

# Minutes

## Organizational Board Meeting of the Online School of Arizona Board of Directors

**Date:** Wednesday, June 15, 2022  
**Time:** 6:04 pm MST  
**Location:** To be conducted via Zoom conference

### Item 1: Call to Order / Roll Call

Erin Albert called the meeting to order at 6:10 pm. MST

Board Member	Present	Absent
Erin Albert - President	X	
Laura Hatton – Vice President/Treasurer		X
Paul Mendoza – Secretary	X	

### Item 2: Pledge of Allegiance

"I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all."

### Item 3: Statement of Purpose

"This meeting is a meeting of the Board of Education in public for the purpose of conducting the Academy's business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda."

### Item 4: Regular Business

- Approval of the Agenda

Motion by Erin Albert to approve the Agenda with the addition of the Handbook Amendment.

Motion: Erin Albert

Second: Paul Mendoza

Ayes: 2 Opposed: 0

The motion passed unanimously.

- Public Comments on Agenda Items - None
- Correspondence - None

#### Join Zoom Meeting – For Public Attendance

Link:

<https://us02web.zoom.us/j/86845759955?pwd=V1FIRGZyK25zYlNmZjRibnAvUnNYOT09>

Meeting ID: 868 4575 9955

Passcode: 535276

Dial by your location

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

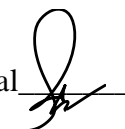
+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

Initial



- Approval of the Minutes  
Motion by Erin Albert to approve the May 18, 2022 Board Meeting Minutes.

Motion: Erin Albert

Second: Paul Mendoza

Ayes: 2 Opposed: 0  
The motion passed unanimously.

- Financial Update  
Travis Gostinger, from NextLvl Management Consulting, informed the board that Michael Mania would be presenting the financial reports. We have corrected the issue with Sam.gov to be able to receive federal funds. Michael reviewed the income statement and balance sheet, highlighting a few items. He commented that in June we will have federal funding coming in and will receive IDEA funds and that will offset Special Ed expenses that have been on the books all year. Revenues are what we are expecting. Travis commented that we received communication from ACD about the Prop 123 funding. They have received those funds through the state aid intercept and are sending them over. There is a discussion with the auditor regarding the Tuscon site. The depreciation expense will be credited back in. Michael explained that NextLvl will be depositing funds and that there will be even more cash on hand. We also have our ACD Loan that we are only paying interest on for the year so that doesn't change.

## Item 5: Leadership Update

- Administration Update

School Update from Executive Director, Mitch Horlick. Even though we are a year-round online school, some students are finishing up for a summer break, and some of them will go back to an in-person school. Our goal for enrollment for the 2022-23 school year is to have 75 students who are working and completing course work. We have re-engaged with Grand Canyon Education. We are already getting leads and are starting to see some success. We have 4 students who have started over the last couple of weeks and 2 more as of today. We are going through an elaborate onboarding process with our students. We have a new postcard mailing that went out to 3000 households. Mitch will be attending local public venues to promote Online School of Arizona. Further discussion commenced.

Initial 

- Management Company Update

Travis Gostinger communicated that NextLvl has been looking at a grant from the management company to the school with a specific purpose for continuing to grow enrollment. We have also been looking at the ACD Promissory note for OSA. We are working with ACD to see if we can have an additional year of interest only payments. This would allow us to keep expenses low while continuing to work on the growth of enrollment. We will provide ACD with a proforma to show what the interest only payments would look like and still make sure that the note can be paid off in the original 5-year term. This is feasible and could be very beneficial as we work toward the 75 FTE this upcoming school year. Dr. Timothy Wood communicated that Mitch Horlick is working with a realtor who can assist with subleasing the Glendale property to help offset costs for OSA. Further discussion commenced.

#### **Item 6: Board Strategy and Planning**

Travis communicated that we will present the proposed budget for 2022-23 that we are looking for the board to review and pass as the proposed budget. Then we will have to have a subsequent meeting within 10 days for the board to adopt the budget. This has to be done before July 15, 2022. We have a copy of the proposed budget based on the 75 FTE for next year. Michael Mania highlighted a few items. We factored in the new year state calculations as well as the federal allocations as they are to date. The average teacher salary calculation is required to be posted on the website for state compliance. The total expenses are budgeted for the year. The IDEA funds are taken into consideration on the bottom line. The debt service line dropped. This reflects the conversations we were having with ACD to move to interest only payments for one more year. Michael highlighted grant funding we would receive for the upcoming school year as well as instructional expenses. There is not an audit cost listed because we had not received a price from Anthony Lorenzo yet for our audit. We will have to do an updated budget form and update the audit service. The board discussed setting the date for the budget adoption hearing. The first choice was June 27 at 12:00pm MST and the second choice was for June 30 at 12:30pm MST.

Motion by Erin Albert to approve the proposed budget.

Motion: Erin Albert

Second: Paul Mendoza

Ayes: 2 Opposed: 0

The motion passed unanimously.

#### **Item 7: Public Comments on Non-Agenda Items**

None

Initial 

#### **Item 8: Adjournment**

Motion by Erin Albert to adjourn the board meeting at 6:52pm MST.

Motion: Erin Albert


Second: Paul Mendoza

Ayes: 2 Opposed: 0

The motion passed unanimously.

Board Secretary Signature \_\_\_\_\_

Date 8/01/2022

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