APPROVED

# Salem Academy Charter School

## Minutes

### Finance Committee Meeting

**Date and Time**
Wednesday September 16, 2026 at 8:00 AM

**Location**
Zoom: https://salemacademycs.zoom.us/meeting/register/ovfS0QOWTfueXWwrU4eslQ

The Salem Academy Charter School Finance Committee via Zoom.

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

**Committee Members Absent**
*None*

**Committee Members who left before the meeting adjourned**
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 Wednesday Sep 16, 2026 at 8:03 AM.

### C. Approve Minutes

Bill Henning made a motion to approve the minutes from Finance Committee Meeting on 07-13-26.
Blake Cullimore seconded the motion.
The committee **VOTED** unanimously to approve the motion.

## II. Finance

### A. August Financials

The committee reviewed and discussed the August Financials. Megan Garnett noted that tuition is coming in higher than expected. First-quarter projections were $11,268,724, while SACS budgeted $10,795,078. As of October 1, if SACS does not have 480 students, the school will be considered under-enrolled.

Stephanie Callahan clarified the difference between projected and budgeted tuition. Tuition will not be confirmed until December 31, 2026, but SACS budgets conservatively. While the state projects that SACS will receive a certain amount in tuition revenue, the actual tuition received is often not aligned with that projection. Typically, SACS considers increasing tuition by a percentage above the previous year's budget rather than using a percentage of the state's tuition projection, which can be too close to actual revenue. Tuition projections change quarterly.

Blake asked how SACS thinks about revenue when it comes to enrollment. Stephanie explained that, fortunately, the school has not had to deal with under-enrollment often. Last year, a student transferred during the week of October 1, which was the first time SACS was under-enrolled. Enrollment counts take place in October and March.

Megan added that starting next month, the financial reports will include a reforecast as projections change.

Generally, grants do not come in until October or December. SACS also secured $22,000 in E-rate funding, which was not initially included in the budget. Interest income was budgeted lower but is coming in higher than expected. Overall, revenue is approximately $100,000 over budget.
For expenses, salaries are approximately $90,000 under budget, and facilities expenses are also slightly under budget.

Discussion:

Chris asked about current enrollment and open positions. Stephanie provided the following updates:

- Open Positions: SACS currently has two vacant 12-month administrator positions, along with teaching vacancies.
- Enrollment: Enrollment continues to fluctuate between approximately 474 and 480–481 students, depending on the day, but the school is fewer than 10 students below its enrollment target. The Lower School is full and has a robust waitlist. Under the new enrollment policy, students who previously left SACS can return in grades 10–12. However, there are no significant waitlists at the high school level. Challenges include families moving, particularly when multiple students leave at once.

Bill asked whether there is an ability to move seats from the Upper School to the Lower School. Stephanie explained that SACS has already expanded Lower School enrollment to what the school is comfortable with. The original 480-student model included 72 students in each grade. A few years ago, SACS increased Lower School enrollment to approximately 75 students per grade. Last year, sixth grade piloted four cohorts with 76 students. However, space constraints make it difficult to expand beyond three cohorts. SACS has reached what it considers a reasonable maximum, and further expansion would require rethinking class sizes, classrooms, and staffing models.

Blake asked whether under-enrollment is spread across grades or concentrated in one grade. Stephanie explained that there has been some movement from ninth to tenth grade. Last year, a large group of new ninth graders who were expected to return ultimately left. Ninth grade is slightly under-enrolled because there has not been a large waitlist, and tenth grade is under-enrolled due to that attrition.

Ninth grade currently has 69 students, compared with a target of 72–75. Tenth grade has 58 students, which is a smaller-than-normal group. The enrollment system currently shows 478 students, although that number may include students who have indicated they are transferring but have not yet submitted the paperwork.

Blake also asked how many vacancies SACS realistically expects to fill before the end of the year and how this typically plays out based on experience.

Stephanie explained that the vacancies are concentrated in Special Education, which has been difficult to staff. The Dean of Students and Director of Special Education positions are priorities. SACS will most likely need to invest in working with a recruiter for the Director of Special Education position and possibly the Dean of Students role as well.

The remaining vacancies include three Special Education Teachers and three paraprofessionals. SACS is also looking to establish a Team Chair position to chair IEP meetings in the absence of a Director of Special Education. Ideally, the school would fill

all positions, although there may also be opportunities to hire part-time employees, and additional vacancies could arise if staff leave during the school year. Stephanie noted that there are currently eight vacancies.
It was also noted that the percentage of revenue coming from tuition will decrease as other income comes in.

