

EDSYS, INC.

EDUCATION DELIVERY SYSTEMS

BOARD OF TRUSTEES MEETING

WEDNESDAY, November 17, 2021

- I. Presentation of 2020-2021 Financial Audit Report by Maher Duessel
- II. Consent Agenda
 - 1. Approve October 20, 2021 Minutes
 - 2. Enrollment
 - 3. Metrics
 - 4. October 2021 Financials
- III. Reports
 - 1. 4 PLUS Evaluation Plan by Dr. Catherine Nelson
 - 2. CEO's/Principal's Report
 - 3. Board Committee Updates
 - a. Racial Equity & Social Justice
 - i. New Co-Chairs
- IV. Old/New Business
 - 1. Discipline & Restorative Practices Board Workshop
- V. Executive Session
 - 1. Adjudications
- VI. Next Board Meeting- January 19, 2022
 - 1. Last Day of the Trimester~ December 3rd
 - 2. Last Day for Administration~ December 10th

Minutes of a Regular Meeting of
THE BOARD OF TRUSTEES OF
EDSYS, INC

Time and Place

A meeting of the Board of Trustees of EDSYS, Inc., a Pennsylvania nonprofit corporation, was held remotely via Zoom on Wednesday, October 20, 2021 at 5:30 p.m. due lingering impact of the COVID-19 pandemic.

The following Board of Trustees members were present and a quorum was established:

Cara Ciminillo
Gerry Dudley
David Lehman
Tracey Reed Armant
Cindy Tananis

Also present was:

Jordan Strassburger, attending for the solicitor.

David Lehman chaired the meeting, and was called to order at 5:37 p.m.

Consent Agenda

The Consent Agenda for the October 20, 2021 Board of Trustees Meeting included the following items:

- Approve September 15, 2021 Board Meeting Minutes.
- Metrics
- Enrollment
- Financials

Tracey Reed Armant moved to approve the minutes. Cindy Tananis seconded the motion. The motion to approve the minutes was unanimously approved.

CEO/Principal Report

Dara Ware Allen presented the CEO's/Principal's Report highlighting the following topics:

- Enrollment for current year and the status of the new enrollment campaign for the class of 2026.
- Internal activities with an emphasis on the impact of managing COVID protocols.

New Business

- ***Committee Composition*** (attached to board packet)
 - David Lehman reviewed the committees and appealed to the Board for members to sign up for at least one committee.

- ***Format of the 21-22 Board Meetings***

The Board will continue its current format for the November meeting. We will be moving to a hybrid format in January 2022. That format will consist of both virtual and in person options.

- ***Expulsion & Disciplinary Approaches to Drugs***

Dara Ware Allen provided some background on this topic about the Board's intention to further explore our approach to handling drug offenses with students, particularly as offenses have continued to increase. She then elaborated that Cindy wanted to initiate a broader review of restorative practices within our disciplinary and expulsion responses. The Collaborative for Evaluation and Assessment Capacity (CEAC) prepared the brief of research resources for us to consider.

Cindy provided insights from her experience as a Board representative for our expulsion hearings about what prompted her idea for further exploration of building on City High's approach to restorative discipline. David shared that he would like the Board to hold a workshop to devote appropriate time to explore this topic. Dara will share the CEAC brief and circulate potential workshop dates.

Executive Session

Tracey Reed Armant motioned to go into Executive Session to discuss adjudications and personnel matters. Cindy Tananis seconded the motion. The motion to go into Executive session was unanimously approved.

Cara Ciminillo motioned to come out of Executive Session. David Lehman seconded the motion. The motion carried unanimously.

Adjudications

- Following review and consideration of the foregoing Findings of Fact and Conclusions of Law, and consideration of the Recommendations of the Administration and the Board Officer, it is the final decision of the Board of Trustees of City Charter High School that KC be deemed expelled for the remainder of the trimester, returning on January 4, 2022.

Cindy Tananis motioned to approve the adjudication as concerning KC as written. Cara Ciminillo seconded the motion. The motion to accept the adjudication as written was unanimously approved.

- Following review and consideration of the foregoing Findings of Fact and Conclusions of Law, and consideration of the Recommendations of the Administration and the Board Officer, it is the final decision of the Board of Trustees of City Charter High School that JC be deemed expelled for 20 days.

