REAL SALT LAKE ACADEMY

BOARD MEETING MINUTES
06/28/2022

Attendees: Grant Stock, Ryan Marchant, Darrell Robinson, Tony Beltran
Absentees: Marilyn Richards
AGENDA:

FY 2022 Financial Report- Non voting item – FY22 school year presented by Ryan Marchant
Total Actual Revenue: $3,693,000
Actual Budget: $3,348,000
Excess of $344,00 due to funding levels above prior year. Going forward it will grow as we are growing our student headcount and our ADM increases, with a year lag in funding. In July FY23 budget will go up significantly, but will reflect over budget. 411 students as of October 1, 2022. $150,000 in student fees collected mainly for sports and classes. Revenue for variable K-12 funding $1.6 million and budgeted $1.6. Second largest funding is the local replacement tax collected. SPED revenue is $252,000. We will have a carryover for SPED funding that will need to be spent over the next few years. We are giving raises to SPED paras that were paid below market and we will bring in an additional employee for SPED this year. Our SPED teacher will be doing school in Boston but will return. Trust land funds $53,000. Grant mentioned it was spent on improved academics in math and english. Books and a reading initiative at the school with improved NWA scores. One group was 7x the national average with growth. And most are seeing 2-3x growth. New math curriculum for problem solving and critical thinking. Growth in NWA was considerably higher than the national average. Next year's Trust Lands funds will be used to replace chromebooks. We have a significant replacement need that will take place in July and August.
Debt service and total expenditures $3.6 million. Total budget was $3.4 million. Income was $32,000 versus a -$62,000. Spent approximately 98% of our approved $3.719 million budget. Largest expense is salaries and facilities which is where 78% goes, YTD which is $1.3 million for instructors but not including principals and ancillary positions that support the school. $516,000 in supplies for classrooms. $245, 000 for salaries principals and assistants and secretarial which is $7,000 within budget. Utilities were over 77. Trying to mitigate. Electricity is high. Solar panels, we do not get credit for, that goes to the soccer side. We have separate meters. We are trying to be conservative. Natural increases in utilities. Land and site improvements of $120,000. Remodeled facility last year, BIG D was $1 million and one other bid which was high and we got a 3rd bid from our basketball coach, David Evans, who is a licensed contractor and he helped us build out additional spaces for additional classes. Which came in well below our estimated costs and it was significantly less than other bids. We spent $15,000 on transportation and purchased two used buses, which are a huge upgrade. The Alpine school district sold them at auction. $14,000 for two buses, which are normally $130-$150,000 new. At some point we may need to upgrade. We paid off $250,000 in principal for the facility this year. Our debt service is $46,000 a month which is less than when we were paying rent. Our salaries, payroll and taxes are paid each month. Employees are paid at the end of each month. Cash at the end of May was $314,000. Cash at the end of April was $352,000. Payroll liabilities were $79,000 liabilities. Cash balance has been down the last 6 months due to rising expenses and operating costs. Updated cash flow projection to be provided. New Fiscal year in July.
October 1, 2021 headcount was 407. December was 408. End of year was 389. State ADM funded off of 390. Count is audited. Which was updated to 410. Very common to have ADM less than October 1 head count. State has made progress in giving money to schools which will help us. Balance sheet is attached. Cash is accounted for. Modified accrual budget sheet.
Tony questioned: FY23 budget: counseling $59,600. $50,000 for a new counselor. $69,000 for full time and $56,000 for another full time counselor. Is that an increase or just to account for where we were over budget? Counselors are hard to find right now. We budgeted higher or are prepared to keep Lee and hire an assistant
On P&L we were 4x over by $30,000 which was for IT. Additional IT help was hired as needed. Blanks on basketball program. Does it need to be added back in for FY23. Haven't decided. We are in negotiation. For Dave and LJ we will only pay when they are actually teaching our kids.
SPED budget and funding. Where is it coming from? State funding is 95%. Federal makes up 5-10% of that. State requires that funds are allocated 100% to SPED. They are working specifically with SPED students in their own room. Those dollars are used for that. Angie, Kim, Kelsey, Sabrina and Cindy. We also have a counselor that works with SPED exclusively as well. Michelle has 3 full classes for next year. Allows them to look at their work and then the other class to look at their language for ELL, but no special funding is received.
$287,000 a month in revenue based upon the total budget for FY 23.

