

Finance Report July-August 2021

Edge High School

Cash Flow

- Beginning cash of \$108,451 , Ending Cash of \$2,851
- Restricted Cash of \$254,521 Classroom Site, \$5,420 Instructional Improvement, \$11,042 Tax Credit
- Cash flow in July is very challenging as there is no inflow of revenues from State Aid. In addition, the August 1 payment is a small payment as it is based on estimate enrollment, which is often substantially less than actual enrollment. During July we transferred \$75,000 from the Reserve to support operating cash. The monies will be returned once state aid payments are received at normal levels in October and November.

Revenues

- State Equalization is not received in July 2021, however, is currently planned to change back to a 7/1 payment effective FY22. State restricted revenues are not received in July. Federal revenues are drawdown in June, thus minimal funds are received in July.
- Federal for the year is significantly greater than the prior year as a result of PPP Loan

Expenses

- Expenses for the month were similar to the prior year. Salaries are greater monthly than the prior year from salary increases

Budget FY2022

- The budget reflects the revision to be put in place on August 18, 2021 to reflect the updated Auditor General Budget Forms based on the state budget. The overall costs were modified to reflect the anticipated completion of the bond reissuance, the use of ESSER 3 monies on additional projects under the set aside for loss of learning and to lower the budgeted ADM to 165.

Charter Board Financial Framework

- The school will remain in intervention status for fiscal year 2022. Progress was made on the financial metrics, however, the Lease Adjusted Debt Service Coverage Ratio is still below standard.
- Notes
 - Unrestricted Days Liquidity –Approaches.
 - Adjusted Net Income – Meets

- Lease Adjusted Debt Service Coverage Ratio – Below Standard, as a result of bond interest, IRS pending FFCRA credits.
- 3 year ADM Trend – Approaches, -8.8% (Decrease between 5%-14.99% Approaches)
- Going Concern and Default – Meets, school is able to operate for the upcoming year and has not received notice of default

Bond Status

The school contracted with Paula Parmenter and Martha Karasch of Choice Advisors, for their advisory services in completing the bond reissuance.

As of August 12, 2021 we anticipate closing the transaction on August 19, 2021. We anticipate fees to be approximately \$25,000 and annual interest rate savings would be approximately \$35,000 in the first year.

Grant Status

Entitlement grants (Targeted Support and Improvement, IDEA, ESEA Consolidated Title I, II, and IV) are all Director Approved.

The schools are both awaiting notification regarding grad rate and eligibility for support for Comprehensive School Improvement – Low Grad Rate. We anticipate this notification in late September. Northwest is not eligible to apply as a minimum enrollment of 100 is required, but consideration may be given below 100 at ADE's discretion.