

APPROVED



Shining Rock Classical Academy

Minutes

Finance Committee Meeting

Rescheduled from 2/20 appt

Date and Time

Tuesday February 25, 2025 at 8:30 AM

Location

Offices & Zoom

Committee Members Present

J. Morgan, R. Gevjan, T. Gresham

Committee Members Absent

None

Guests Present

B. Weimar, Zachary Donahue (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

J. Morgan called a meeting of the Finance Committee of Shining Rock Classical Academy to order on Tuesday Feb 25, 2025 at 8:42 AM.

C.

Beginning to keep minutes for this meeting

Rob confirmed with Josh that he'll take minutes.

Rob asked if this meeting felt smooth or what adjustments are needed, concerning Board member driving the meeting.

Josh confirmed board member's job is to understand what's happening so can hold others accountable & help communicate with others what's really going on.

Zach confirmed this agenda was positive, and we should do more like this format/structure in future.

D. Introduce Zachary Donahue

Works & lives in Durham

4 owners of his company

Zachary is a CPA

Worked for AICPA

Chief audit officer for hospital system

Began working with charter schools 20 yrs ago, when daughter started working there.

All he does in his business is charter school accounting & operational support.

His focus is bridging the gap between the raw data and making sense of it with & for charter schools.

3 tier platform offered

1. No guidance
2. (SRCA chose this) Access to projections that SRCA manages.
3. Full involvement with meetings & projections.

They are giving us that highest level for the remainder of this year for the remainder of this year.

6-10 of their employees are working with SRCA.

Motivation for this is to help us ensure our end of year projections are accurate, among other services.

Mentioned Insights program has ability to drill down to GL number via budget document.

Rob's question: Should we increase to level 3 for next year?

II. Finance

A. Expectation how to use delayed reimbursement funds

Josh brought up updated amortization calendar after bond payment.

Zachary confirmed annual payment dropped by ~5-6k per month & final payment has been significantly reduced.

Zach can share draft amortization schedule with us.

Josh confirmed ~60k annual reduction in spending on bond & that this will allow us to hire another part time teacher or other needed spending.

B. Update on relationship with CRM

His focus is bridging the gap between the raw data and making sense of it with & for charter schools.

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C. Current financials and future planning (v. short form)

Zachary pointed out that the board had approved a budget with deficit of 15.k and current, updated projection shows deficit of 120k.

Zachary walked through updating notes and projections in the budget using "Update Notes and Projections" tool.

(Takes 10-15 min to process when making changes.)

Each bank statement and reconciliation is saved in the finance google drive (Zachary & his people do this). Allyson Garrett is head of finance & signs off on these reconciliations.

They keep track of outstanding items for ever, until they're cleared (some from 2016)

Travis brought up with Christy @ CSP the ones that need to be deleted, and that wasn't done. Zachary confirmed he'll touch base with Christy to get that completed.

Zachary brought up acct with united, pointing out that we're not earning any interest. Need to look into other places to park these monies. Suggested talk with United about other account types or another banking relationship.

Zach will look at the allotment system every month (part of level 3 service). He let us know there are other funds available for specific things, like teacher bonus, and will move to budget if we want it. There are other options as well (we're currently using 4 of 7 available categories)

Additionally, he compares our revenue vs other counties/districts, and we're in line.

Zach affirmed we're in a good place with revenue.

Discussed Salaries & benefits: avg spends 46% on salary & % on benefits.

(SRCA breaks down our salaries & benefits, so he couldn't do it on the fly, and will have it ready for next meeting.

Zach suggested we look at % used ytd as a quick check for our budgeting.

Josh brought up recent meetings to pursue purchasing purchasing busses & discussed financing.

Rate appears to be 7.2-7.8. A shorter time frame option was 6.5%, which needs 7k monthly payment, no money down needed).

Received 11k from Falcon (had expected 13k, and Ben Weimar confirmed the difference is due to our deductible).

Josh suggested we consider taking 200k from a MMkt & invest in a CD.

Rob suggested we invest max that's available & not come against any cash-flow issues.

-Josh brought up Profit & Loss history worksheet (Travis shared with him) & showed our cash flow has been steadily improving over the years (looked from 2022 to today). Doing so substantiated 200k is the correct amount to put into a CD.

Josh Morgan brought motion brought motion to use our investment policy by Josh to use 200k of our cash balance to invest in a CD earning 3-4% or more.

Second: Rob Gevjan

No discussion. Motion passes

Travis will talk with Met at United to see if there are options to earn at least something on the larger investment.

Zach said they use Pinnacle that earns 3+% on cash balance.

Zach asked if we've discussed electric busses. Josh explained where we are with the buses...in short, we've met criteria for e-busses, had to buy 2 diesel busses, which should be on campus next week.

Zach brought up the "Cash Board" on Insights system:

III. Other Business

A. How would you like Rob to present at regular meetings

Josh suggested:

1. Summarize the finance meeting.
2. Highlight this for this meeting
 - a. Bond update
 - b. CD vote
 - c. Working to offset expense of adding 2 busses with interest earnings & bond savings (~7k/m)

Zach chimed in: Show the board report with updated projections (he updated last night (mon 2/24)

he suggested we mention following:

150k initially expected deficit

120k current projected deficit

Josh mentioned that Board Chair Alyson Weimar is aiming toward the board as operating in an informed, transparent, prepared way.

Ben Weimar added that he's been added to Insight, which allows him to share with Shane Messer & Butch Mullinux, his committee, the current, updated numbers.

Zach mentioned that they're releasing a dashboard next year, the "special budgets dashboard" which will allow each director to focus only on their parts of the budget.

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:57 AM.

Respectfully Submitted,
R. Gevjan