FY22 Final Budget- P&L is attached. It was a very tight year where resources had to be managed well. We hired for the need of a larger enrollment than we actually had. Hired to 450 headcount. 3 full time employees left and positions were not rehired for. Numbers for next year are looking like student enrollment around 400. Got rid of a permanent substitute as well as 2 part time positions. This reduced payroll for staff by $225,000. That was the fluff that we saw we had. We should be down in costs of staff even though we are up. Goal is to get the funding balance up this year. In cash flow for FY23 we are leaving room to grow.

Budget will be posted to the website. Income statement for FY22, at the bottom you will see we have added June expenses of $290,000 and June expenses of $310,000 and for July and August payroll expenses of $275,000 and depreciation of $300,000. Total budget of $4,545,000. This is more budget than may be spent but one requirement is we can be over by $1 million but we cannot be under or it is an audit finding. We are probably not going to pay for our depreciation which is a non-cash expense. We have a $10 million dollar facility which we are depreciating on a yearly basis and our loss will be depreciation. The answer to pay for it is to borrow it for an upgrade, we have a heavy depreciation number.
Tony asked about depreciation that is tracked for a charter school. We must account for GAPS, to remain a charter we must remain a positive or negative asset operation and we are a negative asset operation. We had a significant donation from Deloy. We bought the building for less than appraised for which helped our net asset depreciation. If we don't pay for it, it will chip away at it, making it a positive asset. We had a 10 year, 3 million donation that went away which was $300,000 of a donation that never realized and that evaporated a large part of the donation. We must manage better on our end to utilize state and federal funding. Asking to approve RSLFY22 budget for $4,545,902. We will show a loss in depreciation. This much must be shown for compliance laws. We need a motion and then this must be sent to Marily to approve.
APPROVALS: Tony gave approval for this funding. Email will be sent to Marilyn to approve as well.
MOTION: Tony Beltran –motioned approval as outlined for FY22 final budget. Seconded by Darrel Robinson.
VOTED YES: Darrell Robinson, Tony Beltran

FY23 Original Budget- $4,154,000. Monthly will go from $290,000 to $330,000 a month. 2 pages are attached. Total revenues are $4.4 million. $4.1 million will come from the State. $150,000 from student fees and $30,000 from fundraisers and grants. $4.154 matches with legislature estimates from the State. $4.4 million budget. Majority of expenses are from facilities and labor. Break out is included to see exactly what is paid to each teacher for contracts which are already negotiated and set for the year. Total wages, health insurance, benefits, we provide dental and vision and health insurance and a good 401k plan that puts 5% in and will match another 5%.. 10% contribution to gross wages. Retirement fund would be over that, which we are not in. Employees appreciate this, which is about $200,000 a year. Total labor cost is $2,500,000 for the year. $208,000 monthly. Which includes all costs. Operation expenses are listed out as best as possible. Total expenditures is $3.218 million which gives us a net income of $1.183 million. Debt service of $46,000 a month, which is $552,000. Which leaves us with a net income after rent payment or debt payment of $631,144. The best budget that we have ever presented to a board since the inception of the school. Positive net asset position for the school. We will keep the board updated. Will operate fairly close to this. We need to start adding to our net cash position. This last year was a challenge.
APPROVALS: Tony Beltran, Darrell Robinson. Approved FY23 original budget.
MOTION: Tony Beltran –motioned approval as outlined for FY22 final budget. Seconded by Darrell Robinson. In favor. Passed.
VOTED YES: Darrell Robbinson, Tony Beltran.