Cindy Tananis motioned to approve the adjudication as concerning JC as written. Cara Ciminillo seconded the motion. The motion to accept the adjudication as written was unanimously approved.

- Following review and consideration of the foregoing Findings of Fact and Conclusions of Law, and consideration of the Recommendations of the Administration and the Board Officer, it is the final decision of the Board of Trustees of City Charter High School that GS be deemed expelled for 20 days.

Cindy Tananis motioned to approve the adjudication as concerning GS as written. Cara Ciminillo seconded the motion. The motion to accept the adjudication as written was unanimously approved.

- Following review and consideration of the foregoing Findings of Fact and Conclusions of Law, and consideration of the Recommendations of the Administration and the Board Officer, it is the final decision of the Board of Trustees of City Charter High School that DD be deemed expelled for 30 days.

Cindy Tananis motioned to approve the adjudication as concerning DD as written. Cara Ciminillo seconded the motion. The motion to accept the adjudication as written was unanimously approved.

Adjournment

Cindy Tananis made a motion to adjourn, it was seconded by Cara Ciminillo and carried unanimously.

The next regular Board of Trustees meeting is scheduled for Wednesday, November 17, 2021.

Submitted by,

Theresa Dillon – Secretary

CITY CHARTER HIGH SCHOOL

STUDENT ENROLLMENT REPORT

November 2021

ENROLLMENT TO DATE	568	
Regular Education	453	79.75%
Special Education	115	20.25%

CATEGORY (Race by Gender)	2021/2022	2020/2021
White Male	15.49%	18.25%
White Female	13.20%	14.95%
Black Male	24.12%	22.33%
Black Female	32.57%	30.29%
Hispanic Male	0.88%	0.78%
Hispanic Female	0.35%	0.58%
Multi-Racial Male	7.22%	5.63%
Multi-Racial Female	4.58%	6.02%
Asian Male	0.53%	0.58%
Asian Female	0.70%	0.19%
American Indian	0.35%	0.39%
Other	0.00%	0.00%
	568	515

CATEGORY (Race by Grade)	9th	10th	11th	12th	Total
Black	18.66%	11.44%	12.85%	13.73%	56.69%
White	8.45%	5.28%	7.22%	7.75%	28.70%
Multi-Racial	3.52%	2.29%	2.82%	3.17%	11.80%
Hispanic	0.35%	0.35%	0.53%	0.00%	1.23%
Asian	0.35%	0.18%	0.35%	0.35%	1.23%
American Indian	0.00%	0.35%	0.00%	0.00%	0.35%

CATEGORY (Social Economic Status)	9th	10th	11th	12th	Total
Free					100.00%
Reduced					0.00%
Paid					0.00%
No Entry					0.00%

Grade	Enrollment Comparison		
	2021/2022	2020/2021	%Difference
12th Male	69	43	60.5%
12th Female	73	50	46.0%
Total	142	93	52.7%
11th Male	70	74	-5.4%
11th Female	65	80	-18.8%
Total	135	154	-12.3%
10th Male	48	72	-33.3%
10th Female	65	78	-16.7%
Total	113	150	-24.7%
9th Male	88	56	57.1%
9th Female	90	62	45.2%
Total	178	118	50.8%
Total	568	515	10.3%

School Districts		
Aliquippa SD	1	0.001761
Ambridge	1	0.001761
Avonworth SD	1	0.001761
Baldwin	3	0.005282
Bethel Park	4	0.007042
Brentwood SD	3	0.005282
Carlynton	1	0.001761
Chartiers Valley	1	0.001761
Clairton City	1	0.001761
Duquesne City	4	0.007042
East Allegheny	1	0.001761
Fox Chapel	1	0.001761
Gateway	2	0.003521
Keystone Oaks	1	0.001761
McKeesport SD	6	0.010563
Montour SD	2	0.003521
Mount Lebanon	1	0.001761
North Allegheny	0	0
North Hills	5	0.008803
Northgate	1	0.001761
Penn Hills	22	0.038732
PPS	422	0.742958
Quaker Valley	1	0.001761
Shaler	2	0.003521
Steel Valley	12	0.021127
Sto-Rox	20	0.035211
West Mifflin	3	0.005282
Wilkinsburg	18	0.03169
Woodland Hills	28	0.049296
*		
*		
Total	568	100.00%



