Nova Classical Academy

Board Committee Report

Budget and Finance Committee (BFC)

Date of Report: October 25, 2026

Written / Submitted by: Todd Sample, Treasurer and BFC Chair

Date of Last Meeting: October 21, 2026

Date / Time of Next Meeting: November 18, 2026, 5:00-6:30 PM

BFC 2027 Goals	Status
1. Monitor 2026-2027 budget and recommend revisions as needed to Board of Directors for review and approval.	Ongoing
2. Review and recommend 2027-2028 budget, which includes five-year pro forma projections, to Board of Directors for review and approval.	Ongoing
3. Review, maintain, and update financial controls with the goal of finishing the year within two percent of budgeted revenue and expenses and having an annual unqualified opinion from the financial audit.	Ongoing
5. Recruit at least one new committee member from the Nova community.	Ongoing

Meeting Minutes: October 21, 2026

Agenda:

- Welcome Peder Nestingen, prospective committee member
- Discuss current enrollment and effect on the budget
- Review September deposit and payment registers, credit card and Amazon statements

C**ommittee Members Present:** Joe Aliperto, Duane Heidemann, Ryan Miest, Todd Sample, Dr. Brett Wedlund, Bavi Weston, Michael Waldman

Other Attendees: Ginger Gabor, Peder Nestingen

- Peder Nestingen introduced himself. Peder is a prospective BFC member and Nova parent. He has two children at Nova, both in the Upper School. He is an employment attorney at Fredrikson law firm.
- The committee discussed the recently released enrollment and funding data from the state. The current budget assumes Nova has enrollment of 1,020 ADMs (Average Daily Membership), and the actual ADM is 996.7. Our budgeted Weighted ADM (WADM) is 1,100, and the actual is 1,083.17, a difference of 17. The impact of this is that Nova is now projecting a budget deficit for the full year of $187,000.
- Conversation focused first on the immediate implications. Nova will need to inform its bond holders of the projected budget deficit, and there may be additional stipulations from bond holders as a result. Nova has a current cash balance of $3.3M, which can be used to cover the deficit. In addition, no revenue was budgeted for fundraising, and Nova typically brings in over $100k from fundraising per year, so there is opportunity to

erase part of the deficit this way. The committee also discussed internal transfer pricing with Scholar Zone as another potential way of alleviating part of the shortfall.

- Then the conversation turned to the long-term and discussed initial hypotheses and thoughts around the enrollment shortfall. These included:
    - Demographic changes – there are simply fewer kids.
    - Nova's academic model – for some students, especially those focused on particular extracurriculars, the homework intensive model doesn't work.
    - Lack of certain extracurriculars at Nova, like girls hockey.
    - Was this a blip because of the Math & Science Academy expansion, i.e., families bringing their kids together in one school?
    - The continued challenge of PSEO.
    - Potential need for marketing and opportunity around US News ranking. Nova has a brand awareness challenge.
- Joe Aliperto provided an overview of the September 2026 financials, deposit and payment registers, credit card statement.
    - Nova is 25% of the way through the fiscal year. Nova has spent 23% of budgeted expenses and booked 19% of budgeted revenue.
    - Current Cash on Hand is 3,305,507, an increase of $332,988 for the month. The current Fund Balance is $4,996,491.
    - General Fund Net Income YTD: ($602,974) Having negative Net Income is normal at this time of year because of the State's 10% holdback and the fact that no Federal funding comes until the middle of the year.
    - All Funds Net Income YTD: ($597,389)
    - Current interest rate at Old National Bank is 3.69%, slightly higher than last month.
    - The committee reviewed the August Deposit and Payment Registers, Amazon statement, and credit card statement and saw no irregularities.