Cash Flow Update FY22-23- Presented by Ryan Marchant, June of 2022. Cash as of today is about $250,000. RSL will receive a cash allotment at the end of June for the amount of $287,000. $50,000 donation from Deloy Hansen. Payroll and operating expenses about $150,000. Cash at the end of June to be $471,000. Then it flows to the next month, $471,000 and $179,000 carries to July of 2022. Based upon ADM allotment of 390 of FY22 for 330, we should receive additional allotments and reimbursements from ESSERs, TSSP, within the month. then trustands funds and retirement and payroll. At the end of July cash flow should see an increase, by August. About $700,000 if we get TSP and ESSER. August 2022 shows how we will operate going forward with cash position and allotment based upon $330,000 and payroll and retirement of $215,000, operating expenses of $65,000 and $46,000. Breaking even. We are looking to pick up a facility in negotiation with RSL, which we are currently getting for free and we will be signing a lease for better usage, estimated $9,000 a month about $130,000 a year going back to Real. It puts us a little above break even. By February 2023, we will be $753,000. We will maintain an even cash flow going forward thru May of 2023. Anticipated to add to our cash position. Based upon this budget, our break even point is $330,000 which can be built upon. Above State requirement of 60 days of cash on hand. Which would be $660,00 and we would be above the threshold at $753,000 of cash on hand to meet requirements. Goal of next year is increasing cash on hand and additional revenues from other sources.

Student Fees: Presented by Grant Stock. Will be posted to the school site. Discuss fee waivers and extracurriculars. We have a breakdown based upon the number of students and where the money is going and our spending plan.
Athletics, broken down. Main ones are tried to be kept down based on other schools, we have the least amount of fees for extracurricular activities.
Darrell: The state school board wants each sport to fund itself.
That is why each sport has a spend plan to show where the money is spent. In almost all cases, we pay for a lot out of the schools budget as well. We might even consider doing away with fees altogether. Will be posted to the webpage. And last years are posted currently. Fee waivers applied to over 60 kids last year. The fee waivers are picked up out of the general fund. Average class size is 22 kids per teacher. We get $8,000 per student. This is a good thing that we are partnered with Jordan so that we can afford JTech and we are able to be a part of it. School buses are helped with as well as counseling programs. Which they can spread over a lot of students.
APPROVALS: Approve the FY23 Student Fees
MOTION: Motion to approve by Tony Beltran, second by Darrell Robinson. In favor. Passed.

VOTED YES: Darrell Robbinson, Tony Beltran.

Principals Report: No Update from Grant Stock.

New Board Members: We have a board member from Real as well as a few parents. Increase by one now and another at the next board meeting to put us back at a 5 member board.
Tony represents the Real side, for our charter. Tony has a good candidate, Roxy Luna, has been with the organization for 6 months and is the academy director of education. She has supported all pursuits and facilitates resources and acts as the direct liaison between RSL and RSL school . She would be strategically positioned to be a worthy member of this board. And she is willing to accept. She was unable to attend today as she is finishing up Summer school. She is very aware of what is going on in the school and the experience.
Darrell finds it important to vote her on. Have her attend the next meeting in order to bring the board up to 4 members. Must be a 5 member board. Others can join if anyone knows any parents to join.
Darrell nominates Roxanne Luna as a board member.
APPROVALS: nominate Roxanne Luna as a board member.
MOTION: Darrell motion to approve, second by Tony Beltran.. In favor. Passed.
VOTED YES: Darrell Robbinson, Tony Beltran.
Board will meet consistently on a consecutive time in even or odd months. Allowing for changes to be made, but kept consistent and can be blocked out and planned for. Odd months, Monday or Tuesday, earlier in the week. Tuesday preferred. Scheduled and consistent. Odd months, Last Tuesday, adjust from there. Schedule will be sent out for morning or mid-day. Mid-day helpful. See what Marilyn and new board members will need for meeting times.
APPROVALS: Next board meeting, new board members.
MOTION: Motion to adjourn Darrell. Second by Tony Beltran.
VOTED YES: Darrell Robbinson, Tony Beltran.