Paideia Academies Inc – Corporate Board Meeting Minutes May 18, 2026

Date: May 18, 2026 **Time:** 5:10PM – 6:30 PM

Location: Paideia Academies Corporate Conference Room, 1535 E Baseline Rd, Phoenix AZ 85042
Public Access: Doors open to Board Room at 4:30 pm. Live via Paideia Academy YouTube

Meeting Type: Regular Corporate Board Meeting

Meeting Overview

I. Call to Order & Quorum Verification

Attendees **Absent:** Mrs. Chew	**Board Members:** ✓ Dr. Winsor – present ✓ Mrs. Jones - present ✓ Mrs. Rodriguez – present ☐ Mrs. Chew - absent ✓ Dr. Tietgen - present ✓ Mrs. Hobeiche – present **Guests:** Ms. Rie Nakamura, Mr. Joel Brice
Quorum Verified	**Yes**
Start Time	5:10 PM

II. Approval of Previous Minutes for March 23, 2026

The board moved to approve the minutes from the March 23, 2026 meeting.

- **Details**
  - After reviewing the previous minutes, Dr. Winsor called for a motion to approve the previous minutes.
  - A motion was made and seconded; a vote was taken.
- **Conclusion**
  - Minutes were approved unanimously by members present (Mrs. Chu was absent).

Motion to approve previous minutes of March 23, 2026 by Dr. Tietgen	**Second by: Mrs. Hobeiche**
Vote: Voice Vote	
Decision: Unanimously approved by board members present	

III. Call to the Public

Public.comments.limited.to.9.minutes.per.speaker.per.A¡R¡S¡.° .9❹_0̸97¡67(H) 7¡

- **Details**
  - Dr. Winsor stated he received one call to the public and referred the caller back to the executive director regarding the issue raised.
- **Conclusion**
  - No further action taken; the matter was referred to the executive director of educational operations.

IV. Executive Report

- **All required policy manuals/handbooks have been reviewed and edited with minor edits not requiring board action (e.g., financial, academics, operations, financial) (Mrs. Jones)**

  Mrs. Jones reported on a review of Paideia's key operational documents.
  Details
  Dr. Winsor introduced the item, noting Mrs. Jones had reviewed all handbooks and policies. Mrs. Jones confirmed review of the financial policies handbook, SOPs, operations procedure manual, and parent handbook. Only minor edits were found, none requiring board action.
  Conclusion
  No board action required; documents are current with minor administrative fixes applied.

- **Review FY2025 Single Audit Reporting Package to Include Financials (Mr. Brice) and LCQ (Dr. Winsor)**

FY2025 Single Audit Report (Legal Compliance Questionnaire – LCQ (Dr. Winsor)
Dr. Winsor presented the compliance portion of the single audit, walking through the Legal Compliance Questionnaire.

- **Details**
  - Reported that all personnel, IRS filing, and special education compliance areas were fully compliant (all "yes" responses).
  - Noted two minor findings in student attendance reporting: (1) one student's name in the SIS system did not perfectly match the enrollment package; (2) one instance where verifiable residency documentation was not obtained upon enrollment.

    - Emphasized that systems are in place and these were isolated oversights, not systemic failures.
- **Conclusion**
    - Two minor compliance notes identified; no formal audit findings. Systems are functioning well overall.

FY2025 Single Audit Report – Financial Audit Presentation (Mr. Brice)
Mr. Brice presented the full FY2025 single audit financial report, including the balance sheet, statement of activities, cash flows, and federal program audit.

- **Details**
    - Explained the audit was a Single Audit (A-133), required due to over $750,000 in federal expenditures; the threshold going forward increases to $1 million.
    - Statement of Financial Position highlights — $4.539M in unrestricted cash; $734K in restricted cash (primarily repair & replacement fund and bond fund); ~$18M in property and equipment net of depreciation; total assets ~$24M; total current liabilities $1.3M; notes payable to IDA ~$16.87M; net assets $5.787M.
    - Statement of Activities — $10.48M in total revenue; $10.4M in expenses including depreciation; net asset growth of $104K including depreciation, or $668K on a cash basis.
    - Cash position declined by $483K year-over-year, largely due to a $564K receivable from the state that was withheld from the June payment and received in July.
    - Debt service coverage for FY25 was 1.12, below the 1.20 loan agreement requirement but above the 1.10 authorizer requirement.
    - Liquidity note — $5.2M in available resources against $1.3M in current obligations, indicating a very strong liquidity position.
    - Federal program audit received an unmodified opinion (highest level); no material weaknesses; no disallowed expenses; school qualified as a low-risk auditee.
    - Recommended the board consider having the auditor present directly to the board in future years for full independence.
- **Conclusion**
    - Clean audit with no financial findings; unmodified/unqualified opinions on both financial and federal sides; low-risk auditee designation; strong balance sheet and liquidity.

