



# March 2023 Financials

PREPARED APR'23 BY

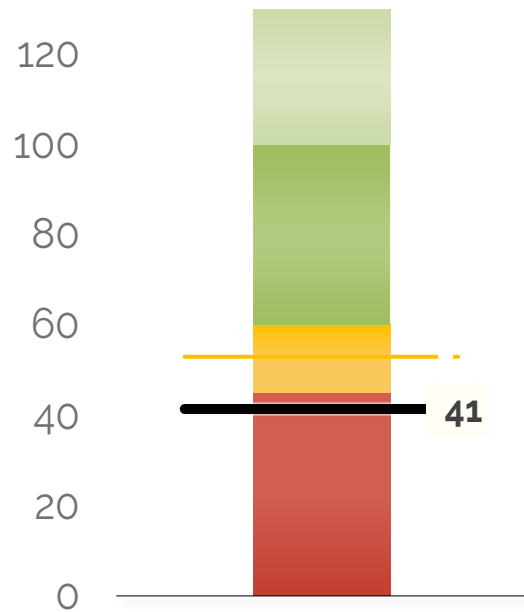


- **Executive Summary**
- **Key Performance Indicators**
- **Forecast Overview**
- **Cash Forecast**
- **Forecast History**
- **Key Forecast Changes This Month**
- **Notable Forecast Variances**
- **Appendix**

- The FY22-23 March financials result in a forecasted net income of **\$-34K**, which is **\$35K** less than the budgeted amount of **\$1,020K**.
- This month, we received the March 2023 MFP Budget letter containing the mid-year financial adjustments. These adjustments are based on the 389 February 1 student count snapshot. The February count is 8 students less than the budgeted 397 student number. Consequently, we are now forecasting an annual increase of \$27K in local funds and a 57K annual reduction in state funds.
- As of March 31, 2023, the cash balance in the checking account is **\$598K and \$80K** in the clearing account resulting in a total cash and cash equivalents balance of **\$678K**.
- The end of the year forecasted net cash flow is **\$813K, which** is **\$215K** less than budgeted. The change in cash flow is primarily driven by the lower net income as well as other cash flow activities such as loan repayments and payroll activities.
- The changes in cash flow result in a projected **41 days** cash on hand at the end of the fiscal year.

## Days of Cash

Cash balance at year-end divided by average daily expenses

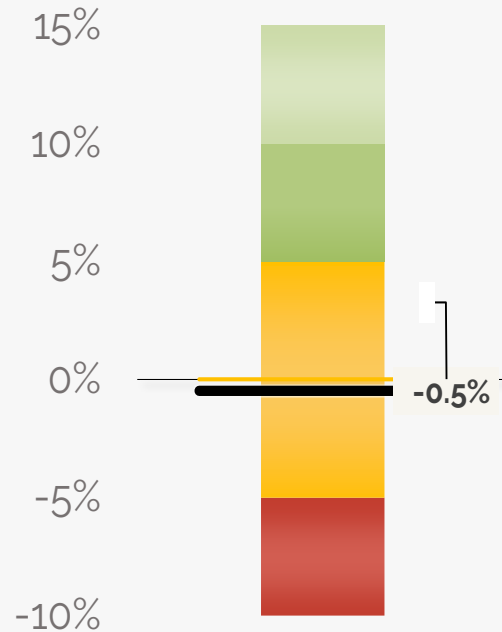


### 41 DAYS OF CASH AT YEAR'S END

The school will end the year with 41 days of cash. This is below the recommended 60 days

## Gross Margin

Revenue less expenses, divided by revenue

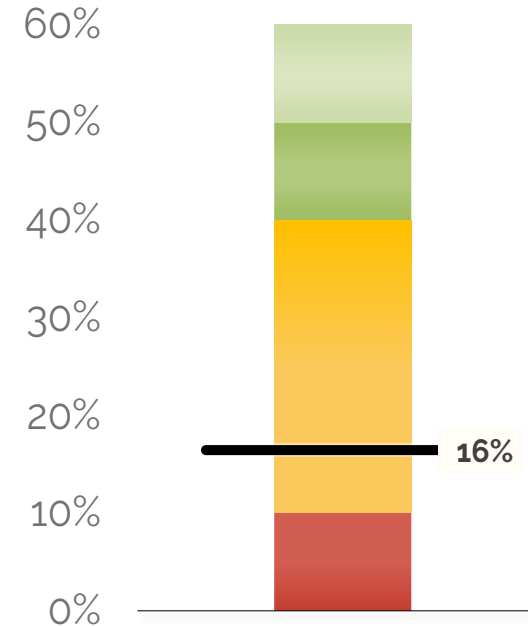


### -0.5% GROSS MARGIN

The forecasted net income is -\$34k, which is \$35k below the budget. It yields a -0.5% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses



### 16.43% AT YEAR'S END

The school is projected to end the year with a fund balance of \$1,177,882. Last year's fund balance was \$1,212,066.

