



Board of Directors Meeting

Time: February 24, 2022 @ 4:30 PM Eastern Time (US and Canada)

Join on Zoom: Meeting ID: 813 0898 2096

Passcode: 918324

Roll Call by Secretary: Eric Bentson (present), Ashley Goverman (present,) George Hynd (present), , Stephanie Sams (present),
Trey Zimmerman (present)

Admin Present: Ashley Brooks and Summer Brown

NEW BOARD MEMBERS IN ATTENDANCE: Rosemary Herold, Bob McFerran, Stephanie Tecklenberg, Sedric Webber

other Zoom attendees: iphone 33, Sally Ficling, Joe Bowers, Katriel Rea, iPhone, Citizens for transparency, Galaxy s10+,
Scott Winburn, Lauren, iPhone

MISSION STATEMENT:

To provide an exceptional, evidence-based, multi-sensory education for students with dyslexia to open the gates to their academic potential in an environment that empowers students to develop a positive and socially conscious self-image.

1. Call to Order at 4:34pm
2. Adoption of Agenda for February 24, 2022 meeting; 1st moved by Trey Zimmerman; 2nd by George Hynd.
3. Adoption of Minutes for January 27, 2022 & February 8, 2022; George Hynd 1st, Eric Bentson 2nd
 - a. Nominating committee meetings held on 2/2 and 2/7 and without objection the nominating minutes will be a part of our record.
4. Swearing In of Board Members; completed the swearing in.
5. Election of Executive Officers (Action)

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North Charleston, SC 29418
info@gatesschool.org
www.gatesschool.org



- a. Trey Zimmerman motions for Stephanie Sams to serve as Chair for a 2 year term; George Hynd 2nd
- b. Stephanie Sams motions for Trey Zimmerman to serve as Vice Chair for 2 year term; Eric Bentson 2nd
- c. Eric Bentson motions for Ashley Goverman to serve as Secretary; George Hynd 2nd
- d. Ashley Goverman motions for Eric Bentson to serve as Treasurer; Bob McFerran 2nd
- e. All in favor. No nays. None obstaning

6. Public Comments (2 minutes per speaker; please state your name and address)* Asked to submit name for public comment by 4:15pm on 2/24/22 to a.goverman@gatesschool.org with the subject line 2/24/22

- a. No public comments

7. Executive Director's Report

- a. Ashley Brooks gives thanks to the next board members for volunteering to serve on the Gates Board.
- b. Covid update: no cases for staff or students since 2/1. No positive or quarantine cases. Able to conduct several new tours.
- c. Open enrollment: Will close tomorrow at 11:59:59pm with 61 applicants currently
- d. Letters of intent sent to 97 current students. 93 forms received with 89 returning and 4 leaving. Currently waiting on 4 that have not been turned in. Deadline is tomorrow. 92% return rate.
- e. Lottery is needed for 2nd, 4th, and 6th. If 1 more application for 5th is submitted, a lottery will be needed in that grade.
- f. 150 students are expected to be enrolled next year.
- g. Founder's Day (Action): Consideration for things like ice cream. Ashley Brooks would like to consider March 31st as a celebration for Founder's Day; Ashley Goverman 1st, Bob McFerran 2nd. George Hynd agreed that it's a great idea with no further discussion. Proceed to a vote; All in favor with a roll call vote.
- h. 2022-23 Calendar (Action); Give teachers extra time to hold parent conferences after the 1st report card. Earmarked a teacher workday for spring semester conferences. Last day of school Thurs, 6/1. Additional 2 days as inclement weather days. Spring Break aligns with BCSD and 1 of 2 options with CCSD. Erskine requires the Board approved calendar tomorrow, so unfortunately we can't wait for the final options to be released from BCSD and CCSD to ensure alignment. We will look into amending it if needed. Sedric Weber 1st, and Ashley Goverman 2nd. Unanimously approved via roll call vote.

8. Principal's Report:

- a. Read to Succeed: A large focus on the state law for 3rd graders. If students are not at grade level, the families are made aware well in advance of the end of the year exam. Dr. Brown and Ms. Walker have attended trainings and information meetings to run the required summer camps for Read to Succeed.
- b. There has been some focus placed on test taking strategies for 3rd, 4th, and 5th graders. It is not meant to be a stressor but to ensure they are not surprised when it is time to test so they feel prepared and confident.

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- c. Many, many hours have been spent on working to fulfill the CAP, including time spent in training with the principal and SPED team with Erskine.
- d. Completing the regular day-to-day IEP meetings for our students while simultaneously working on the CAP.
- e. Spring testing is around the corner.
- f. Adept teacher training is upcoming.
- g. Stephanie Sams mentioned the dioramas of regions displayed in the library and how amazing they all are.

9. Board Chair's Report:

- a. Gates' first Board election was a success with the help of the Public Charter School Alliance who ran it.
- b. New members were introduced with quick introductions:
 - i. Rosemary Herold (1 term)
 - ii. George Hynd (elected, returning member) (2 terms)
 - iii. Bob McFerran (1 term)
 - iv. Stephanie Tecklenberg (2 terms)
 - v. Sedric Webber (1 term)
- c. Several more parents ran and we want them to be in new committees.
- d. Incorrect information regarding Gates financial status is being shared. Gates was awarded a Planning & Implementation (P&I) Grant by the state of SC, which is designed to help charter schools get off the ground. This is a reimbursable grant, meaning we must pay for things first and then submit for the funds to be reimbursed. In order to be able to access the funds, we secured a line of credit. Most charter schools have to secure a loan or line of credit to be able to access P&I funds so this is nothing unusual.
- e. A 3rd version of the CAP was received on 2/21. In the 2nd CAP from 1/19, Erskine stated we would receive more guidance regarding Erskine-assigned SPED consultants by 2/4 and to not move forward until those consultants were in place. Consultants were assigned on 2/21 (a holiday) so their first day working with Gates was 2/22. The first cap deadline that required the consultants was today, 2/24. Ms. Sams gave a huge thank you to the SPED team for quickly rescheduling everything to meet the deadline.
- f. Erskine still continues to deem Gates non-compliant and misrepresent facts.
- g. Erskine sent Gates a letter notifying Gates that they have requested the Erskine BOD to hear our transfer request.