- **Financial Dashboard Update (Mr. Brice)**

Unaudited Financial Report – FY2026 Year-to-Date (through April 30, 2026)

Mr. Brice presented the unaudited financial report for the current fiscal year.

- **Details**
    - Report is approximately 90–95% complete; immaterial items remain.
    - FY2026 is projected to end with a deficit — the first in Paideia's history under current management — driven by the loss of one-time ESSER III funds ($465K reduction in federal revenue) and a $255K increase in expenses (primarily salaries).
    - Projected DSCR of 0.71 for FY26, below both the loan agreement default threshold and the authorizer's 1.10 minimum requirement.
    - Anticipated minor financial intervention from the authorizer, requiring quarterly reporting until the next audit shows improvement.

    - Total cash at end of April: $5.363M (vs. $5.873M prior year); net assets $5.5M vs. $6M prior year.
    - Budget vs. actual shows a $33K revenue shortfall (timing-related) and $125K in expense savings (primarily unfilled positions).
    - Interest income exceeded budget due to strong sweep account performance.
    - Projected to finish FY26 with approximately 208 days cash on hand — still highly liquid.
    - Dr. Winsor: Noted that the school's strong balance sheet reserve was intentionally built over 10+ years to handle situations like this without making knee-jerk decisions that could harm program integrity.
    - Confirmed this was a deliberate management decision and not something sustainable back-to-back years.
- **Conclusion**
    - FY2026 will end with a deficit and below-threshold DSCR, but the school remains financially sound with strong liquidity. Corrective path involves bond refinancing and enrollment growth.

FY2027 Budget Projection and Overview

Mr. Brice presented the FY2027 operating budget projection alongside the FY2026 revised budget.

- **Details**
    - FY2027 budget assumes successful refinancing of current indebtedness and achieving 858 students enrolled (823 ADM).
    - Projected revenues of $10.538M; total expenses of $9.734M (before depreciation); projected ordinary income of ~$803,700; projected DSCR of 1.25.
    - Refinancing plan involves interest-only payments for the first two years, reducing debt service burden and providing runway to rebuild enrollment.
    - Anticipated 2% increase to base assistance and 2% increase to additional assistance from the state (legislature has not yet passed a state budget); classroom site funds budgeted at $883 per pupil on weighted student count.
    - Classroom site funds expenditure planned aggressively to reduce carryover, supported by maintaining prior raises and performance bonuses at ~75–80% achievement.
    - Capital investment budget of $325K for FY27, with potential for increase based on roofing and other facility needs.
    - Planned to maintain $4.739M fund balance through FY27 without drawing it down.
    - Dr. Winsor: Emphasized that enrollment is the key variable; all other systems and budget controls are solid.
- **Conclusion**
    - FY2027 budget projects recovery contingent on refinancing and enrollment targets. Budget is sound and reflects a clear go-forward financial plan.

A discussion arose regarding whether the projected DSCR would affect the ability to refinance bonds.

- **Details**
    - Dr. Tietgen: Asked whether the projected DSCR would affect refinancing terms.
    - Mr. Brice: Confirmed it will have some effect; noted that had the refinancing occurred a year earlier, an investment-grade rating would likely have been achievable. Current

performance makes investment grade unlikely, but the school should still achieve a very favorable rating just below that threshold.
    - Noted that current bondholders have expressed interest in participating in a second series, providing a relatively clear path to refinancing.
    - Confirmed that the independent consultant report required under the loan agreement non-compliance is in progress, but is expected to become moot upon successful refinancing.
- **Conclusion**

Refinancing is expected to proceed; rating will likely fall just below investment grade but remain favorable. Current bondholder interest supports a clear path forward.

V. Discussion/Vote Paideia Academies Inc ADE Proposed Budget Fiscal Year 2027

Mr. Brice walked the board through the Arizona Department of Education (ADE) state budget format for FY2027.

- **Details**
    - Explained that the state budget format is difficult to cross-reference with the operating budget; identified two key correlation points — total revenues ($10.538M) and total expenditures ($9.734M) appearing on the cover page and page 2 respectively.
    - State budget is a mirror image of the operating budget; revisions will be submitted to the state whenever the operating budget is revised.
    - Average teacher compensation budgeted based on a 3% increase, inclusive of all forms of teacher compensation (classroom site funds, stipends, retention incentives, etc.); paras excluded.
    - Instruction (Function 1000) is the largest spending category; total classroom spending of $4.899M out of a $9.7M budget.
    - Federal program expenditures total $1.118M (Title I, IDEA, National School Lunch, E-rate); state safety grant of $69K budgeted.
    - Debt service line reflects interest-only payments based on anticipated refinancing.
    - Joel: Projected fund balance section shows no planned drawdown of reserves in FY27.
    - Dr. Winsor: Asked whether the state increases were included; Joel confirmed the 2% uplift to state equalization is included in the budget.
    - Dr. Winsor: Reminded Joel to ensure the cover page is signed.
    - Mr. Brice: Noted that Rie is listed as the school official alongside Victoria on the state budget document.
- **Conclusion**
    - Board approved the FY2027 proposed state budget unanimously by members present.

