

IV. FINANCIAL PERFORMANCE

4.1 Financial Performance

Note: Please utilize the hyperlink in this sentence for more information about the [Financial Performance Framework](#).

| Financial Performance Framework Ratings | Near Term Indicators | | | | Sustainability Indicators | | | | Financial Management and Oversight | Overall Rating |
|---|----------------------|-----------|---------------------|--|---------------------------|------------------|-----------|-----------------------------|------------------------------------|----------------|
| | Current Ratio | Days Cash | Enrollment Variance | Default, Loan Covenants, & Debt Service Payments | Total Margin | Debt Asset Ratio | Cash Flow | Debt Service Coverage Ratio | | |
| Year | 1a | 1b | 1c | 1d | 2a | 2b | 2c | 2d | 3 | |
| 2015-2016 | M | M | M | M | M | M | M | N/R | D | Meets Standard |
| 2016-2017 | M | M | M | M | M | M | M | N/R | M | Meets Standard |
| 2017-2018 | M | M | M | M | M | M | M | N/R | M | Meets Standard |
| 2018-2019 | M | M | M | M | AS | M | AS | N/R | M | Meets Standard |

DOE Summary:

EasSide Charter School has maintained overall ratings of “Meets Standard” for the past three years. In SY 15/16, the school was rated “Does Not Meet Standard” for measure 3. (Financial Management and Oversight).

a) School's financial performance over the current charter term

| | |
|--------------------------------------|-----------------------------------|
| School Comments 2017-2018 | |
| School Comments 2016-2017 | School did not provide a response |

b) Financial practices that the school has implemented to improve the school's financial outcomes

| | |
|--------------------------------------|--|
| School Comments 2017-2018 | |
| School Comments | |

| | |
|-----------|--|
| 2016-2017 | |
|-----------|--|

c) Indicator measure where school did not meet standard or is approaching standard

| School Comments 2017-2018 | | | |
|--|--|------------------|----------|
| 3. FINANCIAL MANAGEMENT AND OVERSIGHT | | | |
| <table border="1"><tr><td>2017-2018</td></tr><tr><td>M</td></tr></table> | | 2017-2018 | M |
| 2017-2018 | | | |
| M | | | |
| <p>This measure assesses the timeliness of reporting, the implementation of the Citizen Budget Oversight Committee, and the adherence to the policies and procedures of the First State Financial Management System.</p> | | | |
| <p>DOE Rating Information:</p> <hr/> | | | |
| <p>The FY18 independent auditor's report expressed an adverse opinion on the reporting entity; however, the auditor's report also expressed an unmodified opinion on the governmental activities and major fund.</p> <hr/> | | | |
| <p>School Response To Rating:</p> | | | |

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| School Comments 2016-2017 | School comments for SY 16/17 can be found at: https://www.doe.k12.de.us/Page/2654 |
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| School Comments 2015-2016 | School comments for SY 15/16 can be found at: https://www.doe.k12.de.us/Page/2654 |
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a. Describe the school's Financial performance over the current charter term (This section is for the school to address any overall rating where the school has not met standards. The school will be able to address individual metrics in the sections below.)

EastSide has earned a Met Standard designation for every year of the current charter term.

b. Identify changes to Financial practices that the school has implemented to improve the school's financial outcomes.

EastSide has historically had strong financial outcomes. We continue to focus heavily on strong stewardship of public funds and wise budget management. The finance committee of the Board meets monthly to review budget projection vs. actual and works in concert with the principal to ensure financial health of the school while providing sound guidance as necessary.

c. Address any measure where school did not meet standard or is approaching standard

EastSide failed to meet standard in total margin and cash flow in 2018-19. Total Margin & Cash flow were impacted by the increase in salaries and OEC cost to support the expansion of instructional programs. The school is actively fundraising to support the expansion and sustainability. To cover the shortfall the school utilized prior year reserves to cover the shortfall. Management plans, going forward, to operate at surplus to increase year to year carryover each year to trend towards meeting the financial framework benchmarks.

Performance Agreement

Financial Performance Expectations

EastSide Charter School's overall financial rating is Meets Standard. For each year going forward, our expectation is to continue achieving the overall rating of "Meets" standard as measured by the Financial Performance Framework. Each year, we will be on track to demonstrate economic viability and achieve our financial performance expectation. This progress will be monitored through our annual performance review.

DOE Summary:

EastSide Charter School has maintained overall ratings of "Meets Standard" for the past three years.

School Comments 2017-2018

School Comments 2016-2017

Over the past year, the school has taken great strides to improve our payroll internal controls. FY17 was the first time in the past 4 years that the school received a "Strong Internal Controls" rating. The school continues to refine and expand our practices to ensure continued success.

Note: This data element was included in SY 16/17 for direct school reporting. School information regarding the performance agreement for SY 14/15 and SY 15/16 can be found in their overall annual report at <https://www.doe.k12.de.us/Page/2654>

How the school developed and implemented a corrective action plan in response to audit findings (if applicable)

DOE Summary:

The FY18 independent auditor's report expressed an adverse opinion on the reporting entity; however, the auditor's report also expressed an unmodified opinion on the governmental activities and major fund.

School Comments 2017-2018

School Comments 2016-2017

School Comments 2015-2016

d. Discuss the school's financial performance based on its approved Performance Agreement.

EastSide failed to meet standard in total margin and cash flow in 2018-19. *Total Margin & Cash flow were impacted by the increase in salaries and OEC cost to support the expansion of instructional programs. The school is actively fundraising to support the expansion and sustainability. To cover the shortfall the school utilized prior year reserves to cover the shortfall. Management plans, going forward, to operate at surplus to increase year to year carryover each year to trend towards meeting the financial framework benchmarks. With the approaching standard designation EastSide has continued to Meet Standard annually throughout the last 4 years.*

e. Describe how the school developed and implemented a corrective action plan in response to audit findings (if applicable).

Not Applicable.

f. As appendices, please provide the following documents:

Appendix 11 Summary of Findings from Independent Audits (if applicable)

Appendix 12 Final Fiscal Year 2018 Revenue & Expenditure Budget Report in the prescribed Department format

Appendix 13 Approved preliminary Fiscal Year 2019 Budget in the prescribed Department format

Appendix 14 Fiscal Year 2018 Audited Financial Statements (if final report is not available, a draft version is acceptable until final version is completed)

Appendix 15 Five-year budget projections sheets and budget narrative based on both 100% projected enrollment 80% projected enrollment. (Note: If the projected enrollment is increasing or decreasing by 5% or more over the term of the charter, please include a separate written justification for the modification request as well as budget documents reflecting the new enrollment figures.)