

SHPA Finance Committee Meeting – October 2, 2018

Approved by the board October 4, 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 draft of the SHPA financial statements and independent auditor's report for the year ended June 30, 2018. Recommend board approval.
2. Reviewed August SHPA financial statements.
3. Discussed the status of preparation of the school's working budget which should be ready for presentation to the Board at its next meeting.
4. Discussed amendment to SEC rules regarding disclosure in connection with tax-exempt bonds such as SHPA's. Nick will report on this at the next committee meeting.
5. Discussed status of communication with bondholders regarding the school's breach of its cash on hand covenant. Nick advised that a conference call occurred with the majority of the bondholders to provide some details. The bondholders appear to be reserving their opinion until after the official bondholder conference call to be held in late October or early November.
6. Executive Director update:

- Carl advised that the school's experience ratio for its medical insurance was much more favorable this year, providing optimism that the premium increase at renewal on January 1 will be modest.
- 7. Reviewed the committee's progress in achieving its one-year goals and 3-year objectives under the strategic plan.
- 8. Reviewed Board Calendar for October finance items.
- 9. Conducted fist to 5 evaluation. The result was 2 fives and 4 fours.

Recommendations to SHPA Board of Directors for action at the October 4, 2018 meeting:

1. Recommend approving the minutes of the October 2, 2018 Finance Committee meeting.
2. Recommend approving the SHPA financial statements and independent auditor's report for the year ended June 30, 2018.