

SHPA Finance Committee Meeting – July 31, 2018

Approved by the board August 2, 2018

x Lisa Barnidge  
x Mike Meyer-chair  
x Kate Docken

x Kim Hubertus  
x Carl Schlueter  
x Renson Anjere

Other Attendees: Nick Taintor, Tabitha Reinhardt

### **Mission**

**Seven Hills Preparatory Academy engages students in a rigorous Classical education, designed to prepare *each one* for strong citizenship and life-long learning**

### **Finance Committee Charter**

**The Finance committee is a committee of the School Board of Directors. The purpose of this committee is to review the financial performance of the school, ensure that the school does not operate in a statutory deficit position, strive to achieve and maintain a 25% fund balance, and recommend and manage to an annual budget that accomplishes these goals and accounts for the long-term financial stability and health of the school. The committee shall be chaired by the SHPA School Board Treasurer and meet at a frequency as determined by its chair as necessary to accomplish its goals. This committee shall strive to secure membership on the committee of volunteers with financial management experience. This committee will also perform periodic reviews of the managerial controls regarding the handling of public funds and the record keeping of these activities.**

1. Reviewed June SHPA financial statements.
  - o The Committee was given the unexpected and disappointing news that the expected budget surplus of approximately \$122,000 was not to occur. Instead, we now estimate a deficit for the year of approximately \$18,000, with a possibility that it could be smaller. Nick Taintor explained that salaries, benefits and contracted services, in particular, had come in higher than expected when the year-end numbers were assembled.
  - o The Committee spent substantial time discussing changes in procedures to be used going forward so that surprises such as this do not occur in the future.
  - o These results require that we reexamine the 2018-19 budget to assure more accuracy in that document.
2. Executive Director update:
  - o Carl advised that we have a proposal from Propel Nonprofits, an entity specializing in financing charter schools, for a \$200,000 term loan to help finance the RC renovation costs.

The loan would bear interest at 6.5% per annum, payable over 60 months with a monthly payment of \$3914. There would be a \$500 origination fee.

3. Reviewed and recommend Board approval of a resolution authorizing Carl or Kim to sign the documents necessary to borrow from Propel on the terms outlined above.
4. Reviewed Board Calendar for July finance items.
5. Conducted fist to 5 evaluation. The result was one 4, three 3's, one 2 and one 1.

Recommendations to SHPA Board of Directors for action at the August 2, 2018 meeting:

1. Recommend approving the minutes of the July 31, 2018 Finance Committee meeting.
2. Recommend approving the borrowing resolution described above and execution of all appropriate documents.