

APPROVED



Salem Academy Charter School

Minutes

Finance Committee Meeting

Date and Time

Monday April 27, 2026 at 8:00 AM

The Salem Academy Charter School Finance Committee via Zoom.

Zoom Link: <https://salemacademy.cs.zoom.us/join/92125520000>

Committee Members Present

Bill Henning (remote), Blake Cullimore (remote), Chris Graham (remote), Krissy Sgambellone (remote), Stephanie Callahan (remote)

Committee Members Absent

None

Committee Members who left before the meeting adjourned

Bill Henning

Guests Present

Fallon Burke (remote), Megan Garnett (remote)

I. Opening Items

A. Record Attendance

B.

Call the Meeting to Order

Chris Graham called a meeting of the Finance Committee of Salem Academy Charter School to order on Monday Apr 27, 2026 at 8:03 AM.

C. Approve Minutes

Bill Henning made a motion to approve the minutes from Finance Committee Meeting on 03-18-26.

Blake Cullimore seconded the motion.

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

II. Finance

A. March Financials & FY26 Forecasting

Megan Garnett presented the March financial statements to the committee. The largest change since February relates to tuition revenue. While February reflected a favorable variance, March reflects a less favorable position due to Salem Academy receiving excess tuition payments that will need to be returned to the state.

Stephanie and Megan explained that DESE identified an issue related to the charter tuition reimbursement process. Tuition reimbursement is drawn from two separate state accounts, and for this fiscal year Salem Academy received duplicate reimbursement payments related to sibling enrollment counts. As a result, the school will need to return approximately \$98,000. DESE also reiterated that final tuition projections and adjustments will not be finalized until June.

The committee discussed the state's 9% net spending cap for sending districts. When more than 9% of students attend charter schools, sibling tuition reimbursement may be calculated differently, resulting in duplicate payments that later require reconciliation.

During the discussion, Bill Henning asked whether the five open full-time positions identified at the end of March were still vacant. Stephanie confirmed that they are, including three Special Education teachers, a Special Education Director, and a PE teacher. The school intends to hold those vacancies through the end of the year.

Chris Graham asked whether the school is still projecting a year-end surplus and, if so, how those funds might be used. Stephanie noted that projections now suggest the school may finish closer to budget than previously anticipated. Historically, year-end surplus funds have often supported technology purchases.

Bill also asked what variables could impact the year-end financial position. Stephanie and Megan noted several areas contributing to budget fluctuations, including increased stipends for internal coverage, higher natural gas costs, student recruitment expenses, utilities, and software costs. While the salary line remains consistent with the budget,

substitutes and stipends have increased as salary savings from vacancies have decreased.

Bill also asked about changes in accounts payable and accounts receivable compared to the prior year. Megan confirmed that the large accounts payable balance now includes approximately \$400,000 owed back to the state, which had not yet been paid as of March 31.

B. FY27 Budget Considerations

Stephanie and Megan reviewed Version 3 of the FY27 draft budget with the committee. The budget remains a moving target, particularly related to Title I funding and tuition projections. The current draft assumes a 4% increase in tuition, and the school recently received updated Q3 tuition rates from DESE, which differ slightly from the earlier Q2 projections.

Entitlement grants currently assume flat funding for Titles IIA and IVA, with a slight decrease projected for Title I, resulting in a modest reduction overall.

The draft budget currently includes a 5% increase in fringe benefits, though updated information suggests the actual increase may be closer to 4%, a significant improvement from the 14% projection discussed at the previous meeting.

Stephanie also explained that one position has been removed from next year's budget based on this year's staffing experience and vacancy patterns. Specifically, the school hired a second permanent substitute this year, which is not included in the FY27 budget, and there is also a hiring freeze on one Special Education teacher position.

The committee discussed cash management and reserve planning. Bill asked whether the school has explored alternative banking strategies to generate additional interest income, such as placing a portion of reserves into short-term certificates of deposit (CDs). Blake Cullimore suggested that this may be an appropriate area for the Finance Committee to develop a formal policy regarding cash reserves and investment practices.

Chris agreed to add time to the next committee meeting agenda to further discuss reserve policies and cash management strategies. The committee also discussed identifying an appropriate minimum cash reserve threshold to cover operating expenses and whether Central Source could provide examples of reserve practices used by other schools. Megan and Blake will gather additional information and examples for future discussion. Chris also noted the importance of understanding what level of funds would make these investment strategies worthwhile.

Bill Henning left at 8:45 AM.

C. 2026 Committee Goals

Chris Graham led the discussion on progress toward the committee's 2026 goals.

Goal 1 – Trustee Recruitment: There were no major updates regarding trustee recruitment at this time.

Goal 2 – Borrower Evaluation: The committee has not yet begun substantive work related to evaluating the school's position as a borrower, though members expect to focus on this work in the coming weeks.

Goal 3 – Finance and Facilities Partnership: The committee discussed plans for increased collaboration between the Finance and Facilities Committees. Going forward, the Chairs of both committees will meet monthly to strengthen coordination and alignment between the groups.

The committee identified three shared priority areas:

- Upgrading the PA system
- Developing a school relocation fund and gathering additional information from Prime related to potential future facilities needs
- Evaluating the school's financial position as a borrower

Goal 4 – Finance Policies and Procedures Manual: The committee discussed plans to reformat the Finance Policies and Procedures Manual, though no major substantive changes are anticipated at this time.

III. Other Business

A. Development Update

Fallon Burke shared a development update with the committee. A Dining with a Cause Night will take place at Longboards on April 27. Community members who mention Salem Academy during their visit will have 20% of their purchase donated back to SACS.

Fallon also reminded the committee that the REACH for College Gala is taking place on Friday and shared excitement about celebrating with the community at the event. The online auction is expected to go live later that day.

B. Enrollment

Blake Cullimore asked about enrollment projections for next year and what the school may expect in terms of attrition. Stephanie Callahan shared that she will provide a more detailed enrollment update at the upcoming Board meeting.

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 9:06 AM.

Respectfully Submitted,
Fallon Burke

Documents used during the meeting

- Salem March 2026 w updated FY27 Budget.xlsx