

The Paideia Academies, Inc.

Corporate Board Meeting held at 1535 East Baseline Road, Phoenix, Arizona 85042

April 22, 2019

Called to order at 5:02 PM

Minutes

Verified Quorum- Absent Mrs. Miranda (working on completing corporate board fingerprint requirement)

In Person- Dr. Winsor, Dr. Tietgen, Dr. Hess, Mr. Landreth, Mrs. Mendonca, Ms. Garrison, Mrs. Schmaltz, Mr. Landreth

Guests- Joel Brice

I. Approve previous minutes

Motion to approve previous board minutes from March 25, 2019 with changes

Motion made by Mr. Tietgen

Second made by Mrs. Mendonca

Vote:

Dr. Winsor-yes

Ms. Garrison- yes

Mr. Landreth- yes

Dr. Tietgen- yes

Mrs. Mendonca – yes

Mrs. Leach – yes

Mrs. Schmaltz – yes

Mr. Landreth - yes

Motion passes by majority vote

II. Call to the public

No members of the public requested comment

III. Audit FY June 2018 Complete

Report by Dr. Winsor and Mr. Hess no material findings. Mr. Brice noted that there was a minor finding concerning payroll review by a school leader. The payroll is now more carefully reviewed by the campus leader (Dr. Winsor until a new principal is appointed) to watch for anomalies such as over or under payment. Payroll policy created to review and sign on the Wednesday before payroll is processed.

Our auditor Anthony Lorenzo to present and discuss the audit to the corporate board following our next audit.

IV. Resolution Authorizing Bond Financing of Baseline Building

Resolution reviewed for accuracy and completeness by all board members.

Address of the Baseline building added to the 2nd “whereas” paragraph.

Motion to approve Resolution to Purchase the Baseline building using Bond Financing

Motion made by Mrs. Leach

Second made by Mr. Landreth

Vote:

Dr. Winsor-yes
Ms. Garrison- yes
Mr. Landreth- yes
Dr. Tietgen- yes
Mrs. Mendonca – yes
Mrs. Leach – yes
Mrs. Schmaltz – yes
Mr. Landreth - yes

Motion passes by majority vote

V. Paideia Preschool – Academy Purchase

Dr. Winsor and Mrs. Mendonca recused themselves, as they are equal owners of the preschool. Corporate board discussed: What is being purchased, such as assets in seven classrooms, continuing students, staff, etc.

Mr. Brice presented a Preschool Purchase Valuation Guidance sheet, which represented Revenues, Ordinary Expenses, and Net Ordinary Income for 2012-2018. Mr. Brice presented the High and Low Purchase estimates, not including physical assets. The board discussed different purchase outcomes and amounts. The board all came to agreement to have the academy offer to purchase the preschool and assets for \$84,000 to be paid out to the sellers, Dr. Winsor and Mrs. Mendonca, as of July 1, 2019. Mrs. Mendonca and Dr. Winsor will assist the academy in transferring and/or attaining preschool licensure under Paideia Academies, Inc. Mrs. Mendonca will ask a surveyor who knows the preschool to come up with an estimate on the value of the assets in the preschool. Changing of licensing may occur as early as beginning of June. Dr. Tietgen will draft the resolution to purchase the preschool in accordance with the term agreed to in principal by both parties.

Motion made by Mrs. Schmaltz to approve Paideia Academies to purchase the preschool.

Second by Mr. Landreth

Ms. Garrison- yes
Mrs. Schmaltz- yes
Mr. Landreth- yes
Mrs. Leach- yes
Dr. Hess- yes
Dr. Tietgen- yes

Motion passes by majority vote

Dr. Winsor- recused from voting

Mrs. Mendonca- recused from voting

VI. Fundraising Commitments by Board Members – information/discussion

Dr. Winsor reviewed the fundraising responsibilities of the corporate board members and urged them to become the first to commit to a monthly donation to the new fundraising portal. The goal is have 1000 monthly donations of \$10 each. This will make a major impact on the operational financing of the Paideia program. Dr. Winsor urged all board members to get others to make monthly donations.

VII. Financial Dashboard Review by Joel Brice

Mr. Brice reviewed the financial dashboard for month ending March 31, 2019.

Mr. Brice reviewed a minor change to the dashboard. The bond calculations of the dashboard indicators use more stringent metrics of financial health in the areas of Debt Service Coverage Ratios (DSCR) and Days Cash on Hand (DCOH). The Paideia dashboard will now report “bond” indicators for DSCR and both bond and actual for DCOH to give board of directors clear information on performance against bond and actual financial performance.

The school is on track to meet and exceed all bond and actual budget goals.

Net profit = \$297,662

Bond Debt Service Coverage Ratio = 1.42

Bond Days Cash on Hand = 83.56

Actual Days Cash on Hand = 77.46

Meeting adjourned at 7:30 pm

Next regular corporate board meeting schedule for May 20, 2019 at 5PM at the Baseline Corporate Headquarters.

Approved by

Date