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Board of Directors of Hope Online Learning Academy Co-Op
Meeting Minutes: July 2, 2007
Approved by the Board: August 14, 2007

Board Members Present: Bill Eaton, Carol O’Dowd, Charles Johnson, Phil Fox, Stephannie Finley (items 1. – 5.(d)).

Other Attendees: Heather O’Mara (Executive Director), Erin Silver (Hope Lobbyist), John Snow and Scott Gessler (Hackstaff Gessler LLC), attorneys for Hope Online Learning Academy Co-Op.

1. Meeting was called to order at 1:35 p.m. by J. Snow.
2. **Posting of Meeting Notice:**
 - A. J. Snow advises that he confirmed that the meeting notice was posted at Vilas by Ms. Candy Briles in accordance with the Colorado Open Meetings Law.
3. **Quorum:**
 - A. J. Snow notes that quorum is present because over half members of the Board are present.
4. **Meeting Purpose:** This regular meeting of the Board of Directors will focus on certain items relating to the organization’s operations and will provide an opportunity for the Board to act (through approval) or voice concerns (through disapproval).
5. **Executive Director’s Report:**
 - A. H. O’Mara extended a welcome to the new board members and provided them with an overview of Hope’s past operations and future challenges.

Comment by S. Gessler: Hope has been working on rebuilding from the ground in this past year in order to ensure its compliance and revitalization from both the structural and operational points.

Continued by H. O’Mara: The organization has prepared several new documents (e.g. New Conflict of Interest Policy, Administrative Policies and Procedures, Student Policies and Procedures, New Learning Center Contract), that reflect the need for additional compliance and evidence the Organization’s growth. During the 05-06 school year Hope had eight employees/contractors, there are 40 employees on staff now. The Organization succeeded in creating a strong management team consisting of: Joyce Gietl – Chief Operating Officer, Sherida Peterson – Chief Academic Officer, Doris Baldwin – Dean of Student Services, and Julie Machac – Director of Admissions. Hope continues to improve its compliance, accreditation and oversight plans.

Question by P. Fox: "Who is Hope's Chief Financial Officer?"

Answer by H. O'Mara: "Hope does not have a chief financial officer. After resignation of Hope's Director of Finance, two months ago, Hope has hired a 3rd party contractor called the 'Virtual Accountants' – a company that provides financial staff and oversight for Hope."

B. Douglas County School District Cooperation.

H. O'Mara informed the Board about two new employees – Kindra Whitmyre and Sohne Van Selus of the Douglas County School District. The new employees will help Hope with additional compliance and accountability plans & measurements, SB 215 reporting requirements to Colorado Department of Education, and will advise Hope how to make the compliance system meaningful.

C. Tax Exemption Status Report.

J. Snow informed the Board about the exemption process with the Internal Revenue Service. Hope has received a preliminary approval from the Denver IRS Center. However, all Charter Schools are subject to additional scrutiny, and the application is in "second review" at the Cincinnati IRS Center. This review will be finalized in about 2 to 3 months. J. Snow will inform the Board promptly about any changes in status.

D. 06-07 Financials Review.

1. The financial aspect has been a challenge for Hope especially in the past months. Vilas School District has been withholding funds. The withholding amount has varied between \$1,000,000 -- \$3,500,000 over the course of the past 6 months. This has strained Hope's financial obligations to the vendors and learning centers. At this point, Vilas is withholding approximately \$1,900,000 related to 05-06 Pupil Count Audit and 06-07 Pupil Count Audit. H. O'Mara and S. Gessler started attending the Vilas School Board meetings on a monthly basis, to make sure that any open items or questions that the Vilas School Board has are resolved.

2. Question by S. Finley: "How does the financing work?"

Answer by H. O'Mara: "The funds are being transferred on a monthly basis from the Department of Education to the Vilas School District, and then from Vilas School District to Hope. Vilas withholds per pupil revenue for the services purchased from Vilas School District, and the net funds are transferred to Hope. From these funds Hope finances its payroll obligations, learning centers and other operational obligations."

3. H. O'Mara provided Board with a brief overview of 06-07 financial statements

E. CORA Request

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2:50 PM

H. O'Mara received an open records act request from Karen Rouse, Denver Post last week. The CORA request addressed 5 main categories. Hope plans to respond to this request by July 30, 2007.

F. 07-08 Budget Approval.

1. H. O'Mara prepared an overview of the 07-08 Budget presented to the Board. H. O'Mara explained a need for Board's approval of the Budget and the funds allocation.

2. Motion for resolution to approve the 07-08 Budget and its allocation was made by C. O'Dowd and seconded by C. Johnson.

i. Roll Call Vote:

- a. B. Eaton: YES
- b. C. O'Dowd: YES
- c. C. Johnson: YES
- d. P. Fox: YES

ii. Resolution passed.

G. 05-06 Pupil Count Audit and 06-07 Pupil Count Audit.

S. Gessler presented an overview of the two pending audits, and the audit process. Colorado Department of Education provides Hope with the funding based on the expected number of students. Colorado Department of Education retroactively performs an audit regarding an actual number of students. For the 05-06 Pupil Count Audit, Colorado Department of Education is contesting \$4,000,000 in funding. Hope has filed an appeal with the Commissioner of the Department of Education. The Commissioner has extended his response deadline, and granted a meeting with the Hope representatives to discuss the issues.

6. Executive Session:

A. None.

7. Announcements:

A. None.

8. Adjourn:

A. Meeting adjourned at 2:12 p.m.