

APPROVED



Salem Academy Charter School

Minutes

Finance Committee Meeting

Date and Time

Wednesday June 10, 2026 at 8:00 AM

The Salem Academy Charter School Finance Committee via Zoom.

Zoom Link: <https://salemacademy.cs.zoom.us/meeting/register/twrM8EcjQQmV3xijmP4Mzw>

Committee Members Present

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

Committee Members Absent

None

Guests Present

Fallon Burke (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 Wednesday Jun 10, 2026 at 8:02 AM.

C. Approve Minutes

Bill Henning made a motion to approve the minutes from Finance Committee Meeting on 05-27-26.

Blake Cullimore seconded the motion.

Following the motion, the committee discussed several revisions to the draft minutes.

Members recommended organizing the minutes in chronological order rather than by topic and noted that the recorded meeting adjournment time should be corrected from 8:25 a.m. to 9:00 a.m. The requested revisions were incorporated prior to the vote.

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

II. Finance

A. May Financials & FY26 Forecasting

Megan Garnett presented the May financial statements and provided an update on the FY26 budget forecast. The discussion provided committee members with an opportunity to ask clarifying questions regarding year-end financial projections and grant funding. No action was taken.

During the review of the May financials, Bill Henning asked whether the private funding had been reconciled. Megan explained that the amount of private funding transferred to the school is expected to be lower than originally budgeted. She also shared that the school has submitted a request to the Norman H. Read Trust to carry forward a portion of FY26 grant funding into FY27. In addition, a request has been prepared to transfer Annual Fund revenue from the Foundation to the school.

Blake Cullimore asked why the FY27 Read Trust request appeared lower than in previous years. Stephanie Callahan explained that, while the request for new funding is lower, the total amount of Read Trust funding available in FY27 will actually be greater because of the proposed rollover of unspent FY26 funds. She noted that the school is requesting approximately \$87,000 in rollover funding, while the request for new funding under Goal 3 totals approximately \$17,000.

Stephanie also explained that another portion of the requested rollover relates to professional development and tuition reimbursement funds. Although the school requested approximately \$14,000 for this purpose in FY26, it was awarded approximately \$44,000. Because reimbursement depends on staff participation in eligible professional development and licensure programs, not all the awarded funds were expended during the grant period.

Stephanie further noted that the school is requesting new grant funding in other priority areas. She explained that staffing challenges delayed implementation of the Math Interventionist initiative during FY26, but that the position has since been filled.

Blake also asked about the approximately \$2 million decrease in "Other Assets" reflected on the balance sheet. Megan indicated that the change may be related to right-of-use accounting and agreed to research the item and provide an update to the committee.

Megan Garnett will research the change in "Other Assets" and provide an update to the committee.

B. FY27 Budget

The committee transitioned to a review of **Version 6 of the FY27 operating budget**. Stephanie Callahan presented the proposed budget and invited committee members to ask clarifying questions and provide feedback before the budget is finalized.

Revenue

Stephanie reviewed the projected FY27 revenue assumptions, including:

- Tuition revenue budgeted using a 4% increase, consistent with prior projections.
- Federal grant revenue remaining level with FY26.
- Private funding projected at \$900,000, compared with a \$1 million budget in FY26, reflecting known funding changes.
- Increased school lunch reimbursement revenue based on current forecasts.
- Program and student fee revenue remaining flat.
- Interest income remaining level.
- Miscellaneous income reduced to \$20,000.

During the discussion, Bill Henning commented that the revenue assumptions appeared appropriately conservative, particularly given uncertainty surrounding future federal funding.

Expenses

Stephanie then reviewed the proposed expense budget. She noted that salaries and wages remain largely consistent with FY26, while rent will increase by approximately 7.5% during the final five years of the current lease, representing nearly a \$100,000 increase. Maintenance and supplies are budgeted at levels similar to FY26, although current-year spending is tracking below budget.

Additional discussion included:

- Electric costs are expected to remain relatively consistent year over year.
- Gas expenses have been reduced from the FY26 forecast to approximately **\$40,000** after reviewing current spending.

- Accounting expenses increased during FY26 and are budgeted accordingly for FY27.
- Audit expenses may be reduced once final costs are confirmed.
- Legal expenses remain unchanged.
- The "Contract Labor – Non-Instructional" line is currently budgeted at zero but will likely require adjustment based on FY26 actual expenditures.

Bill Henning recommended retaining budget line items even when currently budgeted at zero to preserve flexibility for future budget management. The committee agreed that Stephanie and Megan Garnett should continue refining expense allocations outside the meeting before the budget is finalized.

Stephanie also explained that hardware expenses remain elevated because the school plans to purchase Chromebooks using a portion of the FY26 surplus, reducing pressure on the FY27 operating budget. Student transportation costs remain difficult to forecast because they are heavily influenced by transportation required for students experiencing homelessness or in foster care. Stephanie also noted that the separate college counseling budget line will be removed because those expenses are already reflected elsewhere in the instructional budget. Athletics expenses were modestly increased.

The proposed Version 6 budget reflects a projected FY27 operating surplus of approximately \$28,315.

Committee Discussion

The committee discussed several options for strengthening the projected FY27 operating surplus.

Stephanie noted that the school could either:

- Increase the projected private funding transfer, or
- Further reduce operating expenses.

Chris asked how Stephanie felt about the proposed surplus. Stephanie responded that she would prefer a budget closer to the FY26 projected operating surplus but emphasized that the tuition projection is intentionally conservative at 4%, while current state estimates suggest tuition could increase by 7–8%.

Chris also asked whether additional transportation reimbursements may become available. Stephanie shared that the school is exploring additional reimbursement opportunities related to transportation for students experiencing homelessness or in foster care.

The committee also discussed the relationship between the FY26 projected surplus and the FY27 budget. Stephanie explained that a portion of the FY26 surplus is already being strategically invested, including the advance purchase of Chromebooks, to reduce FY27 expenditures.

Chris asked whether the salary budget assumes the school will be fully staffed at the start of the year. Stephanie noted that some staffing vacancies, particularly in Special Education, may remain open temporarily; however, the salaries and wages budget has been built conservatively and leaves little flexibility.

Blake Cullimore recommended avoiding reductions to instructional and student support budgets where possible, suggesting that any additional adjustments focus on administrative or operational expenses. Stephanie responded that many facilities costs are fixed, limiting opportunities for savings in that area.

The committee discussed increasing the projected private funding transfer from \$900,000 to approximately \$925,000, reflecting known changes in funding while maintaining a conservative budget. Members also noted that if tuition revenue exceeds the current 4% assumption, the budget position would improve.

Stephanie reported that the current FY26 projected operating surplus is approximately \$103,889, which reflects planned use of a portion of the surplus for one-time expenditures.

The committee also briefly discussed future long-term budgeting strategies, including evaluating sustainable staffing models alongside the school's ideal staffing structure.

Following discussion and an opportunity for committee members to ask clarifying questions and provide feedback, the committee voted to recommend approval of the FY27 Version 6 operating budget, incorporating the revisions discussed during the meeting, for consideration by the Board of Trustees. Stephanie Callahan and Megan Garnett will make the agreed-upon adjustments prior to presentation to the full Board. Blake Cullimore made a motion to recommend the FY27 Budget for a Board vote at the June meeting.

Stephanie Callahan seconded the motion.

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

C. 2026 Committee Goals

The committee did not discuss committee goals.

III. Other Business

A. Development Update

There was no development update.

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 9:30 AM.

Respectfully Submitted,
Fallon Burke

Documents used during the meeting

- Salem May 2026 w updated FY27 Budget.xlsx