

First State Montessori Academy



Financial Framework

Name	Year
First State Montessori Academy (9606)	2021-2022
Address	Phone
1000 North French Street Wilmington, DE 19801	(302) 576-1500
School Code	Grades Served
4050	KG - 08
	Term of Agreement
	Unknown

Summary

Overall Rating	Overall Rating	Meets Standard
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Financial Performance Framework	Current Ratio (Working Capital Ratio)	Meets Standard
	Debt to Asset Ratio	Meets Standard
	Days Cash	Meets Standard
	Debt Service Payments / Loan Covenants	Meets Standard
	Aggregated Three-Year Total Margin	Meets Standard
	Cash Flow	Meets Standard
	Debt Service Coverage Ratio	Approaching Standard
	Enrollment Variance	Approaching Standard
	Student Retention	Not Rated
	Financial Management & Oversight	Meets Standard

The FY22 independent audit was submitted after the deadline.

Overall Rating

Overall Rating	Meets Standard
Meets Standard	
Approaching Standard	
Far Below the Standard	

Financial Performance Framework

Current Ratio (Working Capital Ratio)	Meets Standard
2022 Current Ratio	3.4
2021 Current Ratio	3.7
2022 Current Assets	\$5,395,662.00
2022 Current Liabilities	\$1,599,163.00
2021 Current Assets	\$5,334,330.00
2021 Current Liabilities	\$1,457,547.00
Meets Standard	Current Ratio is greater than 1.1 OR Current Ratio is greater than or equal to 1.0 but less than 1.1 and one-year trend is positive (current year ratio is higher than last year's)
Approaching Standard	Current ratio is greater than or equal to 0.9 but less than 1.0 OR Current ratio is greater than or equal to 1.0 but less than 1.1 and one-year trend is negative
Far Below Standard	Current ratio is less than 0.9
Current Ratio	Current Assets / Current Liabilities

Debt to Asset Ratio	Meets Standard
2022 Debt to Asset Ratio	0.82
2022 Total Liabilities	\$15,659,986.00
2022 Total Assets	\$18,988,102.00
Meets Standard	Debt to asset ratio is less than or equal to 0.90
Approaching Standard	Debt to asset ratio is greater than 0.90 but less than 1.0
Far Below Standard	Debt to asset ratio is greater than or equal to 1.0
Debt to Asset Ratio	Total Liabilities / Total Assets

Days Cash	Meets Standard
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2022 Days Cash	207
2021 Days Cash	235
2022 Cash	\$5,355,477.00
2022 Total Expenses	\$9,461,318.00
2021 Cash	\$5,299,704.00
2021 Total Expenses	\$8,221,251.00

Meets Standard	Days Cash is at least 75 OR between 45 and 75 and one-year trend is positive
Approaching Standard	Days Cash is greater than 30 days but less than or equal to 45 days OR Days cash is between 45 and 75 days and one-year trend is negative
Far Below Standard	Days Cash is fewer than or equal to 30
Days Cash	Cash / (Total Expenses /365)

Debt Service Payments / Loan Covenants	Meets Standard
Was the school in default of any loan covenant(s) this year?	No
Was the school delinquent with debt service payments this year?	No

Meets Standard	School is not delinquent with debt service payments and complies with all loan covenants
Approaching Standard	School is not delinquent with debt service payments, but is out of compliance with loan covenants.
Far Below Standard	School is delinquent with debt service payments

Aggregated Three-Year Total Margin	Meets Standard
2022 Aggregated 3-Year Total Margin	2.7%
2022 Net Income	(\$277,427.00)
2021 Net Income	\$558,338.00
2020 Net Income	\$455,247.00
2022 Total Revenue	\$9,183,891.00
2022 Total Expenses	\$9,461,318.00
2021 Total Revenue	\$8,779,589.00
2021 Total Expenses	\$8,221,251.00
2020 Total Revenue	\$9,632,202.00
2020 Total Expenses	\$9,176,955.00

Meets Standard	Aggregated Three-Year Total Margin is positive
Approaching Standard	Aggregated Three-Year Total Margin is greater than or equal to -1.5% but not positive
Far Below Standard	Aggregated Three-Year Total Margin is less than -1.5%
Not Rated	School does not have 3 years of data
Aggregated 3-Year Total Margin	(Sum of 3 Years' Net Income) / (Sum of 3 Years' Total Revenues)
Net Income	Total Revenue – Total Expenses

