APPROVED

# Salem Academy Charter School

## Minutes

### Finance Committee Meeting

**Date and Time**
Monday July 13, 2026 at 8:00 AM

The Salem Academy Charter School Finance Committee via Zoom.

Zoom Link: https://salemacademycs.zoom.us/meeting/register/twrM8EcjQQmV3xijmP4Mzw

**Committee Members Present**
Blake Cullimore (remote), Chris Graham (remote)

**Committee Members Absent**
Bill Henning

**Guests Present**
Fallon Burke (remote), Krissy Sgambellone (remote), Megan Garnett (remote), Stephanie Callahan (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 Jul 13, 2026 at 8:01 AM.

### C. Approve Minutes

Blake Cullimore made a motion to approve the minutes from Finance Committee Meeting on 06-10-26.
Chris Graham seconded the motion.
The committee **VOTED** unanimously to approve the motion.

## II. Finance

### A. June Financials

Megan Garnett presented the June financial statements and year-end financial results. The presentation provided committee members with an opportunity to ask clarifying questions about the school's final FY26 financial position and year-end forecasting. No action was taken.

Megan reported that Salem Academy did not need to request additional unrestricted funding at the close of FY26. Private funding, including support from the Norman H. Read Trust and Mifflin Memorial Fund, was sufficient to meet the school's needs. She also noted that all major revenue categories exceeded budget projections. Salary expenditures remained below budget due to staffing vacancies, while several non-salary expense categories finished slightly over budget. Overall, the school ended the fiscal year with a net operating surplus of approximately $157,000 before depreciation.

Blake Cullimore asked whether the year-end surplus was primarily driven by salary savings. Stephanie Callahan explained that savings generated from vacant positions are monitored throughout the year and may be strategically reallocated to support other operational needs. She noted that as tuition payments and revenues become more certain during the second half of the fiscal year, leadership updates its financial forecast and can make informed decisions about one-time investments, such as purchasing instructional technology before year-end.

Chris asked several questions regarding year-end cash flow and spending. Megan confirmed that purchases of Chromebooks and teacher laptops are reflected in the year-end financial results, although the timing of cash payments may be reflected differently on the balance sheet than on the income statement. Stephanie added that no additional significant year-end purchases are anticipated, with larger investments such as Smartboards planned for FY27.

Megan also noted that accrued expenses decreased because tuition payments owed to DESE were paid before year-end. She further explained that the Foundation's cash

balance is higher than usual because a portion of the FY27 grant funding was received during FY26.

Stephanie provided an update on the school's annual meeting with the Norman H. Read Trust, sharing that the visit went well and that the school subsequently received notice of its FY27 award. In addition to approving the school's request to carry forward unspent FY26 grant funds, the Foundation awarded an additional $50,000 to support instructional technology and professional development for STEM educators.

**B. 2026 Committee Goals**

The committee discussed progress toward its goal of developing a short-term investment strategy for school reserves. The discussion was exploratory and provided members with an opportunity to consider cash reserve targets and potential investment options. No action was taken.

The committee reviewed the school's days cash on hand and discussed appropriate reserve levels.
Chris shared that he would not be comfortable reducing the school's cash reserves below approximately 88 days. Megan Garnett noted that 60 days cash on hand is commonly viewed as the minimum financial benchmark for schools.

Members discussed how the ratio is calculated and whether the school has sufficient unrestricted assets to support a short-term investment strategy. Cynthia, of Central Source, generally recommends maintaining approximately six months of accessible cash rather than investing funds in vehicles that are not readily available, stated Megan.

The committee also discussed how peer schools manage excess cash. Megan shared that most schools utilize money market accounts earning approximately 3–3.5% interest, while some schools invest a portion of reserves in certificates of deposit (CDs) earning approximately 4%.

