

Damar Charter Academy
Board of Directors Meeting
Wednesday, December 18, 2013
11:30 a.m.
Damar Charter Academy
5125 Decatur Blvd., Suite D
Indianapolis, IN 46241

Attendance: Dr. Jim Dalton, Leta Echelbarger, Elaine Showalter, Dr. Van Tassel, Paul Dennison, Rich Harcourt, Doug Stewart, Chris Wilkes, Karen Snyder, Charles Ellis, Kristin Hines, Lyle Coleman and Katie McCoy

The meeting was called to order by Rich Harcourt at 11:40

Packets with the following information were mailed to all attendees:

1. Board Agenda
2. October 23, 2013 Board Minutes
3. Financials
4. DCA Report

Welcome

Rich welcomed the board, staff and Kristin Hines from the Mayor's office and Lyle Coleman, parent of DCA student and possible board member. The minutes from the February 2014 meeting were approved.

Current Environment

Recommendations around A-F Accountability. Very loosely, the recommendations include measuring grades 1-8 with a weighting which mostly favors growth. Math, ELA, and reading assessments will be the key areas for measurement. High schools will be assessed on college readiness, career readiness and graduation rates. The grading scale recommendation is also modified to a 100 point scale calibrated in 10 basis point increments (as an example, 90 and above is an "A"). Further, a "trajectory model" will help measure a student's progress towards achieving a proficiency target. Next steps include beta testing to determining the effectiveness of the proposal.

The DCA has already submitted a lengthy, intense, and rigorous monitoring and measurement system for the DCA to its authorizer (Mayor's Office). Superintendent Dalton, Principal Echelbarger, and DCA staff have been closely working with the Mayor's Office to gain their support and input into the proposed accountability plan. The agreement has been finalized and while the rest of the state struggles with accountability measurements, the DCA is pleased to at least have a firm agreement with its authorizer.

However, the DCA believes that being held to accountability standards is good for students and is the right thing to do. DCA appreciates the Mayor's Office willingness to

work jointly on rigorous standards with an understanding that some standards may need tweaking as results develop.

In our last board meeting, we referenced that Damar Services, the DCA's management organization, has experienced specific challenges with the Department of Child Services (DCS). Today, DCS clients make up about 70 % of Service's residential population and 60% to 70% of the DCA's student population. Ongoing issues between DCS and Services have resulted in a drop in residential census. Further, through the DCS rate setting process, Services will receive a material rate reduction for DCS clients beginning in January.

This census decline has negatively impacted Service's financial results and if the challenges continue there is a strong likelihood that the DCA could also begin to experience changes in the way we operate. Staffing supports could be effected.

On Special Education Count day, the attendance was turned in at 157.

Board Recruitment

Dr. Dalton, Doug Stewart and Rich Harcourt met with Mr. Lyle Coleman on December 12, 2013. Mr. Coleman is a parent of a DCA student and has an interest in joining the board as a parent representative.

Rich Harcourt is planning a meeting with Ted Gary (business owner of AMG) to present the board information and ask him if he would have an interest in committing to a board seat.

Finance

The 4 month October interim numbers track fairly close to budget. Both revenue and operating margin are slightly below the budget forecast. Revenue is expected to correct itself as revenue from IDEA and Title I get caught up. The largest expense variance lies in healthcare expense and is to some extent uncontrollable. Audit expense will also be outside of the allocated budget as a result of the unanticipated A-133 federal audit requirement. (As a result of receiving over \$500,000 in federal funds thru grants, the DCA was required to have an A-133 audit. This additional audit expense was not anticipated or budgeted for.)

As usual, there are some variances in the expense categories but most appear to stem from timing differences. Obviously, the balance sheet is a little softer with the 6/30/13 write-off of the special education tuition receivable. Liquidity, however, remains adequate and it is likely that the school may repay some of the remaining advance from Damar as cash warrants and as tested against the Mayor's parameters for liquidity.

Audit

The 6/30/13 financial audit is due to the Mayor's office and State Board of Accounts (SBOA) by December 31, 2013. Audit work (both GAAP and A-133) is complete for the

DCA. As indicated earlier, the DCA has taken a conservative position relative to the full reserving of the receivable.

Services above referenced struggles with DCS have created a “subsequent event” for the Service’s GAAP audit. Services has elected not to close their audit with hopes that the issues can be quickly resolved. How and when those issues resolve may require further audit disclosures in the DCA audit report. Next week will be an important week for Services (and the DCA) as they meet and work with DCS around some open items. Regardless of the outcomes, the DCA will need to issue their final audit report by 12/31/13. The full board may wish to delegate the acceptance of the audit to the Finance Committee so that the audit may be published in a timely manner without convening another board meeting.

A motion by Chris Wilkes to delegate staff to approve the audit that will be delivered before December 31, 2013. Dr. Van Tassel seconded the motion.

RESOLVED that Damar Services Executive Staff approve the audit for DCA that will be delivered by December 31, 2013.

School News

Principal Echelbarger updated the board on all of the activities that were planned for the holidays, she also shared the DCA Dragons newsletter with the board.

The teachers and staff received the new Bullying Policy and staff will be trained accordingly.

There being no further business the meeting was adjourned at 12:30 pm.