense below by \$4k
15. Dues above budget by (\$1k)
16. Depreciation above budget by (\$6k), non-cash item

YTD as of December 31, 2022, Actual NOL w/out ESSER Funding: (\$277,803)

YTD as of December 31, 2022, Budget NOL w/out ESSER Funding: (\$601,029)

Budget Variance: \$323,226

YTD Highlights:

Revenue without ESSER Funding is above budget by \$268k.

1. Local revenue above budget by \$196k and Federal above by \$72k
 - a. Philadelphia Tuition is below by (\$6k). Regular Education is below by (\$1k) and Special Ed is below by (\$5k)
 - b. Interest Income above budget by \$4k
 - c. Out of District above budget by \$89k – Southeast Delco \$19k, William Penn \$49k and Upper Darby \$21k
 - d. Fundraising above by \$7k
 - e. Misc Income above by \$48k due to premium rebate
 - f. Class trips above by \$25k
 - g. Summer program is above budget by \$13k.
 - h. Extended Day above by \$10k
 - i. Erate above budget by \$5k
 - j. Titles above by \$3k
 - k. Recognized \$56k in the RTL Grant
 - l. NSLP above budget by \$70k

ESSER Funding

2. Elementary and Secondary School Emergency Relief funds round 3 - \$959k for summer enrichment program salaries and benefits, Contracted support for Summer Program, & iPad purchase for school year. Above budget by \$371k YTD

Expenses without ESSER Funding below budget by \$55K

3. Salaries and Wages, Employee Taxes & Benefits net below budget by \$409k
4. Staff Development is above budget by (\$62k), Crisis Prevention training
5. After School Programs above budget by (\$58k), aftercare
6. Professional Fees below budget by \$34k
 - a. Academic Coach below budget by \$19k
 - b. Psych/Special Ed services \$11k
 - c. Therapeutic services (\$13k) – KFS Inc
 - d. Legal services below by \$13k
 - e. Financial Consultant \$23k
 - f. Support Services \$5k
 - g. Health Services (\$24k) - Wellness
7. Building Services above budget by (\$85k)
 - a. Bond Interest below budget by \$4k
 - b. Utilities (\$6k)

- c. Floor Maintenance \$5k
 - d. Janitorial Services (\$10k)
 - e. Supplies (\$14k)
 - f. Repairs above budget by (\$25k), painting
 - g. Security services (\$4k)
 - h. Contract Labor (\$35k), Maintenance staff
8. Insurance is above by (\$1k)
 9. Leases above budget by (\$4k)
 10. Communication above budget by (\$8k) – Hot spots for student iPad
 11. Student Supplies & Expenditures above budget by (\$83k)
 - a. Transportation above budget by (\$6k)
 - b. Furniture above budget by (\$13k)
 - c. Supplies are below budget by \$14k.
 - d. Field Trips above by (\$3k)
 - e. Curriculum above budget by (\$57k), purchase for new FY
 - f. Uniforms above budget by (\$4k)
 - g. Other (\$14k) – Accrual from credit card statements in month
 12. Food program above budget by (\$31k), offset by revenue.
 13. Office Furniture, Supplies, and Equipment above budget by (\$24k) – Furniture (\$8k) and Staff Equipment (\$16k)
 14. Office Expense below budget by \$4k
 15. Dues above budget by (\$6k)
 16. Depreciation above budget by (\$30k), non-cash item

December 2022 Year-To-Date Metrics

Current Ratio (Liquidity Ratio): DCS **0.95**, Charter School Office’s Standard Rate is 1.1
 Cash on Hand: DCS **48.59** days, Charter School Office’s Standard is **45** days
 Debt Ratio: DCS **0.85**, Charter School Office’s Standard is less than **.85**
 Total Margin: **-2.31%** Charter School Office’s Standard is 0%, significantly below standard is -10%

December 2022 Year-To-Date Covenant Calculations (related to the Bond)

Days Cash on Hand: DCS **48.59**, Bondholders require at least 30 days
 Unrestricted Cash: **\$1,415,811** Bondholders require 5%
 Debt Service Coverage: **1.28**, Bondholders require at least 1.1
 Year-to-Date Revenue: **\$5,588,021**

Questions, Comments, Discussion:

Kelly commented as follows

- The school has received three installments of elementary and secondary school emergency relief funds from three different acts due to Covid. Ways to protect the students were the first two rounds and a little bit of the second round, and the third round

is monies to help bring the students back up to speed as regards their learning loss to being remote.