# Forecast Overview

	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$7.1m	\$7.1m	\$46k	+46k	Driven by additional local revenue funds and additional Title III immigrant grant reimbursements.
Expenses	\$7.2m	\$7.1m	-\$81k	-81k	Driven by an increase in purchased instructional services and an increase in staffing services expense.
<b>Net Income</b>	<b>-\$34k</b>	<b>\$1k</b>	<b>-\$35k</b>	<b>-35k</b>	
Cash Flow Adjustments	-\$220k	0	-\$220k	-220k	Variance primarily due to social security loan payables, prepaid benefits and accrued salaries and benefits because of changes in payroll processes
<b>Change in Cash</b>	<b>-\$254k</b>	<b>\$1k</b>	<b>-\$255k</b>	<b>-255k</b>	

## 41 Days of Cash at year's end

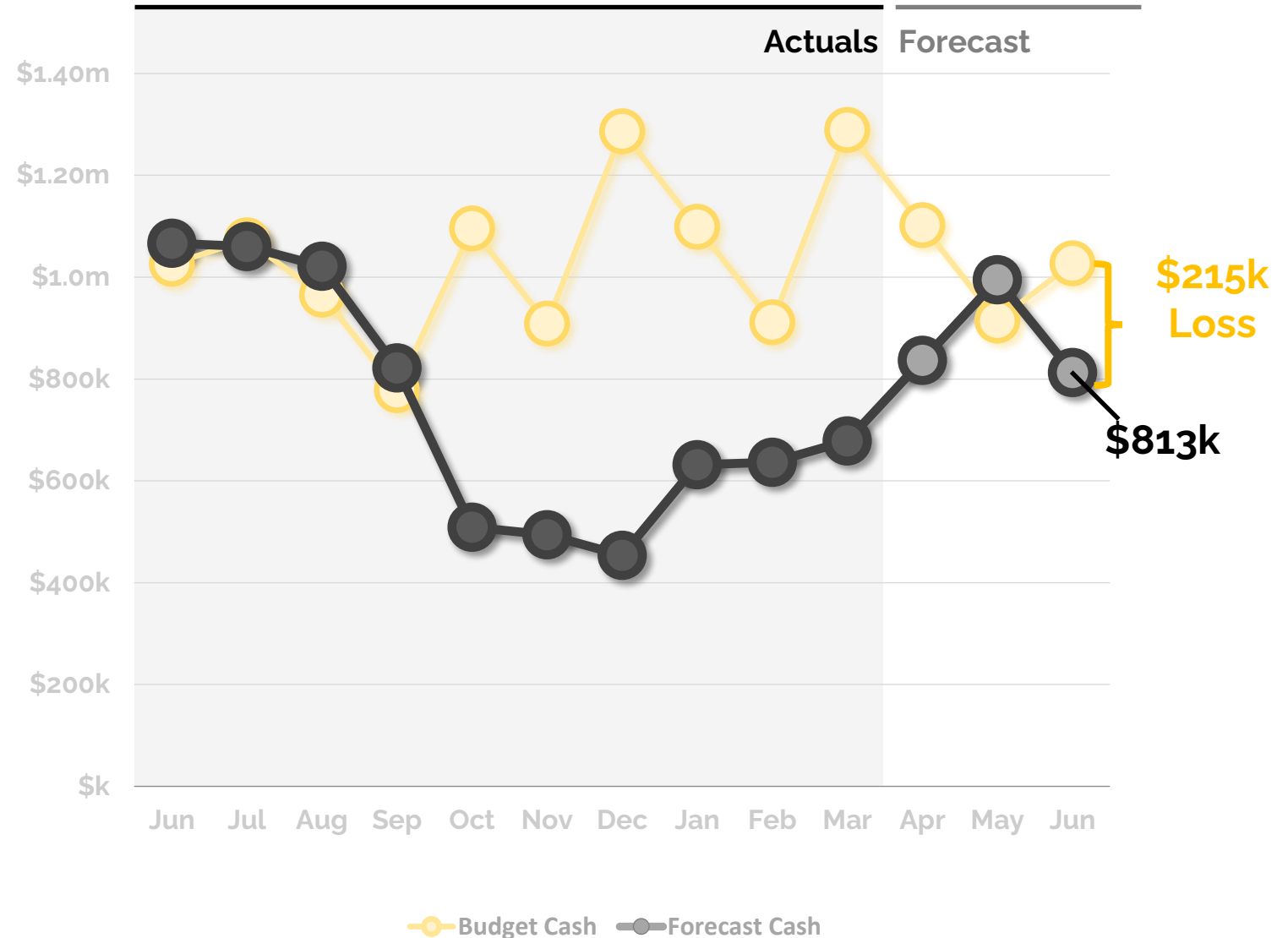
We forecast the school's year ending cash balance as **\$813k**, **\$215k** below budget.