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10. Treasurer's Report:

- a. See attached report

11. Executive Session

- a. Pending Contractual Matter – Charter Institute at Erskine
- b. Personnel Matter
- c. Came out of executive session at 7:07pm with no objections.
- d. No votes taken during the executive session.

12. Possible Action Items From Executive Session

- a. Trey Zimmerman motions "to terminate the charter from Erskine on 6/30/22 and move to Limestone. This is a continuation of the motion that was approved back on 9/25/22." Bob McFerran: 2nd. Unanimously approved.

13.. Adjourn 7:17pm. No objections.

Minutes submitted by Ashley Goverman

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Gates School

Quarter 2 Financial Summary

February 24, 2022

Below is the Gates School Financial Summary for Quarter 2 ending December 31.

Revenue & Expenses:

- Revenue for the second quarter totaled \$311,836. Ordinary Expenses totaled \$372,294. This resulted in a net ordinary loss of \$60,458 which is according to 1st year expectations. Revenue has been slightly below expectations due to the enrollment freeze. Families who wish to enroll now have been placed on waiting lists for possible future enrollment.
- In addition, during this quarter the school paid back approximately \$150,000 in startup lending and last the 1st payment on the debt service occurred in December. The debt service is \$31,000 a month.
- Government funding anticipated this calendar year is approximately \$450,000. The majority of this is the Planning and Implementation grant which is a deciding factor for the creation of a school and its operation in the first year. This funding is handled via reimbursements, so the school spends the funds up front out of cash position then submits for reimbursement. The government is unfortunately running slow this year on this funding according to the accounting team who has dealt with this for years with other schools.
- Secondly, additional funding from the government called “Fringe Benefits Contribution” has recently started. This is estimated to be \$150,000 for the year. For 1st year schools, it doesn’t start to arrive until the January after the school opens.

Balance Sheet

- Cash on the balance sheet totaled \$294,587. Current Assets are \$23,007. Fixed assets which are the building and associated improvements totaled \$4.2 million.
- Current liabilities are comprised of \$59,477 in accounts payable and \$25,826 for other current liabilities. Long term liability is the 30 year bond which requires a debt payment of \$31,000 per month.

Moving Forward:

- Gates School has been in discussion regarding a line of credit for the school. The paperwork will be delivered to Ashley soon. It's a \$150k It's a 1% origination fee. It's a line of credit (not a loan), so it can be accessed if necessary while waiting for the government funding to arrive.
- Longer term after the school shows investors a few years of sustainability, the goal is to refinance the current 4.8 million dollar 30 year bond. Current interest rate is 7.125%. We will look to refinance this to a lower rate when the school proves to lenders the sustainability of the school which takes some risk off the table. So many charter schools start by leasing space in a building and thus generate no equity. Its excellent that Gates owns the building and will generate equity each month moving forward.

Gates School
Balance Sheet
As of December 31, 2021

Dec 31, 21

ASSETS

Current Assets

Checking/Savings

101 · Bank Account

45,263

117 · US Bank

249,324

Total Checking/Savings

294,587

Other Current Assets

140 · Prepaids

15,817

145 · Deposits

7,190

Total Other Current Assets

23,007

Total Current Assets

317,594

Fixed Assets

210 · Construction & Progress

631,724

220 · Building

3,556,952

Total Fixed Assets

4,188,676

TOTAL ASSETS

4,506,270

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

410 · Accounts Payable

59,477

Total Accounts Payable

59,477

Other Current Liabilities

450 · Accrued Payroll & Payroll Taxes

22,445

455 · Payroll Liab - Health Benefits

4,543

457 · Payroll Liab - Money Plus/ASI

(1,162)

Total Other Current Liabilities

25,826

Total Current Liabilities

85,303

Long Term Liabilities

610 · Bond Payable

5,305,000

Total Long Term Liabilities

5,305,000

Total Liabilities

5,390,303

Equity

760 · Unrestricted Net Assets

(558,276)

Net Income

(325,760)

Total Equity

(884,035)

TOTAL LIABILITIES & EQUITY

4,506,270

Gates School
 Quarterly Statement of Revenues & Expenditures
 October through December 2021
Oct - Dec 21

Ordinary Income/Expense	
Income	
1000 · Local Funding	25,824
3000 · Base Funding	69,324
3001 · State Funding	115,203
4000 · Federal Funding	<u>101,485</u>
Total Income	<u>311,836</u>
Gross Profit	311,836
Expense	
100-000 · Personnel	270,857
300-000 · Contracted Services	64,550
400-000 · Supplies	7,564
500-000 · Facilities	16,498
600-000 · Other Expenses	11,359
700-100 · Pupil Act	<u>1,466</u>
Total Expense	<u>372,294</u>
Net Ordinary Income	(60,458)
Other Income/Expense	
Other Expense	
500-100 · Debt Services	<u>192,858</u>
Total Other Expense	<u>192,858</u>
Net Other Income	<u>(192,858)</u>
Net Income	<u><u>(253,316)</u></u>