

MINUTES OF THE BUDGET, FINANCE AND FACILITIES COMMITTEE (COMMITTEE) MEETING OF THE BOARD OF DIRECTORS OF CENTENNIAL ACADEMY HELD ON OCTOBER 19, 2021

The Committee met on Tuesday, October 19, 2021 at 5:30pm. Committee Members Renee Glover, Chair, and Eric Pinckney were in attendance. Joe Handy, Vice Chair, did not attend the meeting. Tequila Lamar, Head of School, and Steve Pressas, Chief Financial Officer, were also in attendance to support the Committee. Cindy Ethridge and Jessica Story of Warren Averett were also present at the invitation of the Committee. Ms. Glover called the meeting to order at 5:35 pm.

Cindy Ethridge and Jessica Story of Warren Averett presented the draft of the audit of the Financial Statements and Supplementary Information for the year ended June 30, 2021. Cindy stated that Warren Averett would be issuing an unmodified opinion on Centennial Academy's audited financial statements for the year ended June 30, 2021. Jessica and Cindy walked the Committee through a detailed review of the audit during which a robust discussion was had. During the discussion of the report, Ms. Glover asked Ms. Ethridge about best practices with respect to the practice of Charter Schools creating an endowment. Ms. Glover stated that, at the request of the Board Chair, and given Centennial Academy's strong financial position, as reflected in Total Net Assets as of June 30, 2021, Centennial Academy wanted to be proactive about positioning itself for the future. Ms. Ethridge stated that other Boards that Warren Averett has worked with have created specific Board-designated reserves. She suggested that the Centennial Board consider creating special designated reserves, e.g. for Facilities or technology. Ms. Glover stated that she would present such suggestion to the full Board for consideration and would work with Ms. Ethridge to better understand the details. Ms. Ethridge and Ms. Story left the Meeting. After discussion and upon motion duly made and seconded, the Committee voted to present the audit to the Board for acceptance at its upcoming Board meeting.

The next item of business was a presentation by Mr. Pressas regarding the status of the negotiations with William Scotsman regarding its recent demand to increase the month-to-month rental costs for the Learning Lofts. After his presentation in September, Mr. Pressas stated that he would bring the final terms back to the Committee at our October meeting. Mr. Pressas stated that after analyzing the relative costs, risks, benefits and financial impact of continuing to lease versus purchasing the Learning Lofts, and consideration of a preliminary 30-day buyout price presented by William Scotsman, he would be recommending to the Committee and the full Board that Centennial Academy purchase the Learning Lofts, subject to final terms and further due diligence. Mr. Pressas stated he is still working through negotiations and due diligence, the results of which will be presented to the full Board in executive session. The Committee voted to bring this proposal to the full Board for consideration.

Mr. Pinckney and Mr. Pressas also provided a high-level overview of the S-SPLOST opportunities for Fulton County Schools and the Independent School District of the City of Atlanta. The S-SPLOST is the subject of a referendum being voted on by Fulton County voters at the November 2, 2021 election.

The Meeting was adjourned at 6:45 pm.