Blake Cullimore agreed that maintaining approximately 80 days cash on hand would be appropriate, noting that 60 days should be viewed as a minimum threshold rather than a target. He observed that the school currently does not appear to have significant excess cash available for investment. Blake also suggested that, if surplus funds become available in the future, the committee could explore whether those funds would be better invested through the Foundation rather than by the school directly.

Chris summarized the discussion by noting that there appeared to be consensus that the school currently has limited excess cash available for investment. The committee agreed to revisit the discussion at a future meeting when Bill Henning is present.

Members also discussed whether the Foundation could serve as a vehicle for managing school investments. Stephanie Callahan explained that both the school and Foundation currently maintain checking and money market accounts through TruNorth and that the Foundation does not currently operate a separate short-term investment program. The committee also briefly discussed whether maintaining a larger line of credit could provide additional financial flexibility in the future.

The committee will continue the discussion at a future meeting with Bill Henning present and further explore potential investment options through the Foundation.

**C. Capital Plan**

The committee reviewed the FY27 Capital Plan. The discussion provided committee members with an opportunity to ask clarifying questions, provide feedback, and discuss the plan's purpose before Board consideration. No formal action was taken.

Stephanie Callahan explained that the current Capital Plan was developed to satisfy DESE Annual Report requirements. Under DESE guidelines, schools that choose to reserve up to 20% of tuition revenue for future capital projects must include a capital plan in the Annual Report. She noted that the committee's joint Finance and Facilities goal last year included creating this plan. While the current document fulfills the DESE reporting requirement, it is not intended to serve as a comprehensive long-term capital planning document.

Blake Cullimore suggested expanding the Capital Plan into a multi-year planning tool that identifies major capital projects by year, separates replacement projects from new capital investments, and is supported by a corresponding five-year financial plan. He also recommended adding a column identifying potential grant funding sources for each project.

Stephanie clarified that the immediate purpose of the current review was for the Finance Committee to review the DESE-required Capital Plan, which had already been discussed by the Facilities Committee. Following approval by both committees, the appropriate portions of the plan will be incorporated into the Annual Report.

The committee also discussed future capital planning priorities. Members agreed that developing a more comprehensive long-term Capital Plan should become a joint Finance and Facilities Committee goal. Blake recommended that, once developed, the expanded Capital Plan be reviewed alongside the annual operating budget each June. Stephanie suggested that long-term capital planning could also serve as a future Board or committee retreat topic.

The committee briefly discussed the school's future decision regarding financing for the public address (PA) system. Stephanie shared that the school expects to have additional

information by September regarding grant funding and financing options. If grant funding is not awarded, the committee anticipates discussing whether borrowing should be pursued to complete the project.

The committee will work with the Facilities Committee to develop a more comprehensive multi-year Capital Plan and revisit financing options for the PA system once additional funding information becomes available.

## III. Other Business

### A. Development Update

The committee received the development update from Fallon Burke. Fallon reported that Salem Academy met and exceeded its FY26 Annual Fund goal, raising more than $136,000.
She also shared updates on recent foundation awards:

- Norman H. Read Trust: Salem Academy received its FY27 grant award, including additional funding beyond the original request to support instructional priorities.
- Mifflin Memorial Fund: Continued funding was awarded to support the school's College & Career Readiness and College Success programs.

Lastly, Fallon shared that Senator Joan Lovely announced on social media that $20,000 had been secured for Salem Academy through the state budget.
Under Other Business, Blake Cullimore asked a clarifying question regarding state funding for school facilities, specifically whether Salem Academy receives a separate per-pupil facilities funding allocation.

Stephanie Callahan explained that Salem Academy does not receive a separate facilities funding line. Instead, facilities funding is incorporated into the Commonwealth charter school tuition formula, which includes Chapter 70 funding, the above-foundation tuition component, and the facilities reimbursement.

## 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 9:01 AM.

Respectfully Submitted,
Fallon Burke

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**Documents used during the meeting**

- Salem June 2026.xlsx
- FY27 Capital Plan.pdf