Student Enrollment

Grade Level	Current Year/Prior Year	Notes
9 th	178/114	Current Enrollment Significantly Higher than Prior Year
10 th	113/149	Current Enrollment Significantly Lower than Prior Year
11 th	135/152	Current Enrollment Lower than Prior Year
12 th	142/92	Current Enrollment Significantly Higher than Prior Year Current School-wide Enrollment Significantly Higher than Prior Year School-Wide Total: 568 current students/508 prior year

Personnel Management

Measure	Current Year/Prior Year	Notes
Administrative Turnover	0/0	
Faculty Turnover	0/0	
Staff Turnover	0/0	
Open Positions	3/0	Math/Science TA, Personal Care Assistant, and Counselor/Social Worker
Promotions	1/1	
Leaves	0/1	

School Management and Leadership

Measure	Current Year*/Prior Year	Notes
Average Daily Membership (PPS)	573.86/510.45	
Applications: New 9 th grade (2026)	58/93 30/15	New application launched on October 1st. Ytd, we have nearly double the number of completed applications received.
Suspensions > 1 day	6/0	
Expulsions	3/0	
Faculty Observations	53/49	
Student Attendance %	92.46%/92.21%	
Faculty/Staff Attendance %	96.12%/99.75%	The staff attendance rate is affected by COVID protocol absences (i.e. symptoms and COVID exposures/positive cases).

Fiscal Health (As of October 31, 2021)

Measure	Description
Bank Balance	\$4.576 million
P/L Comparison: 21-22 to 20-21 YTD	Income: \$3.437 to \$3.806 million Expense: \$4.276 to \$4.077 million

Compliance and Reporting

Measure	Description	Notes
PACSP Grant	First Reimbursement Report	Submitted through fedreporting.com portal.
A+ Schools Data Capture	Annual Data Capture for the A+ Schools Report to the Community	Updates submitted.
PIMS	Various monthly PIMS reports.	Submitted throughout the month depending on the respective report deadlines.

Initiatives/Grants



Initiative	Purpose	Fiscal Impact	Notes
Grant (Division of Federal Programs)	ESSER II (Elementary & Secondary School Emergency Relief) COVID-19 Grant	\$966,036	Grant allocations determined. Application to be submitted; the grant period extends until 2023.
PACSP Federal Grant: through PCPCS)	Expanding Opportunities Through Quality Charter Schools Program (CSP)	\$1.2M multi-year grant opportunity	Awarded on 5-10-21 for \$1.5 M for 3 years. Grant period began October 1 st but applicable expenses were permitted as of July 1 st .

Strategic Planning

Program	Date/Notes	Program	Date/Notes
Revamped marketing approaches for increasing student recruitment are continuing into the 21-22 school year.	Fall Open House held on October 2 nd . This is an earlier date than our traditional kick-off in early November. The number of applications for the new 9 th grade class in comparison to this same time period as last year is significantly higher.	Trimester 2 Planning	Getting underway with consideration of updated COVID and vaccination guidance.
		4PLUS Model	4PLUS evaluation draft plan developed; student and staff 4PLUS schedule established.
		Middle States Accreditation	Extension until May 2023; our accreditation status will not lapse in the interim; we changed our third objective to 'Advanced Learning Opportunities.'
		PPS Annual Monitoring Visit	They are instituting new visits to get back on track with their typical annual schedule. We will be visited again in January.
		PPS Charter Renewal	Renewal letter submitted on 9/28/21

Comments on Financial Statements

General Note: Due to City High transitioning to virtual learning during COVID-19, for the first and second trimester of the 20/21 school year, certain revenues and expenses were impacted. All revenues and expenses related to the Lunch Program were reduced, as well as some maintenance costs, transportation costs, wellness costs, and Student Activities costs in the fiscal 20/21 year. This will affect comparisons with the 21/22 year.

Note #

1. **Page five and seven - Foundation Grants**

In July 2019, City Charter High received a \$50,000 grant from Philadelphia Management Company. The grant is unclear as to restrictions and intended use. Consistent with prior years, City High used these funds for scholarships awarded to Class of 2020 graduates.

\$36,500 in scholarships were paid through June 2021 for the 16 2020 graduates who have verified their college enrollment. Two awardees never verified college enrollment. Also, money was returned in two cases where the students did not complete the year.