Motion to approve the Paideia Academies Inc ADE Proposed Budget Fiscal Year 2027	
Motion by: Dr. Tietgen	**Second by: Mrs. Jones**
Roll Call Vote: Dr. Winsor Yes	

Mrs. Jones Yes Mrs. Rodriguez Yes Mrs. Chew absent Dr. Tietgen Yes Mrs. Hobeiche Yes
Decision: Unanimously approved by all board members present.

VI. Discussion/Vote to approve Paideia Academies Inc Closed Campus Policy

The board discussed and voted on a new closed campus policy for Paideia Academy.

- **Details**
  - Dr. Winsor: Introduced the item, noting it arose from the second year of concurrent enrollment at South Mountain Community College (SMCC) and the need to clarify expectations for student movement.
  - Mrs. Jones: Explained the policy covers grades 7–12 initially, addresses student presence at SMCC as an extension of campus, outlines rules for leaving campus, lunch policy (no food delivery services, closed campus during lunch), and authorized exceptions (transportation plan, emergency situations).
  - Discussion arose about whether students in the concurrent enrollment program who drive their own vehicles should be permitted to drive themselves to SMCC.
  - Participants discussed liability concerns if a student is in an accident while driving to SMCC during school hours.
  - Suggestion made to require school-provided transportation to SMCC rather than allowing student self-transport, at least for the current small cohort.
  - Discussion about issuing color-coded passes (e.g., green for van transport, yellow for approved self-driving to SMCC only).
  - Concern raised about food delivery (e.g., Grubhub, McDonald's) arriving at campus, noting it is disruptive and must be stopped at both campuses.
  - Agreement reached to expand the policy to cover K–12 (not just 7–12) and to change all references from "dual enrollment" to "concurrent enrollment."
- **Conclusion**
  - Closed campus policy approved unanimously by members present, with amendments: (1) scope expanded to K–12; (2) "dual enrollment" changed to "concurrent enrollment" throughout.

Motion to adopt the Closed Campus policy as edited to include all Paideia campuses.	
Motion by: Mrs. Hobeiche	**Second by: Dr. Tietgen**
Roll Call Vote [ ] Dr. Winsor Yes Mrs. Jones Yes Mrs. Rodriguez Yes	

Mrs. Chew absent Dr. Tietgen Yes Mrs. Hobeiche Yes
Decision: Unanimously Approved by members of the board present.

VII. Notification resignation of Dr. Robert Winsor (Brian) as a Member of the Board of Directors and as President, Chief Executive Officer [Executive Director] and an employee of Paideia Academies Inc, to be effective at the close of business on June 30, 2026.

Dr. Winsor formally notified the board of his resignation from all roles.

- **Details**
  - Dr. Winsor announced resignation as Board Member, Board President, Chief Executive Officer, Executive Director, and employee of Paideia Academy, effective June 30, 2026.
  - Dr. Winsor expressed deep gratitude for the journey.
- **Conclusion**
  - Resignation formally noted on the record, effective June 30, 2026.

VIII. Nomination/Vote Victoria Jones as President and Chief Executive Officer [Executive Director] of Paideia Academies Inc to be effective the close of business of June 30, 2026

The board discussed and voted on the appointment of Victoria Jones to lead Paideia Academy.

- **Details**
  - Dr. Winsor: Nominated Victoria Jones as President, CEO, and Executive Director, effective July 1, 2026. Noted that she and Victoria have met at least weekly for the past year to facilitate the transition, and that Victoria will have a new assistant (Alexia) to support operational functions.
  - Mrs. Jones: Acknowledged the responsibility and noted she has been working alongside Dr. Winsor as Executive Director of Education throughout the year.
  - Discussion emphasized that the goal is not to replicate Dr. Winsor's approach but to usher in a new era while remaining true to Paideia's mission, culture, and systems established since 2012.
  - Mrs. Jones: Highlighted her focus on continuous improvement through authentic relationships, rigor, and support as a key initiative this year.
  - Dr. Winsor: Noted that a new employment agreement will need to be negotiated and formally approved at the annual meeting.
  - Discussion clarified that under the bylaws, if no board chair is formally elected, the executive director acts as board chair.
- **Conclusion**
  - Victoria Jones approved unanimously by members present as President, CEO, and Executive Director of Paideia Academy, effective July 1, 2026. Employment agreement to be finalized and approved at the annual meeting.