Cash Flow	Meets Standard
2022 Single-Year Cash Flow	\$55,773.00
2021 Single-Year Cash Flow	\$196,612.00
2020 Single-Year Cash Flow	\$3,371,136.00
2022 Three-Year Cumulative Cash Flow	\$252,385.00
2022 Cash	\$5,355,477.00
2021 Cash	\$5,299,704.00
2020 Cash	\$5,103,092.00
2019 Cash	\$1,731,956.00
Meets Standard	Three-Year Cumulative Cash Flow is positive and Cash Flow is positive each year OR Three-Year Cumulative Cash Flow is positive, Cash Flow is positive in two of three years, and Cash Flow in the most recent year is positive
Approaching Standard	Three-Year Cumulative Cash Flow is positive and Cash Flow is negative in the current year OR Three-Year Cumulative Cash Flow is negative
Far Below Standard	Cash Flow is negative in the past two years
Not Rated	Not enough data *Schools in their first or second year of operation must have positive Cash Flow
Single-Year Cash Flow	Cash – Previous Year's Cash
3-Year Cash Flow	Cash – Two Years Ago's Cash

Debt Service Coverage Ratio	Approaching Standard
2022 Debt Service Coverage Ratio	1.0
2022 Total Revenue	\$9,183,891.00
2022 Total Expenses	\$9,461,318.00
2022 Depreciation	\$437,256.00
2022 Interest Expense	\$608,400.00
2022 Principal and Interest Payments	\$773,400.00

Meets Standard	Debt service coverage ratio is equal to or exceeds 1.10.
Approaching Standard	Debt service coverage ratio is greater than .90 but less than 1.10
Far Below Standard	Debt service coverage ratio is less than or equal to .90
Debt Service Coverage Ratio	$(\text{Net Income} + \text{Depreciation} + \text{Interest Expense}) / (\text{Principal and Interest Payments})$

Enrollment Variance	Approaching Standard
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2022 Enrollment Variance	92%
2022 Actual Enrollment	600
2022 Authorized Enrollment	650

Meets Standard	Enrollment variance equals or exceeds 95% in the most recent year
Approaching Standard	Enrollment variance is greater than 80% but less than 95% in the most recent year
Far Below Standard	Enrollment variance is less than or equal to 80% of authorized enrollment in the most recent year
Enrollment Variance	Actual Enrollment as of September 30 / Authorized Enrollment

Student Retention	Not Rated
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2022 Student Retention	88%
2021 Student Retention	
2020 Student Retention	
2019 Student Retention	
2018 Student Retention	
Not Rated	Not Rated

Financial Management & Oversight	Meets Standard
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Meets Standard

The school materially complies with applicable laws, rules, regulations and provisions of the charter relating to financial reporting requirements, including but not limited to: A) On-time submission and completion of financial reports, including annual budget, revised budgets (if applicable), periodic financial reports as required by the authorizer, and any reporting requirements if the board contracts with an education service provider, pursuant to 14 Del. C., §512 (14) B) On-time submission and completion of the annual independent audit and corrective action plans, if applicable C) All reporting requirements related to the use of public funds D) Adherence to the policies and procedures of the State’s Official Financial Management System, pursuant to Del. C., Title 14, Ch. 5, §512 (9) E) A Citizen Budget Oversight Committee, pursuant to (14 Del. C. §1508 and 14 DE Admin. Code 736) F) A clean audit opinion without material exceptions G) An audit that does not include an ongoing concern

Approaching Standard

A) The school partially complies with all aspects of the PCard program and has received two or more compliance infractions per quarter during the prior fiscal year B) On more than one occasion during the prior fiscal year, the school completed and submitted the monthly reconciliation and certification to the Division of Accounting after the deadline C) The school completed and submitted the payroll internal controls plan after the deadline, or the Division of Accounting’s review of the plan resulted in a rating of “Major Improvement Needed” or “Unsatisfactory” 15 D) The annual audit identified material weaknesses and/or significant deficiencies in internal controls. E) The annual audit expressed a modified and/or qualified opinion on the Governmental Activities and Major Fund.

Far Below Standard

A) The school does not comply with the requirements of the PCard program and one or more employees have had their PCard privileges suspended or terminated B) On one or more occasions during the prior fiscal year, the school failed to complete and submit the monthly reconciliation and certification to the Division of Accounting C) The school failed to complete and submit the payroll internal controls plan D) The annual audit included an on-going concern disclosure in the notes or an explanatory paragraph related thereto within the audit report.



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