APPROVED

Excel Academy Massachusetts

Minutes

Board of Trustees - Finance Committee Meeting

Date and Time
Thursday April 2, 2026 at 8:00 AM

Location
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Meeting Notice Posted Publicly: 3/27/26

Please note: All items listed on the agenda are subject to a possible vote by the Board of Trustees or its subcommittees.

Committee Members Present
D. Sachs (remote), D. Stolow (remote), R. Lytle (remote)

Committee Members Absent
None

Guests Present
A. Kaynor (remote), A. Stelson (remote), Anne Healy (recently elected Board member, starting 7/1/26) (remote), O. Stearns (remote), Y. Dubon (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

D. Stolow called a meeting of the Finance Committee of Excel Academy Massachusetts to order on Thursday Apr 2, 2026 at 8:01 AM.
O. Stearns provided brief comments about upcoming transitions on the Board and Finance Committee and expressed gratitude to Anne Healy for agreeing to join the Board and step into the Treasurer role as of July 1, 2026 and to David Stolow for agreeing to mentor and support Anne as she orients to the role.

O. Stearns noted that Rob Lytle informed the Finance Committee of his intent to step down from the Committee.

C. Public Comment

No members of the public provided comments at this meeting.

D. Approve Prior Meeting Minutes

D. Stolow made a motion to approve the minutes from Board of Trustees - Finance Committee Meeting on 12-16-25.
R. Lytle seconded the motion.
The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Vote to confirm selection of auditor for FY26

A. Kaynor summarized the FY26 auditor recommendation as presented in the packet that was provided to the Committee in advance.
D. Stolow made a motion to approve the recommendation of AAFCPA as the school's auditor for FY26.
D. Sachs seconded the motion.
The committee **VOTED** unanimously to approve the motion.

B. Update on Budget Projections and Review of Draft Budget

A. Stelson presented the FY27 Draft Budget and multi-year strategic financial model, as detailed in the FY27 Budget Memo and Finance Update Slides that were provided to the Committee.

D. Sachs asked for confirmation of his understanding that the schools are doing well in the implementation of the school's budget strategy and reduction of some positions, which the staff confirmed.

D. Stolow recommended clarity in how the Committee refers to open positions, and that, if a position is open and unfilled by design as part of the financial strategy, it should be referred to as 'unfilled and closed' from a budget perspective.

A. Stelson clarified that some positions were intended to be closed for the following year, and some reductions have occurred through natural attrition, and now those positions are closed. A. Stelson added that our financial planning had been more conservative than what occurred in reality, and this is relatively new information based on the latest state tuition projections.

D. Stolow observed significant fundraising activity and need in Rhode Island and asked for confirmation that Friends of Excel will be able to provide the fundraising support to CAPS next year that the school relies on for its post-secondary programming.

A. Kaynor and O. Stearns confirmed that Friends is well positioned to continue supporting Excel's CAPS program as planned based on current and anticipated donor commitments.

A. Kaynor posed a question related to the Student Opportunity Act and the economically disadvantaged calculation and noted that he will follow up with experts to understand what we should expect from a budgeting standpoint.

D. Stolow recommended that the Committee keep in mind debt repayment as one potential uses of surplus cash balances in the future, to weigh against other possible uses, and recommended that the school seek qualified expert advice on its debt refinancing strategy. A. Stelson noted that we intend to seek expert advice and that our next major decision point is the FY30 debt maturation milestone.

A. Healy asked whether there are prepayment penalties. A. Stelson confirmed there are penalties, but not if debt is paid down in FY30 after the rate reset.

A. Healy asked whether there is a surplus restriction and claw-back clause, and A. Stelson confirmed there is, but that we are not close to that threshold.

A. Healy asked whether the Board has considered a monthly maximum surplus goal. A. Stelson and O. Stearns noted that we have not been in the position before to need this, but agreed it would be worthwhile to consider. O. Stearns added that, at a high level, there is no clear advantage and some clear disadvantages to prepaying debt right now, while interest rates are high and penalties would apply, and recommended revisiting as we prepare to make a decision for FY30.

D. Stolow commented that, while he agrees with this rationale, as an organization that carries a lot of debt responsibility, one downside of holding more significant cash surpluses is the need to be highly disciplined in how we communicate about this and to be transparent with staff about the fact that accruing cash balances is a necessary part of the debt management strategy of the organization.