Note: The remaining \$24,000 in grant funds not used for scholarships for Class of 2020 and previous graduates was awarded to the Class of 2021 graduates and paid out to the colleges of their choice in September 2021.

City High received final approval for a \$64,000 grant from Partner4Work for fiscal 20/21. The funds are to be reimbursed to City High as costs are incurred toward training for undergraduate students in accordance with the grant. ~\$26K in costs were incurred under the grant in fiscal 20/21. \$20K has been reimbursed, with the remaining \$6K awaiting reimbursement @ October 31, 2021.

In addition, in December 2019 City High received a \$10,000 grant from Claude Worthington Benedum Foundation. The grant is restricted to fund a teacher training and symposium, which has been postponed and will take place in fiscal 21/22.

Pennsylvania Charter Schools Program Grant - On September 30, 2020, the Pennsylvania Coalition of Public Charter Schools (PCPCS) was awarded an Expanding Opportunities Through Quality Charter School Programs Grant from the US Department of Education. The grant award will total \$30 million over a grant period of 5 years (2021-2025). The funds are to be used to help expand opportunities for students to attend excellent public charter schools and exceed state academic standards. **City High applied for and received approval for funding under this grant.**

City High received approval for ~\$900K for Year 1 (October 2021 thru September 2022) and \$200K each in Years 2 and 3 of the grant.

The grant provided a 90 day look-back period in which to begin reimbursement requests for budgeted expenditures, with the first submission request due on October 14, 2021. **City High requested reimbursement of ~\$73K under the grant in the October 14, 2021 submission, and should begin receiving funds from the grant in November or December 2021.**

2. **Page five and seven - Tuition - Regular and Special Education**

Overall, monthly tuition payments received from Pittsburgh Public Schools (PPS) had been trending higher each year since 07/08. This was due primarily to increased and more stable student enrollment each year from the PPS and, more recently, increased tuition rates to help offset the lack of retirement reimbursements from the PDE. Tuition rates were projected to remain consistent with the final 20/21 rates in the 21/22 Budget.

Note 1: Student enrollment rebounded in fiscal 18/19, and was almost back to historical trends prior to the Covid-19 pandemic. The pandemic then caused another dip in enrollment, particularly in the Freshman Class in fiscal 20/21.

Student enrollment assumptions in the 21/22 budget are based on 20/21 actual enrollment.

Note 2: So far in fiscal 21/22, student enrollment is anticipated to be significantly above the 20/21 enrollment trends. The new 9th grade class is near capacity at 178 students, as compared to prior year's 9th grade class of 114.

As of October 2021, average student enrollment is up by 64 students as compared to October 2020 (574 vs 510 students) - primarily due to the Freshman Class (See above).

We will monitor enrollment numbers closely during the 21/22 year to determine their effect on expected tuition revenue. It should be noted that after late January of each school year,

enrollment numbers will only decline, as no new students are added after that time. Also of note is that special education enrollment (and incremental special education tuition rates) is higher than historically projected in the past budgets. The budgets anticipated that 15% of total student enrollment would be special education students, while the actual special education enrollment has been approximately 22% since fiscal 18/19. This created a large positive variance in actual Tuition - Special Education Revenue as compared to the budgets. Beginning in fiscal 19/20, and continuing thru fiscal 21/22, budget has anticipated a 21% special education enrollment rate.

Note 3: Pittsburgh Public pays tuition for the first 4 months of the school year based on estimated enrollment from the previous year. In November of each year, PPS reconciles to the actual enrollment and adjusts their payments accordingly. Therefore, the effects of the higher enrollment on fiscal 21/22 tuition revenue will begin to show in the November and December financial statements.

Note 4: In August 2021, Pittsburgh Public made an error in processing their tuition checks. City High's check in the amount of \$768,533.34 was returned by the bank, thus resulting in the low Regular and Special Education Revenue in 21/22 as compared to 20/21 as well as the low Cash In for August 2021 shown on Page 9. Pittsburgh Public paid both the August and September 2021 tuition in September. The Tuition Revenue, Net Income, and Cash Flows were corrected in the September 2021 financial statements.

