



Missouri
Charter Public School Commission

August 17, 2023

Mr. Lennel Hunter
Chair, The Leadership School Board of Directors
1785 Pennsylvania Ave
Pagedale, MO 63133

RE: Letter of Concern – FY23 Ending Fund Balance – via email

Dear Mr. Hunter:

Dr. Townsend informed the Commission that The Leadership School's FY23 fund balance was below the statutory minimum balance of 3% when the FY23 fiscal year ended on June 30. The Commission has notified the Department of Elementary and Secondary Education and we are issuing this Letter of Concern to communicate the Commission's concern and to acknowledge the board's attention to this serious matter.

The Leadership School ended FY23 with a fund balance of 2.3%. This is below the statutory requirement of 3% and the 5% required by the Commission. This will result in The Leadership School being placed on the financially stressed list by the Department of Elementary and Secondary Education (DESE) and will require the board to submit to DESE specific financial plans following the submission of the Annual Secretary of the Board Report (ASBR). The Commission will continue to monitor the financial statements provided via EpiCenter submissions and may require contingency budgets or other interventions based on information reported in the monthly financials.

In conversations over the last few weeks, it is clear the board of directors and administration are aware of this situation and have created a plan to assure the school meets its financial obligations, state regulations and contract requirements in FY24. The FY24 budget projects an ending fund balance of 11%, which exceeds the 3% Fund Balance requirement and meets the contractual goals with The Commission. The Commission will continue to monitor this situation and may require additional reporting measures or interventions – including probation - if expenses exceed revenues or if the fund balance will be less than 3%. If after the first two quarters of the fiscal year, The Leadership School demonstrates a strong financial position and year end projections continue to track above the required minimums the Commission will remove the letter of concern.

Thank you for your leadership and your swift attention to this matter.

Sincerely,

Martha McGeehon
Deputy Director of Accountability

cc: Board Members, The Leadership School Board of Directors
Dr. Kimberly Townsend, Executive Director, The Leadership School
Ms. Shanika Williams, Director Charter School Office, Dept. of Elementary and Secondary Education
Commissioners, Missouri Charter Public School Commission