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# JUMOKE ACADEMY CHARTER SCHOOL

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## SPECIAL BOARD MEETING MINUTES

### Zoom Session

**“Loving Scholars, Nurturing Minds, Empowering Futures”**

**Thursday, April 25, 2024 - 2:05 - 2:21 pm**

**Meeting ID: 883 9705 6775**

**Passcode: 6AXjsB**

#### **Board Members Present:**

Myron Stewart, Treasurer/Community Representative  
 Janelle Lester, Community Representative  
 Vera Smith-Winfree, Community Representative  
 Leticia Acosta, Teacher Representative  
 George Sutherland, Community Representative  
 James Michel, Board Chair

#### **Board Members Absent:**

Suzette Debeatham-Brown, Community Representative  
 Thomas Smith, Community Representative  
 Damien Pittola, Community Representative

The Jumoke Academy’s Special Board meeting was called to order at 2:05 pm on April 25, 2024 by Board Chair Michel. The record reflects that we have a quorum present.

#### **i. OPENING**

Welcome & Public Comments  
 There were no public comments.

#### **II. BOARD CHAIR COMMENTS**

Opening Remarks  
 The single item on the agenda is the 2023 Annual Audit.

#### **III. CEO/SUPERINTENDENT’S REPORT**

N/A

#### **IV. CONSENT AGENDA**

N/A

#### **V. CHIEF FINANCIAL OFFICER’S REPORT**

ii. Annual Audit Update

Mr. Arnel Hines, CFO & Walter O'connell  
 (O'Connell, Pace & Company, PC)

The CFO introduced Walter O'Connell who will present the Annual Audit. He further stated that the board should have received the draft copy of the audited financial statements for the audited financials.

The auditor started with the first 3 pages of the Financial Statement consisting of 3 opinions. He pointed out the Gappa opinion which he stated accepts accounting policies which is a clean opinion which every audit wants. On page 3 he pointed out the second opinion which is Government Accounting Standards (GAS) which is a clean opinion which is exactly what is desired.

On page 4 the cash has increased because of PCLB and YASS Prize contributions. The accounts receivable is up due to outstanding SPED payments from the towns of East Hartford, Hartford and Windsor. Some of these payments were received in the 2023-24 fiscal year.

As it relates to the non-recurring assets, the audit firm gave the CFO a list of the assets documented to compare to the list of assets the Academy currently owns and this reflected including purchases for the current year, furniture went up by \$117,000 and disposable assets and furniture went up by \$268,000. The computers went up by \$27,850 and we had disposal of \$507,000 and the vehicle purchase was just over \$182,000. Depreciation on the assets was just over \$328,000.

Total assets up 8.9 million to 10.9 million.

Under the current liability the accounts payable are up by \$484,000 due to late payments to majority of which is due to late payments to Achievement First amounting to \$270,000.

The accrued expenses changed down because the payroll was down because all positions were not filled.

On page 4 current and long term notes, the amended terms of notes reduced the monthly payments reference Financial Statement note 4.

Deferred revenue increased by \$200,000 due to the YASS Prize. Net assets without donor restrictions will be reviewed on the statement of activities.

On page 5 income per pupil ratio went down 29,350 slight decrease in the pupil enrollment in the 3rd quarter of the year. The government grants went down significantly.

Grants and contributions decreased due to a reduction in PCLB Foundation grant payments and grant income.

The functional expenses this is where the payroll taxes were reduced and salaries, payroll taxes and employee benefits expenses decreased due to staffing gaps and employee turnover.

Information technology decreased as less employee technology was ordered in 2022 amounting to just under \$500,000.

The occupancy went up by \$275,000 due to utilities and maintenance.

Traveling and entertainment meeting expenses were due to charter school conferences in Austin, Texas compared to previous year which were minimized due to COVID-19.

The insurance claims filed during the current year.

We were positive for the year with the change in Net assets which is desirable to have a positive bottom line.

We have a couple of problems which are noted on page 15 reference number 9 we have a cash concentration. This means that there is a \$250,000 limit on the amount of money per bank that is insured, anything above that is not insured. This becomes a problem at certain times of the year when we receive our payments. There is no logical way to solve this problem. As such the Academy is in violation due to the amount of cash in the bank that is insured in comparison to what is not insured.

The internal control on page 16 is completely clean. Page 18 the major State programs are clean, Page 24 expenditures and State funds are completely clean. The drawdowns are clean, these are tested across the board and then the individual programs are tested.

The Management letter comment shows that the drawdowns for the grants are not being done in a timely manner. The concern is that the Academy could run out of grant funds. The audit firm recommends creating an operations manual for the Business Office because cross training is necessary within the department. An operations manual will define all finance roles and responsibilities

in the event a staff member leaves the Academy, anyone can use the manual to fulfill the same responsibilities.

The policies and procedures manual will need to be reviewed and approved by the board.

The other problem we have is that the accounts receivables must be analyzed every 6 months for write offs the examples are CT Landmark which is still on the books for \$4,000 since 2017 and Windsor Public Schools (WPS) still on the books for \$23,011 well over 90 days. This must be followed up on.

The AUP which is the State report is delayed as items requested are not being sent in a timely manner. What is normal for any non profit organization is that all files should be ready for the audit firm to run by August 1st since the year ends June. The audit firm understands that nothing can be done in the first two weeks in July because the organization is waiting for bank statements to come in. It is helpful if by August 1st the Business Office has the information needed to start the audit process. If the Academy can have documents ready for the audit firm by October 10th at the latest, the audit firm will be better able to complete the audit in a timely manner.

Board Chair Michel asked members of the board if they had questions, none were asked.

Board Chair Michel asked for a motion to approve the annual audited Financial Statement, board member Smith-Winfree moved and board member Acosta seconded. There were no abstentions, no extensions, nor oppositions. The motion was carried unanimously.

Board Chair Michel shared that the accounting manual, policies and procedures will be discussed with the CFO. This will support the Academy with cross training and work flow in the absence of any member of staff. A committee can be created to support this effort if necessary. The completion of the audit has been delayed 3 years in a row, and while staff turnover cannot be controlled, it is not an acceptable response.

Board Chair Michel asked the CFO if both him and Walter O'Connell will be prepared to provide details regarding what has caused the delay in the submission of the audited financials at the May or June board meeting. This report should include plans to minimize the risks of the Academy submitting another late audit report. Walter O'Connell is asked to attend the May board meeting to provide final updates. Walter O'Connell stated that he will be available as long as he is given a week's notice. The CFO stated that he can have a comprehensive overview for the May meeting.

The CEO/Superintendent expressed concerns that the May meeting will not allow for adequate preparation and suggested that this takes place at the June board meeting. Board Chair Michel stated that he is concerned that the June meeting is too close to the end of the fiscal year and wants the discussion to take place sooner. He further asked board members if they wish to share their concerns. No additional information was shared.

## **VI. SUB COMMITTEE REPORT**

i. N/A

## **VII. EXECUTIVE SESSION**

i. N/A

## **VIII. ITEMS FOR FUTURE AGENDA**

i. N/A

## **IX. ADJOURNMENT**

Board Chair Michel asked for a motion to adjourn the Special Board meeting, board member Acosta moved and board member Lester seconded. There were no oppositions nor abstentions and the vote carried unanimously. The Special Board Meeting concluded at 2:21 pm.