- The school is working on the second and third round. The second round of ESSER II the school was awarded \$2.2M that needs to be used by September 2023. At the beginning of this school year the school had \$730K remaining and we are projecting to use it all by the due date (September 2023) on 11 positions that are being funded with the ESSER II monies.
- ESSER III is \$4,000,450 which needs to be used by September 30, 2024. Currently it is being used to fund 10 positions, it was also used to fund the 2022 Summer Program, as well as to purchase iPads. It is projected that by the end of the year the school will still have \$300K remaining in ESSER III. Elmore and I have some ideas about continuing a Summer Program in 2023 and 2024, SAT prep, and construction items.
 - Tyler: Due to Kelly having another impending meeting, I am going to ask that any questions be submitted to myself for discussion at the next board meeting.

Principal Report:

Cloud provided the Board with copies of the Principal Report.

Special Education Updates

- 85 -IEP's
- 18 - 504 plans

Current Events

- 1/3/23 Successful School Return
- Assemblies & Fundraisers
 - 1/5/23 Mayoral Visit
 - Fundraising:
 - iPad Sales
 - Tag Day Fridays
 - Pretzel Days

Upcoming Events

- 1/26/23 Report Card Conferences
- 1/31/23 Monthly Achievement Assemblies Grades K-5

- **School Climate/Staff**
- School Safety Updates
 - Bathrooms
 - Deep Cleaning
 - Toilet Replacements
 - Lights

STAR Testing

- Diagnostic Comparison Report

Questions, Comments, Discussion:

- Tyler: Would it be possible to see the data from other schools and if their scores are higher than ours, see what they are doing?
 - Elmore: We can see if Global and Inquiry or Belmont want to partner with us to share their data.
 - Cloud: Quite a few schools use I-Ready and not Star diagnostics.
- Bell: I was wondering what “no participation” refers to, does that mean some students did not participate in taking the tests? Last year some students were able to opt out of the test.
 - Elmore: I believe you are thinking about PSSA’s, whereas Cloud’s report is regarding Star testing. Star testing was in the beginning of the year when students were sick, absent, or their parents did not want them to take the test and the percentage rate was in the 60’s. This time (December) we did more of a push to encourage parents to make sure their children were on time, received proper rest and were prepared physically and mentally for testing.

CEO Report:

Elmore provided the Board with copies of the CEO Report.

Covid 19 updates for January

- School wide COVID testing was done after winter break. There were only two cases in the entire building, however at least three staff members called in sick due to possible COVID symptoms.
- We would really appreciate donations of masks for students.

Old Business

- Schedule monthly committee meetings
- Personnel
- Finance
- Board Development
- Education
- Internal control policies review (as it pertains building upkeep and contracts (tabled))

Future trips

- Detroit/Canada 5th and 8th grade
- Girls mentoring/Boys mentoring

Community Initiatives

Middle school students are being provided with community service opportunities. If the board members know of community service initiatives, please contact Ms. Evans at pevans@dcsschool.com

PTA

- **1st meeting is December 20, 2022, 11am (great meeting with Ms. Nelson who is working to get our PTA off the ground) hopefully she is in attendance and can shed light on some of her ideas.**
- Goal is to have thriving PTA by the end of January

Renewal

- *Site Visit Date (2/23/2023)*
- *Yearly Audit (No Findings Clean Audit)*

Renewal Site Visit components

- *Three board members who???*
- *Parents group*
- *Student group*
- *Components attached as a PowerPoint*

Fund-raising initiatives

- *Pretzel day each Friday*
- *Scholastic Book fair raised over \$1200*
- *Tag day raised enough monies to fund our door decorating contest winners*

Questions, Comments, Discussion:

- Tyler: Regarding the financial report given by Kelly; she stated there were some additional funds from out of district funding, was it due to students moving?
 - Elmore: Out of district funding used to be placed in our yearly budget, if some of those children moved that money would no longer be in the budget so I requested that Kelly not include out of district income in the budget because we do not know if we are going to have any out of district students in any given year. This way when I bill for out of district students it is viewed as additional income, and it doesn't affect the budget.

Board Development Committee Report:

White provided the following.

- Ms. Estena McGhee is observing our board meeting tonight. She is highly recommended by Ms. Cloud as a potential board member. The board should receive her resume' this evening for review. At the next meeting, we will entertain questions for and by McGhee.

Questions, Comments, Discussion:

- Elmore: Are there any more potential board members on the horizon?
 - White: There is someone, I want to consult with Diggs before bringing it to the board. We are encouraging everyone to consider if you could recommend someone.
- Elmore: I do believe we need to vote on the Audit Report by the next meeting.

Board Minutes:

Lomax provided the Board with copies of the Minutes for December 2022

Thornton Motioned to approve the minutes as presented, White Seconded, Board Minutes Approved

- White requested to have copies of the Minutes on the board table at each meeting.

Open Forum adjourned at 7:54 pm