Nomination of Mrs. Victoria Jones as President and Chief Executive Officer [Executive Director] of Paideia Academies Inc to be effective the close of business of June 30, 2026	
Nomination by: Dr. Winsor	**Second by: Mrs. Hobeiche**
Roll Call Vote: Dr. Winsor Yes Mrs. Jones Abstain Mrs. Rodriguez Yes Mrs. Chew absent Dr. Tietgen Yes Mrs. Hobeiche Yes	
Decision: Nomination unanimously approved by board members present.	

IV. Discussion/Vote Consulting Agreement with Robert C Winsor II (Brian) of Winsor Educational Services

The board reviewed and discussed a proposed one-year consulting agreement with Dr. Winsor's company, Winsor Educational Services.

- **Details**
  - Mrs. Jones: Introduced the item; Mr. Brice recommended Dr. Winsor present his proposal directly to the board.
  - Dr. Winsor: Described the agreement as purely advisory, mentoring, and coaching — no decision-making authority. Scope of work includes executive mentorship for Victoria Jones, professional development support, strategic planning, bond management and financial oversight support, governance and open meeting law compliance, board development support, and government relations/compliance oversight.
  - Dr. Winsor: Highlighted Section 10 (Prior Works Declaration), noting that two programs — the Success Guide Program and the Skill Builder Program — predate the charter school and are his intellectual property. He requested a limited, non-exclusive, revocable license for Paideia to use them during the contract term, with the license terminating upon contract expiration unless otherwise agreed in writing.
  - Mr. Brice: Noted this creates a risk factor — Paideia may lose access to these programs at contract end unless a separate agreement is executed. Advised the board to note this if the programs are critical to operations.
  - Mrs. Jones: Stated the programs are excellent but not critical to daily operations.
  - Mr. Brice: Confirmed a fair market value assessment was conducted; the contract value is comparable and substantially approvable. The budget currently contains a larger amount than the contract value (Dr. Winsor was previously budgeted as an employee).
  - Amendment discussed and agreed: Add a defined monthly service expectation of up to approximately 25 hours per month as a quantifiable deliverable measure.

    - Minor drafting correction noted: "Alabama Sole Proprietorship" reference needs to be corrected (should reflect the actual business entity structure).
    - Mr. Brice: Recommended the motion include language that the board has determined the agreement to be in Paideia's best interest.
- **Conclusion**
    - Independent contractor agreement with Winsor Educational Services approved unanimously by members present, as amended to include the 25-hours-per-month deliverable and with minor drafting corrections to be made before execution. Agreement effective July 1, 2026.

Motion to accept the Consulting Agreement with Robert C Winsor II (Brian) of Winsor Educational Services as edited.	
Motion by: Dr. Tietgen	**Second by: Mrs. Hobeiche**
Roll Call Vote Dr. Winsor Abstain Mrs. Jones Yes Mrs. Rodriguez Yes Mrs. Chew Absent Dr. Tietgen Yes Mrs. Hobeiche Yes.	
Decision: Motion unanimously approved of board members present with Dr. Winsor abstaining.	

X. Summary of Current Events, Future Meeting Dates and Items for Future Agendas—The executive director, presiding officer or a member of the Board may present a brief summary of current events pursuant to A.R.S. § 38-431.02(K) and may discuss future meeting dates and direct staff to place matters on a future agenda. The Board will not discuss or take action on any current event summary.

Discussion:

Dr. Winsor introduced the need for a brief special board meeting to pass a resolution granting Victoria Jones signing authority for bond documents.

- **Details**
    - Dr. Winsor: Explained that bond counsel will have a resolution ready granting Victoria Jones authority to sign bond documents and transaction documents as the Authorized Representative of the Corporation. Noted this item was not on the current agenda and therefore requires a separate noticed meeting with 24 hours of public notice. Indicated he would post the meeting notice that evening for a Wednesday meeting.
    - Discussion settled on 11:00 a.m. on Wednesday as the meeting time.

    - Dr. Winsor: Noted he can sign the notice as board chair immediately.
- **Conclusion**
    - Special board meeting to be held Wednesday at 11:00 a.m. Dr. Winsor to post public notice that evening.

XI. Adjournment

Motion to adjourn made by Mrs. Hobeiche	**Second by: Dr. Tietgen**
Roll Call Vote	
Decision: Motion to adjourn unanimously passes by board members present. **Adjournment Time: 6:41 PM**	

Approved by Date