This difference in year-end cash is driven by:

- (+) FY22 ending cash balance **40k** more than budgeted.

- (-) forecasted net income being **-\$34** lower than budgeted.

- (-) **\$220k** Variance primarily due to social security loan payable, prepaid benefits and accrued salaries and benefits as a result of changes in payroll processes



# Key Forecast Changes This Month

The March forecast **decreased** the year-end cash expectation by \$58k. *Key changes:*






# State and Local Revenue | \$13k annual cash decrease

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Local MFP</b> Our final certification was 389 students (vs 397 budgeted) for this year. This leads to revenue variance of \$27,111 in terms of local funds and a monthly change of 97K.	2.5m	2.5m	27k	97k
<b>State MFP</b> Given the mid-year (Feb 2023) MFP adjustment, our state fund allocation is projected to be \$57,707 below budget, which represents monthly change of 10K.	1.9m	1.9m	-58k	-10k

Zero



# Federal Revenue | \$158k annual cash increase

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>School Food Service</b> Our food services expenses have increased leading to a higher than budgeted reimbursement.	240k	120k	 120k	0
<b>Title I Combined</b> We have received some additional Title funds due to mid-year adjustments of the grant.	177k	155k	 21k	0
<b>Title III Immigrant</b> We received an additional 16K for Title III immigrant	16k	0	 16k	16k
<b>Restricted Grants-In-Aid Fro</b> We are still waiting for the reimagine grant to be allocated in EGMS. We may have to decide to move the allocation (300K) to next fiscal year.	744k	744k	0	0
<b>ESSER II &amp; III</b> A portion of the ESSER II and III reimbursement may occur at the end of the Federal Fiscal Year, which falls at the beginning of next fiscal year.	1.2m	1.2m	0	0





Zero

# Earned Fees | \$104k annual cash decrease

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Refund Of PY Expense-Refund of Prior Year's Expenditures</b> The emergency connectivity fund grant was lower than budgeted.	48k	152k		-104k      0





Zero

# Salaries | \$534k annual cash increase

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Teachers</b> We continue to see some vacant (PE, Social Studies, and Math) position leading to additional savings.	1.5m	1.7m	212k 	-0k
<b>Therapists/Specialists/Counselors</b> We continue to see some additional savings due to a vacant Counselor Position	275k	327k	52k 	-10k
<b>Secretarial</b> Vacant administrative and executive assistant leading to a monthly saving	144k	203k	58k 	-0k
<b>Stipend Pay</b> We are seeing an increase in the stipends due to staff having to take additional roles to support vacancies.	113k	67k	-45k 	-6k



Zero

# Benefits and Taxes | \$118k annual cash increase

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Health Insurance</b> We updated our health insurance expenses forecast to account for the lower than budgeted salaries.	302k	361k	 59k	0k
<b>Social Security</b> We updated our social security expense forecast to account for the lower than budgeted salaries.	166k	227k	 61k	1k
<b>Medicare</b> We updated our Medicare expenses forecast to account for the lower than budgeted salaries.	39k	54k	 15k	0k
<b>Other Benefits</b> The school is working with the HR company to fix error in other benefits.	70k	53k	 -17k	9k

Zero

# Staff-Related Costs | \$48k annual cash decrease

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Professional Dev SPED</b> Per the school's request, we have zeroed out the SPED PD expense. This results in a yearly and monthly positive change of 19K.	0	20k		20k      20k
<b>Other Professional Services</b> Due to staff vacancies, we had to increase our professional services expense by outsourcing some services.	143k	73k		-70k      7k