A. Stelson added that the leadership team will revisit the Moore St. debt decision and inform the Board if their recommendation changes from what was communicated previously, given the latest tuition projections.

D. Stolow commented that the decision process about Moore St. debt was managed very well and addressed the issue, and he does not see a need to re-open the decision unless the leadership team changes their recommendation after re-reviewing. Other Committee members agreed.

D. Sachs asked whether any expense prepayments might result in future cost reductions, and A. Stelson noted that he is working with the Director of Facilities & Capital Planning on possible capital investments that could make sense to schedule earlier, but that most of the school's expenses are compensation.

D. Stolow asked a clarifying question about enrollment projections in MA and in RI, which A. Kaynor clarified.

A. Stelson noted that context about the Rhode Island school is provided to the Excel MA Finance Committee for the sake of inter-Board transparency and collaboration.

A. Stelson noted that the overall outlook as presented on the Boards' risks tracker is notably more positive than it was even just in September 2025, while there still remain significant potential risks that we continue to track.

D. Stolow asked a clarifying question about amortization, which A. Stelson clarified.

D. Sachs asked for more context about staff confidence in the accuracy of construction cost projections given inflationary pressures. A. Stelson noted that there is buffer built in, as well as contingency, and that this is an area of concern and risk. Our philosophy is to trim expenses rather than increasing costs as much as possible, and it is critical to have a building to meet our enrollment targets. But what drives outcomes for kids is primarily the quality of staff, and so we are always monitoring to balance and manage facility costs as tightly as possible. O. Stearns added that $12.5M of the planned debt is for the acquisition of the facility, so that portion should not be subject to construction cost inflation.

A. Healy asked a clarifying question about School Building Authority funding in Rhode Island, which A. Stelson answered.

D. Stolow recommended continuing to bring the Board and Finance Committee - and Excel MA staff - along in the Rhode Island process, so that there is shared understanding between the regions and to maintain a spirit of transparency and collaboration.

D. Stolow commented, and other Committee members appreciated, that - in a year when we are working on large-scale growth projects in Rhode Island - we are also posting our best academic results ever in Massachusetts, and it is clear that that CMO is more than adequately focusing on school outcomes in both regions. D. Stolow also noted that it will continue to be a challenge for Excel's staff and board leadership to ensure staff in each region have accurate perceptions of the support they are receiving from the CMO.

D. Stolow suggested the possibility of renegotiated lines of credit with Excel's banks as something we could explore while in a strong cash position.

D. Stolow added that an important risk to monitor, even if the likelihood is low right now - would be enrollment, given the potential impact a dip in enrollment would have on the organization's financial model.

A. Stelson also noted that it may be worth adding the ratio of students from Boston relative to students from Chelsea to the risk tracke and added that we are seeing a decline in the Boston-to-non-Boston ratio as a result of gentrification, which results in less funding per pupil for the school.

C. Vote to Recommend Board Approval of Draft Budget

D. Sachs asked whether the team plans to provide Rhode Island context to the Excel MA Board ahead of the June budget approval. A. Stelson confirmed he will include a brief Rhode Island summary.

A. Kaynor added that we are meeting 1:1 with all Board members in advance of the June meetings.

D. Sachs added that maintaining a surplus in MA continues to seem like the most prudent approach given ongoing internal and external risks.

D. Stolow expressed appreciation for the excellent staff work reflected in today’s presentation, both in the presentation itself and in the extensive work required to understand financial drivers, identify and manage risks, and distill the most important information. D. Stolow also appreciated that this work extends beyond the finance team and reflects contributions across the organization, expressing deep gratitude to all staff involved and hoping that appreciation would be shared broadly. Finance Committee members commended the high quality of the work and asked that their gratitude be shared with the broader school team on behalf of the Board.

D. Stolow made a motion to recommend approval to the full board with any necessary edits or corrections.
D. Sachs seconded the motion.
The committee **VOTED** unanimously to approve the motion.

III. Closing Items

A. Adjourn Meeting

D. Stolow made a motion to adjourn.
D. Sachs seconded the motion.
The committee **VOTED** unanimously to approve the motion.
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:25 AM.

Respectfully Submitted,
D. Stolow
List of documents used in the meeting:

- Agenda
- Prior meeting minutes
- FY26 Auditor Selection recommendation memo
- Finance Update Slides
- Draft FY27 Budget Package
- Excel Academy 5-Year Financial Model

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