

Finance Committee Report

Meeting Date: 10/20/14

In Attendance: Andy Beggins, Roger Nagel, Brenda Sepan, Patrick Wolf and Ryan Patterson

By conference: Kent Barwind and Steve Hansen

Financial Statement Review

The financial statements appear to be in line with expectations and the committee recommends the approval of those financials.

Discussion of hiring an independent advisor to assist with buyout strategies

Members of the committee recently met with a consultant who is offering services to aid in the process of securing long-term financing for the purchase of the facilities through a municipal bond offering. The value proposition offered by the consultant is to act as BFA' advisor in the development of strategies, in the preparation of securing favorable ratings, in the selection of the bond offering team, in the management of expenses throughout the process, etc. At this point the committee believes that it is in the school's best interests to have an independent advisor to help navigate the process and to provide insight and experience along the way. In the interest of completeness, the committee agrees that it is prudent to complete the vetting process by 1) reaching out to references whom have experience using this advisor for similar projects and 2) reaching out to at least one other consulting in order to compare and contrast their service offerings. The committee hopes to have this process completed by the December Board meeting.

Discussion regarding steps toward the pursuit of facility buyout

The committee discussed its perceived steps toward the above-captioned. In general, the committee believes the following should occur in some order relative to that stated below:

- 1) Complete evaluation process and selection of independent advisor
- 2) Complete an in-depth review of BFA's Lease Agreements to determine BFA's rights, responsibilities, deadlines, requirements, options, etc.
- 3) Determine strategy and timing of the buyout of the school facilities
- 4) Discern the impact of all of the above on BFA's financial metrics for the purpose of preparing for credit rating process
- 5) Engage and complete credit rating process with S&P
- 6) Select bond offering / placement team
- 7) Complete process

The committee will have a clearer understanding of the individual steps, details, order and timing as the process unfolds.

Follow-up discussion of reduced lunch and scholarship policies

Brenda Sepan outlined proposed policies regarding reduced lunch and other potential subsidies for families in need. In addition to lunches, the plan addressed items such as aid for school fees and potential aid for field trips. One item that the committee believes may require further review is in the potential handling of discretionary (case-by-case) aid to ensure that its application is handled in some consistent and equitable fashion.