Zero

# Direct Student Expense | \$336k annual cash decrease

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Health Services</b> We've increased our health services expense to reflect the monthly expense until the end of the school year. This results in a variance of \$10K.	60k	50k	-10k	-10k
<b>Purchased Educational Services Instructional Staff</b> We increased our Purchased Educational Instruction Services expense account, given the continuous need for substitute teachers.	86k	20k	-66k	-41k
<b>Student Transportation</b> We updated our transportation forecast to consider the increase in transportation costs. This resulted in a monthly change of \$77K.	582k	433k	-149k	-77k
<b>Food Svcs Operations</b> New food vendor at higher rate.	242k	122k		-120k

Zero

# Office & Business Expense | \$259k annual cash decrease

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Human Resource Svcs</b> To help with staffing and other staff related needs, we have seen a higher than usual HR services costs	47k	28k	-19k	-1k
<b>Legal Svcs</b> We have experienced higher than usual legal expenses in the past months	75k	31k	-43k	-4k
<b>Admin Tech Svcs</b> Due to a vacancy in our IT department, we have seen an increase in Tech services	51k	22k	-28k	-2k

Zero



# QUESTIONS?

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	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
<b>Revenue</b>							
State and Local Revenue	3,357,409	3,346,815	10,594	4,449,499	4,462,420	(12,921)	1,092,090
Federal Revenue	1,359,566	1,721,556	(361,991)	2,537,191	2,379,040	158,151	1,177,625
Private Grants and Donations	14,183	7,500	6,683	14,183	10,000	4,183	-
Earned Fees	109,061	176,850	(67,790)	132,100	235,800	(103,700)	23,039
<b>Total Revenue</b>	<b>4,840,219</b>	<b>5,252,721</b>	<b>(412,503)</b>	<b>7,132,973</b>	<b>7,087,260</b>	<b>45,713</b> ①	<b>2,292,755</b>
<b>Expenses</b>							
Salaries	2,073,652	2,456,330	382,678	3,174,339	3,708,102	533,763	1,100,687
Benefits and Taxes	496,826	597,075	100,249	678,007	796,100	118,093	181,181
Staff-Related Costs	148,847	145,658	(3,189)	242,451	194,211	(48,240)	93,604
Rent	-	-	-	-	-	-	-
Occupancy Service	280,631	214,307	(66,324)	374,923	285,742	(89,181)	94,292
Direct Student Expense	1,076,536	970,556	(105,980)	1,630,502	1,294,075	(336,427)	553,966
Office & Business Expense	780,679	606,008	(174,670)	1,066,935	808,011	(258,924)	286,256
Total Ordinary Expenses	4,857,171	4,989,934	132,762	7,167,158	7,086,241	(80,917)	2,309,987
Net Operating Income	(16,953)	262,788	(545,265)	(34,184)	1,020	126,631	(17,232)
<b>Extraordinary Expenses</b>							
Capital Outlay	-	-	-	-	-	-	-
Total Extraordinary Expenses	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>4,857,171</b>	<b>4,989,934</b>	<b>132,762</b>	<b>7,167,158</b>	<b>7,086,241</b>	<b>(80,917)</b> ②	<b>2,309,987</b>
<b>Net Income</b>	<b>(16,953)</b>	<b>262,788</b>	<b>(279,740)</b>	<b>(34,184)</b>	<b>1,020</b>	<b>(35,204)</b> ③	<b>(17,232)</b>
Cash Flow Adjustments	(371,290)	-	(371,290)	(219,776)	-	(219,776)	151,514
<b>Change in Cash</b>	<b>(388,243)</b>	<b>262,788</b>	<b>(651,031)</b>	<b>(253,961)</b>	<b>1,020</b>	<b>(254,980)</b> ⑤	<b>134,282</b>

### ① REVENUE: \$46K AHEAD

Driven by additional local revenue funds and additional Title III immigrant grant reimbursements.

### ② EXPENSES: \$81K BEHIND

Driven by an increase in purchased instructional services and an increase in staffing services expense.

### ③ NET INCOME: \$35K behind

### ④ CASH ADJ: \$220K BEHIND

Variance primarily due to social security loan payables, prepaid benefits and accrued salaries and benefits as a result of changes in payroll processes