3. **Page five and seven- Revenue from State Sources**

Amounts represent reimbursements received each year from the state for a portion of City Charter High's costs related to that fiscal year, in accordance with state regulations. Costs eligible for partial reimbursement currently include special education, facility rent, and school nurse expenses.

Note from Fiscal 13/14: The 11/12 Pennsylvania State budget eliminated the reimbursement for Social Security/Medicare expenses incurred by Pennsylvania public schools. No reimbursement has been included in subsequent budgets.

Note from Fiscal 14/15: The 14/15 Pennsylvania State Budget eliminated the reimbursement for the 50% of PSERS Retirement expenses incurred by charter schools.

No reimbursement has been budgeted in subsequent fiscal years.

The Lease Reimbursement from PDE is currently in arrears for two years (14/15 and 16/17). City High received the 17/18 Lease Reimbursement of ~\$46K in February 2019 (~\$20K short of the 18/19 budget). It is not clear as to whether the school will ever receive the 14/15 and 16/17 reimbursements (~\$60K each). Also, Lease Reimbursement for 19/20 was budgeted, applied for, and approved by the PDE. ~\$38K was received in December 2020.

The Ready to Learn Grant for 20/21 was applied for in October 2020 (\$28,823). It was approved and funded in October 2020, and has been fully spent. The grant has been closed.

City High applied and was awarded a Covid-19 Health and Safety Grant for Reopening Schools from the Pennsylvania Commission on Crime and Delinquency (PCCD). The grant award is for \$89,873.00. The funds were to be spent or committed between 7/3/2020 and 10/30/2020. City High has spent the entire amount under the grant, and a final fiscal report has been filed and accepted. The grant funds were received in November 2020. The grant is closed.

In December, 2020 City High applied for the Elementary and Secondary School Emergency Relief Fund (ESSER) in the amount of \$217,488. These funds can be spent anytime between March 2020 and September 2021, regardless of when the grant is applied for and approved. The application was approved by the PDE in February 2021 and funding began in April 2021. The funds under the grant have been fully spent as of September 30, 2021 and are awaiting receipt of final funding from the PDE in order to close the grant.

In January 2021, City High was notified that it has been awarded a second Elementary and Secondary School Emergency Relief Fund Grant (ESSER II) in the amount of \$966,036. This grant begins in the 20-21 school year and extends into 21-22 and 22-23. City High has not yet applied for the ESSER II grant funds. *The application must be submitted to the PDE by December 10, 2021 in order to receive the funding.*

City High has also been awarded a Safe Schools Grant in 20-21 for \$24,815.10. The grant is awaiting final approval and will ultimately be funded upon City High's completion of expenditures in accordance with the grant budget, and submission of the expenditures to the

Safe Schools Department.

Finally, in February 2021, City High's application was approved for a \$5,000 Special Education Covid Mitigation Impact Grant. Funds can be expended thru September 2021. All funds have been expended are are awaiting final funding from the PDE in order to close the grant.

4. **Page five and seven - Title I, II, and V, Lunch/Milk Subsidies, and ERATE**

Amounts represent federal funds received or accrued and applied toward the specific programs in the applicable fiscal years.

NOTE 1: Title V funding has been suspended for the last five fiscal years.

NOTE 2:

The application for Title I, II, and IV (new in 17/18) funding of approximately \$305K for fiscal 21/22 was filed in August 2021, and is still awaiting approval from the PDE as of October 31, 2021.

YTD in fiscal 21/22, City High has received remaining payments from the 20/21 Title I grant in the amount of ~\$60K. All grant funds have been received and spent.

5. **Page five and seven - Other Financing Sources**

Amount represents monthly interest earned on MMAX account with Huntington Bank and, beginning in March 2013, certificates of deposit placed with Huntington Bank and, later, PNC Bank (See Note below).

Interest earned on the MMAX accounts at Huntington was approximately .02% in Oct '21, as interest rates have dropped severely in reaction to COVID-19.

NOTE from Fiscal 14/15: In fiscal 12/13, City High transferred the majority of its cash to Huntington Bank, leaving a small balance under the FDIC Insured limit of \$250K, in the PNC Account. During fiscal 13/14, the PNC account was utilized as a segregated account to pay the premiums, administrative costs, and monthly claims of City High's self-funded medical benefit plan placed with Highmark. Since fiscal 14/15, the PNC account was with a balance of ~\$49,000. The account was closed in November 2017 with the funds transferred to the Huntington Bank Operating Account.

