

SHPA Finance Committee Meeting – March 5, 2019

Approved by the board March 7, 2019

x Lisa Barnidge
x Mike Meyer-chair
x Kate Docken

x Kim Hubertus
x Carl Schlueter
x Renson Anjere

Other Attendees: none

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 January SHPA financial statements.
2. Reviewed 2019-20 budget projection. Discussed increase of 5.775 FTE positions for next year and a 2% increase in base salary for employees. Recommend that the Board approve the increase of 5.775 FTE positions for next year and an increase of 2% in base salaries for all employees.
3. Carl advised that Sunrise Bank has indicated that it will approve an increase in the school's line of credit to \$500,000 thereby allowing for adequate cash at year-end to meet the June 30 cash-on-hand covenant in the school's bond documents. Documents for board approval will be furnished later. It was decided that Carl and Nick Taintor will now reach out to the bondholders to discuss the method they prefer to deal with the cash covenant issue.
4. Discussed a proposal to ask BKDV for a contribution to compensate for the accounting issues we encountered at the end of last year. Carl will convey that proposal.
5. Discussed opportunities to further educate the committee on the school's financing sources.
6. Reviewed Board Calendar for March finance items.
7. Conducted fist to 5 evaluation. One gave the meeting a 5 and the others a 4.

Recommendations to SHPA Board of Directors for action at the March 7, 2019 meeting:

1. Recommend approving an increase of 5.775 FTE employees for the next school year.
2. Recommend approving an increase of 2% in base salary for all employees for the next school year.
3. Recommend approving the minutes of the March 5, 2019 Finance Committee meeting.