### ⑤ NET CHANGE IN CASH: \$255K BEHIND

# Monthly Financials

	Actual									Forecast			
Income Statement	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
<b>Revenue</b>													
State and Local Revenue	370,907	380,907	374,715	370,907	370,907	370,907	370,907	369,355	377,897	364,030	364,030	364,030	4,449,499
Federal Revenue	0	25,949	213,054	121,990	35,037	469,774	19,740	16,470	457,552	392,542	392,542	392,542	2,537,191
Private Grants and Donations	0	100	9	68	0	0	13,000	7	1,000	0	0	0	14,183
Earned Fees	39	21,412	14,169	1,960	7,881	23,723	4,494	28,323	7,060	7,680	7,680	7,680	132,100
<b>Total Revenue</b>	<b>370,946</b>	<b>428,368</b>	<b>601,947</b>	<b>494,924</b>	<b>413,825</b>	<b>864,404</b>	<b>408,141</b>	<b>414,155</b>	<b>843,509</b>	<b>764,252</b>	<b>764,252</b>	<b>764,252</b>	<b>7,132,973</b>
<b>Expenses</b>													
Salaries	44,568	182,827	260,886	273,557	275,010	277,640	253,225	253,327	252,612	253,252	253,252	594,183	3,174,339
Benefits and Taxes	48,690	51,452	49,452	50,290	62,504	62,388	60,004	57,842	54,203	60,394	60,394	60,394	678,007
Staff-Related Costs	35,761	16,229	6,664	10,695	59,375	-7,619	34,006	9,100	-15,364	31,201	31,201	31,201	242,451
Occupancy Service	45,361	47,994	38,635	18,776	35,550	23,610	26,380	16,678	27,648	31,431	31,431	31,431	374,923
Direct Student Expense	102,195	105,433	124,804	163,967	140,960	110,787	83,900	113,265	131,226	184,655	184,655	184,655	1,630,502
Office & Business Expense	86,811	78,632	55,281	70,024	103,514	107,483	102,391	72,443	104,100	95,419	95,419	95,419	1,066,935
Total Ordinary Expenses	363,387	482,566	535,722	587,308	676,912	574,289	559,906	522,655	554,425	656,352	656,352	997,283	7,167,158
<b>Total Expenses</b>	<b>363,387</b>	<b>482,566</b>	<b>535,722</b>	<b>587,308</b>	<b>676,912</b>	<b>574,289</b>	<b>559,906</b>	<b>522,655</b>	<b>554,425</b>	<b>656,352</b>	<b>656,352</b>	<b>997,283</b>	<b>7,167,158</b>
<b>Net Income</b>	<b>7,558</b>	<b>-54,198</b>	<b>66,225</b>	<b>-92,384</b>	<b>-263,088</b>	<b>290,115</b>	<b>-151,766</b>	<b>-108,500</b>	<b>289,085</b>	<b>107,900</b>	<b>107,900</b>	<b>-233,032</b>	<b>-34,184</b>
Cash Flow Adjustments	-13,765	15,142	-265,698	-220,507	248,136	-330,259	329,621	113,284	-247,245	50,505	50,505	50,505	-219,776
<b>Change in Cash</b>	<b>-6,206</b>	<b>-39,056</b>	<b>-199,473</b>	<b>-312,891</b>	<b>-14,951</b>	<b>-40,144</b>	<b>177,855</b>	<b>4,784</b>	<b>41,839</b>	<b>158,405</b>	<b>158,405</b>	<b>-182,527</b>	<b>-253,961</b>

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
	<i>6/30/2022</i>	<i>3/31/2023</i>	<i>6/30/2023</i>
<b>Assets</b>			
Current Assets			
Cash	1,066,568	678,325	812,608
Accounts Receivable	332,816	227,987	333,816
Prepaid Expenses and Other Current Assets	0	20,715	0
<b>Total Current Assets</b>	<b>1,399,384</b>	<b>927,027</b>	<b>1,146,423</b>
<b>Noncurrent Assets</b>			
Operating Fixed Assets, Net	2,076,085	2,076,085	2,076,085
Facilities, Net	-1,289,787	-1,289,787	-1,289,787
<b>Total Noncurrent Assets</b>	<b>786,298</b>	<b>786,298</b>	<b>786,298</b>
<b>Total Assets</b>	<b>2,185,682</b>	<b>1,713,325</b>	<b>1,932,722</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities	494,047	251,072	251,072
Accounts Payable	479,569	267,140	503,768
<b>Total Current Liabilities</b>	<b>973,616</b>	<b>518,212</b>	<b>754,840</b>
Total Long-Term Liabilities	0	0	
<b>Total Liabilities</b>	<b>973,616</b>	<b>518,212</b>	
<b>Equity</b>			
Net Income	0	-16,953	-34,184
Unrestricted Net Assets	1,212,066	1,212,066	1,212,066
<b>Total Equity</b>	<b>1,212,066</b>	<b>1,195,114</b>	<b>1,177,882</b>