All other PNC accounts were closed as of June 30, 2013.

In addition, City High invested \$1,000,000 into one year Certificates of Deposit placed first with Huntington Bank, and later with PNC Bank in \$250,000 increments. The CD's were first opened in March 2013, and have matured and been reinvested for various terms over the years.

In May 2020, the funds were reinvested through PNC Bank in four 3 month \$250,000 FDIC insured CD's, earning interest at rates ranging from .15% to .2% (See COVID-19 effect on interest rates above). These CD's matured in August 2020, and were reinvested into 4 new 3 month \$250,000 CD's in January 2021, earning interest between .05% and .02%. The funds from the CD's were reinvested again in June 2021 into 2 new 3 month \$250,000 CD's, and 2 new 6 month \$250,000 CD's. The two 3 month CD's matured in September 2021 and are awaiting reinvestment.

6. **Page five and seven - Miscellaneous Receipts**

Amount represents all miscellaneous monies received by City Charter High, such as donations for the Robotics, Drama, Mentoring/Career Readiness Programs, School Recycling Program, etc...Other receipts are primarily from students to cover their portion of costs for participation in various school sponsored educational and recreational activities, as well as student payments for MOS certifications, and loss or damage to school property. The SAGE and Robotics Programs actively fundraise and solicit donations/grants to help defray the costs of various local and national competitions. Amounts received are included in Misc. Receipts.

The Robotics Program received \$10,500 in unrestricted grants in 20/21.

The transportation costs for fiscal 20/21 of ~\$10K were billed to the five school districts in May/June 2021. The unpaid balance is a portion of the A/R - Other on the Balance Sheet and is included in miscellaneous receipts on the Profit/Loss Statement in 20/21.

In fiscal 20/21, the miscellaneous receipts represent refunds of ~\$10K in deposits for field trips and activities that were cancelled due to Covid-19, an insurance renewal credit from UPMC of ~\$21K, and a refund of unused monies remaining in an educational trust of ~\$18K. The insurance credit and the educational trust refund were not budgeted in fiscal 20/21.

In fiscal 21/22, miscellaneous receipts represent forfeitures from the 401(K) plan that have

been applied against employer contributions in September/October.

7. Page five and seven - Personnel Services

Salaries for existing positions are budgeted to increase for fiscal 21/22 as there were across the board raises for the fiscal 21/22 year of ~3%.

The 21/22 budget also includes several newly established positions as follows:

Technology Coordinator, Community Engagement Director, additional School Counselor, additional Security Guard, and additional Custodian. All of these positions will be funded, at least in part, by either the ESSER Grants or the PA Charter School Grant. Thus far in fiscal 21/22, only the additional Security Guard has been added, and the Technology Coordinator has been staffed from existing personnel. The rest of the new positions have not yet been filled.

Benefits are budgeted at 48.8% of salaries for fiscal 21/22 based on the prior year's actual experience and projected benefit costs in fiscal 21/22, primarily City High's required increase in its annual PSERS contribution for employees, currently at 34.94% of salary.

NOTE: In an attempt to offset rising benefit costs, in fiscal 15/16 City High converted to a high deductible medical benefit plan, and an associated HRA. The premium payments are ~\$40K/mo. compared to ~\$55K/mo. in prior years under the traditional plan. Under the high deductible plan, City High pays 85% of the employee deductible costs incurred. City High has continued to offer the high deductible plan thru fiscal 21/22. There was no increase in premiums from fiscal 20/21.

The total benefit expense in 21/22 should be higher than prior year due to the increased salary percentage as mandated by the PDE for PSERS contributions (34.94% in 21/22 vs. 34.51% in 20/21).

However, beginning in 17/18, City High has implemented an alternative retirement plan (ARP) open to newly hired employees only. Under the ARP, City High will match the employee's pre-tax contribution, up to 7%, as well as provide a non-elective contribution to each employee of 5%, for a maximum annual contribution of 12% per employee (as compared to 34.94% under PSERS). Currently there are 41 employees participating in the ARP rather than PSERS (representing over 45% of the full-time workforce). City High has been tracking the savings on an annual basis.
****In fiscal 17/18 thru fiscal 20/21, the ARP generated ~\$950,000 in savings for retirement benefit payments.**

City High will continue to track the savings of the ARP vs PSERS in fiscal 21/22.

