



Shining Rock Classical Academy

Minutes

Finance Committee Meeting

Date and Time

Thursday August 21, 2025 at 8:30 AM

Location

SRCA Board is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/81305513481?pwd=jkgAxfvgrZISPI45Aff72xld049wwJ.1>

Meeting ID: 813 0551 3481

Passcode: 386081

Committee Members Present

J. Morgan, R. Gevjan, T. Gresham

Committee Members Absent

None

Guests Present

B. Weimar, william@chartersuccesspartners.com (remote), zach@chartersuccesspartners.com (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

R. Gevjan called a meeting of the Finance Committee of Shining Rock Classical Academy to order on Thursday Aug 21, 2025 at 8:37 AM.

C. Approve Minutes

J. Morgan made a motion to approve the minutes from Finance Committee Meeting on 06-23-25.

T. Gresham seconded the motion.

The committee **VOTED** to approve the motion.

II. Finance

A. Set framework for discussing changes to the spending plan during the year

Josh answered:

some different changes can occur

1. Most common: state is slow getting their budget approved, which will effect salaries, which is known.

2. Big projects can be paid from

-fund balance

-confer with CSP for other options (loan, etc)

Must be approved by board via finance committee.

Josh invited Zack & William to chime in, both with CSP, added information about other financing options:

Zach: reminded about bond covenant requirements, which are measured by

a. long term: cash requirement (# of days of operation on hand) -ours is 45 days of cash on hand.

-reported we're now ~1.3 million cash on hand, which is ~60 days

b. short term: Debt service coverage ratio: 1.0 = just enough to cover debt, 1.1+ = more than enough, 0.99 - = not enough

-This calculation is completed by our auditors as part of the annual audit.

-Our ratio is likely under 1.0 (due to expected deficit).

-William reported our estimated Debt Service Coverage Ratio is 0.86 (bond holders require 1.10)

--Rob asked: what do we need to do about this? Can we do anything about it?

--Zack answered:

1. We're not alone in this. Other schools are facing this.

2. Most common repercussion: An independent monitor may be engaged by bondholders to ensure this doesn't happen again.

3. CSP will work proactively with bondholders to ensure we increase our Debt Service Coverage Ratio to the required 1.10

4. Zack confirmed we are NOWHERE close to missing a bond payment.
5. William confirmed that CSP will report monthly to the bondholders our ratio and that we're doing
6. Also, he confirmed that the previous year's ratio is 0.84 & this year's projected ratio is 1.03. We'll need to be at a 100k surplus to meet the required 1.10 ratio.
7. Our auditor is Jay Sharpe
8. Zach recommended:
 - a. be ready to tell the story of why we were at 0.84 & that things are changing.

Josh noted: CSP team and SRCA are working collaboratively to supply clean, timely reports to the bond holders & others who need them. We're not turning required reports in on the due date, but multiple days ahead of time. & fix anything that comes up when the bondholders review the documents.

The bond conversations Josh has been apart of have been cordial, and by no means hostile.

-Our bond has 4 bondholders (one primary), who are well respected in the field. They had faith in us, and that good standing was helpful (favorable rate).

-SRCA appreciates them & want to be good stewards of their money.

Josh reported there are 2 vacancies, one of whom will come in 30k lower than previous teacher (will begin September 2025).

second is a needed guidance counselor

Zach took us through the budget analysis report (on Insights system):

-Orange = system adjusted (if spend is >budget, budgeted amt automatically moves to the amount spent).

-yellow = manually adjusted

Discussed impact of inflation on costs.

Zach asked about building repairs: Confirmed capital purchases (which don't count against us).

Do we expect an additional 65k in maintenance?

Zach pointed out that there may be places where salaries are double-counted as expenses in two places.

-Josh leaves in place, knowing it helps him keep his spending in check, knowing there's actually a little margin due to this double-counting.

Josh suggested William join quarterly to share update on cover ratio

B. Confirm the deficit has been cleared

The amount of the deficit should have been 140k

Josh confirmed he focuses on the long term cash on hand metric, aiming for ~90 days.

C.

Follow up on investing funds.

Travis confirmed:

250k cash is sitting in old banking account.

449k is amount at new banking account, which is lean, which always happens at the beginning of the year, before local funds roll in and we're spending a lot on facilities & supplies. It will grow.

Should we hold off on investing?

Rob: Should hold off on CD, and search for high yield savings.

Travis: investing options @ US Bank & United Community Bank

Josh: Would like to put some money at US Bank (United Community isn't serving us well, i.e. took 2 weeks to get rates to us after request).

Money Market:

US Bank offers 3.50%

United Community offers 3.15%

Travis wants to be safe to not lock funds up.

J. Morgan made a motion to Move 200k to US Bank MMkt AFTER state funds drop.

T. Gresham seconded the motion.

Rob asked: Is it needed to wait until the drop to invest in a MMkt?

Reason Josh gave: new bank may place hold on new funds, which could delay ability to move funds back in time to cover a timely expense.

The committee **VOTED** to approve the motion.

Josh brought up:

ADM/enrollment = 550 +/- students

Josh confirmed we will receive payment for last year's enrollment, which is 613.

Also, we've "right-sized" our teaching positions, which is making us more fiscally healthy while continuing to serve our population well.

Ben: Wants to make sure the concrete was correctly coded as "Capital Improvement" not "maintenance" as the former doesn't count as much on the budget.

III. Define CSP options (Will discuss and vote when Travis is present at the next meeting)

A. Should we change the day/time of this meeting so teachers can attend?

Travis found out that HR was included, didn't have to be chosen, in the package we agreed to.

Working on communicating and giving processes to CSP to handle.

Nichole Hunter, at CSP, has been easy to work with.

Rob: Would it make sense to explore other options they offer in the future?

Travis: Should consider some things:

- Grant-writing

- Consultants with EAP

- Proliant (another platform for EE's) to allow EE's to pull own check stubs (not with CSP)

From a financial place, best to not add to our plate at this time.

Ben: Zach talking a lot is not a good idea. Need to reign him in a bit.

Travis: There's enough going on after school that it might not make sense to add another thing.

Rob: Before school?

Josh: Might not be good to ask to be here even earlier. The current time works well.

Rob: Can we offer one meeting a year or something to allow

Josh: every Thursday following the full board meeting, Josh runs a Grade Chair Meeting to share the budget meeting information with one person per grade level attending.

Josh suggested that Rob could join from time to time (quarterly) to share during this.

Rob confirmed to participate during that meeting once a quarter.

Josh suggested other committees do similar things.

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 10:17 AM.

Respectfully Submitted,
R. Gevjan