Bill suggested adjusting the student enrollment number in the Board presentation if enrollment was not 480 as of August 31, 2026.

Beginning next month, financial reports will include updated reforecasts as projections change. The student enrollment figure in the Board presentation should be reviewed and adjusted, if necessary, to reflect actual enrollment as of August 31, 2026. No formal action was taken.

**B. 2026 Committee Goals**

The committee transitioned to discussing committee goals. Chris recalled that the committee had been trying to determine the amount or percentage of money that needed to remain liquid to cover bills. However, there may not be a specific number or excess funds available for that purpose. He noted that 80 days of cash on hand is not unreasonable and is a conservative target. SACS currently has 79 days of school cash on hand, or 122 days when combined with the Foundation. There are cash reserves available, but they are held in a different place than the school's operating cash.

Bill added that the Foundation's cash on hand does not include endowed funds. While those funds are considered reserves and cash, some are intended to be spent. Foundation cash includes grant funding, such as Read Trust funds, and the Annual Fund. By subtracting what is expected to be spent from those funds over the next 12 months, the committee could better understand how much excess cash is available.

SACS has money market, savings, and operating accounts. Bill suggested determining how much of the Foundation's cash is truly excess. The actual number of days of available cash on hand is likely somewhere between 80 and 122 days.

Stephanie explained that there is not typically a large amount of money remaining at the end of the year, perhaps $100,000. Currently, SACS's unmarked reserves are, in practice, held in the Annual Fund money market account. SACS does not request those Annual Fund dollars unless they are needed to meet the operating budget.

Each year, SACS budgets for approximately $100,000–$125,000 to come to the school from the Annual Fund. However, when tuition revenue is higher than expected and expenses are lower, SACS may be able to balance the budget at year-end without transferring those funds. Over the last few years, SACS has been able to leave the Annual Fund money in the Foundation rather than pulling it over to the school. Stephanie

noted that the Finance Committee could look at those funds, determine whether there is something it would like to do with the money, and make a request to the Foundation Board.

The committee also discussed whether there is a better way to earn income on these funds. The money market accounts for the school and Foundation currently earn the same rate, so moving funds between them would not provide an additional benefit. Bill noted that part of the question is determining the appropriate number of days of cash on hand. If the committee decides on 80 days, there may not be enough excess cash to pursue another investment option.

Bill asked Stephanie whether it would be more important to have reserve money in a capital account specifically designated for capital needs or in a general investment reserve account. A capital account would restrict how the money could be used, while a general reserve account would provide more flexibility.

Stephanie responded that, from a use standpoint, the more flexibility, the better. However, from a tuition standpoint, funds would need to be designated for capital reserves. If SACS were to set aside a percentage of tuition dollars, those funds would have to be used for capital reserves.

In the short term, given SACS's known capital needs, Stephanie noted that having a small capital reserve or facilities account could be helpful, as those expenses can be significant. Previously, SACS would have used its line of credit for these needs, but that has not been necessary recently.

Bill recommended that the next step be to determine how much unrestricted cash is sitting in the Foundation's accounts. This would help the committee understand what is truly excess and potentially make a recommendation to the Foundation Board about whether there is a better way to make those funds productive, particularly if SACS already has approximately 80 days of cash on hand at the school.

Blake added that the Board should have a policy establishing a target number of days of cash on hand. The committee should consider the combination of unrestricted dollars that the school has access to. This information could also be shared with a bank if SACS needed a loan. While the school has approximately 80 days of operating cash on hand, the combined 122 days could provide additional security to a lender.

Blake suggested that the policy define the target number of days of cash on hand and the rationale behind that target.
Bill Henning left at 8:54 AM.

### C. Board Retreat Preparation

Chris informed the committee of the three areas that will be addressed at the Board Retreat:

- Revenue
- Financial Statements: A brief session on how to read financial statements.
- Finance Committee: An overview of the work the Finance Committee does throughout the year.

Chris also noted that a third stakeholder perspective when looking at finances is the lender's view, which could be useful for the Board and Finance Committee to consider.

The committee received the update and no formal action was taken.

## III. Other Business

### A. Development Update

Fallon Burke provided a development update on Reach the Beach (RTB). REACH Day trips are scheduled for Friday, the pep rally is taking place today, and the race is scheduled for Sunday.

## 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 9:05 AM.

Respectfully Submitted,
Fallon Burke

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**Documents used during the meeting**

- Salem August 2026 (2).xlsx