

# Renewal Schools: Financial Review January 2025

*Monitoring and Compliance Updates  
NCDPI Office of School Business*

# Renewals For 2025

- 38 Schools
- 28 Schools - No Significant Issues Noted
- 4 Schools – No Audit Report
  - No response to inquiries
    - (61T Received 010825 – under review)
- 6 Schools – Cautionary or Red Flag Issues
  - Fiscal Concerns
  - Will be monitored

# What Is Reviewed:

- Indicators of Financial Distress
  - Declining ADM
  - Declining Revenue
  - Expenditures being greater than Revenues
  - Low General Fund (unassigned) Fund Balance
  - Low Cash Balance (days of operating cash on hand)
  - Significant shifts in the numbers / trend analysis
  - Audit Findings
- Goal
  - Identify Concerns Early
  - Take Corrective Action Early

# Included in Materials

- Summary report for each renewal school of these key financial indicators.
- We have included notes where applicable and necessary related to the key indicators.
- Can provide supplemental information upon request.
- In this presentation we will highlight the 10 schools that currently have some level of fiscal concern or issue that needs to be resolved.

# Renewal Schools that are a Fiscal Concern

# Financial Analysis: 32C

## Community School of Digital & Visual Art

Financial Noncompliance Status: N/A

ADM:

FY	Month 1 ADM	% Change
24	177	-19%
23	218	-2%
22	223	4%

Unassigned Fund Balance:

FY24 - no audit report

FY23 – no audit report

FY22 - \$246,821

- Financial Noncompliance Status:
  - Disciplinary (no audit report)
  - Red Flag Concern
  - If not in process, then this situation will impact federal funds we are allowed to provide.
- Concerns
  - Declining ADM
  - School advises audit will be complete by the end of January 2025

# Financial Analysis: 61T Movement Freedom

Financial Noncompliance Status: N/A

ADM:

FY	Month 1 ADM	% Change
24	750	14%
23	656	4%
22	631	11%

Unassigned Fund Balance:

FY 24 - no audit report

FY23 - \$1,008,000

FY22 - \$1,269,000

- Concerns

- No Audit Report
- Lack of responsiveness to inquiries

***Audit Report  
Received 01/08/25,  
Review in Process***

# Financial Analysis: 07A Washington Montessori

Financial Noncompliance Status: N/A

ADM:

FY	Month 1 ADM	% Change
24	413	2%
23	404	
22	403	-5%

- Concerns

- No Audit Report
- Lack of responsiveness to inquiries

Unassigned Fund Balance:

FY 24 - no audit report

FY23 - \$1,360,176

FY22 - \$1,204,774



# Financial Analysis: 93V

## Doral Academy of North Carolina

Financial Noncompliance Status: N/A

ADM:

FY	Month 1 ADM	% Change
24	420	29%
23	326	69%
22	192	

- Concerns

- No Audit Report
- Lack of responsiveness to inquiries

Unassigned Fund Balance:

FY 24 - no audit report

FY23 - \$461,864

FY22 - \$354,096

# Financial Analysis: 60K Charlotte Secondary

Financial Noncompliance Status: Red Flag

ADM:

FY	Month 1 ADM	% Change
24	174	-5%
23	183	-24%
22	241	-13%

Unassigned Fund Balance:

FY 24 - \$ 14,333

FY23 - \$ 357,346

FY22 - \$1,181,781

- Concerns

- Low Current Ratio 0.75
- Expenditures > Revenue
- Declining Fund Balance
- Declining Enrollment
  
- School responded with Corrective Actions 11/15/24

# Financial Analysis: 93T Cardinal Charter Academy at Wendell Falls

Financial Noncompliance Status: Red Flag

ADM:

FY	Month 1 ADM	% Change
24	634	-18%
23	778	9%
22	718	9%

Unassigned Fund Balance:

FY 24 - \$ 74,202

FY23 - \$126,027

FY22 -\$ 717,881

- Concerns

- 19% drop in ADM
- Expenses exceed revenue
- Charter Management Organization has provided \$3.6 million in forgiven support costs over 4 years – concern if this stops.
- CMO responded with actions and commitment for continued support

# Financial Analysis: 32Q Reaching All Minds Academy

Financial Noncompliance Status: Cautionary

ADM:

FY	Month 1 ADM	% Change
24	386	-2%
23	397	5%
22	380	7%

- Concerns

- Days Cash on hand – 20, historically 100
- Reduced Fund Balance
- Appears to be due to capital investment

Unassigned Fund Balance:

FY 24 - \$ 85,447

FY23 - \$1,762,609

FY22 - \$1,961,169

# Financial Analysis: 93A Haliwa-Saponi Tribal School

Financial Noncompliance Status: Cautionary

ADM:

FY	Month 1 ADM	% Change
24	145	5%
23	138	-9%
22	152	-3%

Unassigned Fund Balance:

FY 24 - \$158,129

FY23 - \$190,640

FY22 - \$427,787

- Concerns

- Audit identified material weakness in accounting processes
- Issue with IDEA program – resolved.
- School has responded with actions.

# Financial Analysis: 61K United Community School

Financial Noncompliance Status: Cautionary

ADM:

FY	Month 1 ADM	% Change
24	247	
23	249	-3%
22	257	-2%

Unassigned Fund Balance:

FY 24 - \$168,453

FY23 - \$631,421

FY22 - \$538,750

- Concerns

- In default of SBA loan
- Expenses exceed revenue by \$443,000
- Reduced Fund Balance
  
- School responded with Corrective Actions on 11/25/24

# Financial Analysis: 61J Lakeside Charter Academy

Financial Noncompliance Status: Red Flag

ADM:

FY	Month 1 ADM	% Change
24	281	18%
23	239	10%
22	219	3%

Unassigned Fund Balance:

FY 24 - \$483,468

FY23 - \$747,212

FY22 - \$356,509

- Concerns

- Current Ratio of .75
- Expenses exceed revenue for three of the past four years.
- Interest and other charges total 21% of revenue

**Can we address any  
Questions?**