



Executive Director Update

August 29, 2022

Present:

Chris Hamilton
Josh Gettys
Charley Foster
Oscar Romero
Gus Connelly

ED Update:

- **Enrollment** – We are enrolled at 767 students as of today, which is 97.8% of capacity (784 students). The reason for the difference is student withdrawals and no-shows at the beginning of the year that we haven't yet backfilled. We are actively working on backfills, and hope to be at 99% of capacity within 2-3 weeks. We may not be able to reach 100% capacity because of attrition in 11th and 12th grades.
- **Staffing** – We are fully staffed as of the first day of school, considering core/mission-critical positions. Since the first day of school, we have made three hires: an RTI Manager (hybrid role with teacher coverage) and two Assistant Teachers (focusing on teacher coverage). We do not currently have any open roles posted.
- **Academic Results** – 2021-2022 TVAAS level 5 school, both at the overall composite level, *all* subject area composite levels (1 of only 5), and at the majority of grade/subject pairings.
- **Looking Forward** – Potential MRA in-house version of Donors Choose style fundraising effort?

Finance

- **Preliminary FY2022 Year End Financials** - we are currently doing reconciliations and finalization of numbers for FY2022. There are some items to still finalize including Title I and ESSER grant funding, accounts payable, health benefits and retirement payment accruals, and credit card coding. The organization will have a one-time revenue recognition of \$829,448 from PPP Loan Forgiveness. This is a non-cash revenue recognition (since funds were received in FY2021). As a result, we anticipate Memphis Rise having an operating surplus on its audited financial statements for FY2022. On a cash basis, we expect to have some level of deficit (not significant) that was driven by lower than expected enrollment for BEP funding calculations (739 students vs. Budget of 772 students); as well as from higher than expected spending in a few areas of the academic program. We'll discuss in more detail at the September meeting.
- **The Auditing process** for FY2022 has begun and we expect the audit to be completed in early December at the latest.



- **Federal Grants and Cash Flow Management** - Memphis Rise had a significant amount of grant funding this year (approximately \$1.5M) from Title I and ESSER Grants. All of these grants work on a reimbursement basis (the school has to spend the money before being reimbursed by Shelby County Schools). As mentioned in previous board meetings, that process was very slow this past year. A significant amount of the reimbursements were received over the past few months, however. ***For example, in late July and August, Memphis Rise received \$928K in reimbursement payments from Shelby County (for this past fiscal year). We are still expecting an additional \$368K in reimbursement payments for FY2022.*** We had a fairly large dip in the cash balance over the summer (to about \$350K) that we have managed through (**and cash is currently at \$1.76M**). The rebound in cash is a result of the reimbursements recently received over the past 4 weeks. We will be in a healthy cash position moving forward.
- **FY2023 Budget:** The Board, at the last meeting, approved the FY2023 budget, which has an estimated operating surplus of \$198K. We expect to meet this goal, which is important for financial health and for compliance with current loan covenants with the Equitable Facilities Fund. In FY2023, Memphis Rise will have approximately **\$626K in ESSER 2.0 funds** to spend (which must be spent by June 30, 2023) and has **\$2.4M remaining in ESSER 3.0 funds (which must be spent by June 30, 2024)**. We anticipate spending about **\$1.2M - \$1.4M in ESSER 3.0 funds in FY2023. The remaining ESSER 3.0 funds will be spent in FY2024.**
- At the September Board Meeting, we will present detailed preliminary year-end financials for FY2022 (which will be finalized in the audit) as well as year to date for FY2023 (July and August).

Board Actions

- Chris will send an email to the board about Board Training opportunities through TCSC. There will be an available calendar of training options.
- Our board is lower than it should be – we want to be on the lookout for anyone who is interested in joining the board.
 - Potential additional parent representative – Gus will speak with him to see if he is interested, and connect with Chris for further conversation

Meeting Start: 6:05 PM

Meeting End: 6:46 PM