Please Note** YTD Benefit Expense is lower in fiscal 21/22 than 20/21 due to the **savings of the 401(k) Plan vs the PSERS Plan.**

Note that YTD benefits are higher in fiscal 21/22 vs 20/21 due to higher medical insurance (the 85% of employee high deductible costs covered by City High) and a \$20,000 early retirement payout in September 2021. The medical insurance is higher YTD in fiscal 21/22 due to a change in the plan structure, whereby City High's 85% deductible is paid out first before the employees begin to utilize their FSA's (for medical costs only, not dental or vision).

In addition, the estimated accrual for Attendance and Benefit Bonuses are carried as a liability on City High's balance sheet for the entire fiscal year. The liabilities for these bonuses are estimated based on prior year payouts. The 20/21 bonuses were paid in the August 15, 2021 payroll. The accrual for 21/22 is based on the actual bonuses paid for 20/21 and will continue to be carried on the balance sheet in fiscal 21/22, revalued for the June 30, 2022 audit, and paid out in August 2022.

8. Page five and seven - Other Professional Services and Other Purchased Services

Costs for Other Professional Services will continue to trend higher for 21/22, as expenses are incurred.

Projection due to tuition payments to approved private schools for certain special education students related to 21/22, as well as other special education costs, and higher anticipated ESL costs. In addition, City High is paying for contracted services for adjunct teachers, cyber school and alternative school for certain students, and Point Park tuition fees for students that were previously offered free of charge. In fiscal 16/17, City High also began offering a "College in High School" class through CCAC.

In addition, City High has begun new targeted advertising and marketing campaigns in order to continue to attract new students, as enrollment decreased in 17/18 for the first time in school history. As a result, advertising costs will continue to trend higher in fiscal 21/22 as they have for the last several years. The campaigns have been successful in drawing a much larger Freshman Class in fiscal 21/22, than the last few school years. **Most of the advertising, marketing, and recruiting costs will be funded from the PCPCS grant in fiscal 21/22.**

In addition, there continue to be costs associated with operating during the Covid-19 pandemic that have been identified and realized. These will be tracked and disclosed as incurred.

Special education expenses are expected to be higher in 21/22 than 20/21 due to higher private school tuition and other specialized services, primarily due to a return to in-person instruction for students requiring these services. **Special education enrollment, as a percentage of total student enrollment, has averaged ~22% over the last several fiscal years.**

Note that Special Education expenses @ June 30, 2020 reflected an accrual of ~\$106K for costs related to 18/19 and prior for 4010 students that were yet been billed by the PDE, as well as ~\$65K for 4010 students for 19/20, also not yet billed by the PDE. This also represents \$171K and \$100K in Accrued Liabilities on the 6/30/20 and 6/30/21 Balance Sheets, respectively. The 18/19 and prior costs (\$106K) were subsequently billed and paid in July 2020. The 19/20 and prior costs (\$53K) were subsequently billed and paid in August 2021. The remaining accrued liability of ~\$47K represents estimated costs for 4010 students for fiscal 20/21 not yet billed by the PDE.

9. **Page six and eight - Rental - Land & Buildings**

In addition to the increased rent for the new leased facility, City High began paying for certain utilities that were included in the lease payment in the old facility, including steam heat, water and sewage, and electricity. Utilities costs are budgeted based on actual costs in 18/19. Utilities are actually trending lower than prior years due to efforts by the Maintenance team to reduce steam usage (cutting cost of steam by ~1/3 in 17/18). The Utilities budget was decreased for fiscal 20/21 to reflect this, and decreased again for 21/22 based on actual 20/21 costs. **However, steam costs are beginning to increase again, which will result in Utilities being higher in fiscal 21/22 than 20/21, and possibly higher than budgeted.**

In November 2019, the lease payment increased by \$ ~2,083 per month (to \$117,267), in accordance with the lease agreement. This increase is included in the 21/22 budget.

In June 2017, City High signed an Amendment to the existing lease in order to lease additional space for the build-out of a new Fitness Center for students. Annual rent increased by \$50,000 (\$4,167/month) beginning in September 2017. This increase was included in the 21/22 budget. In addition, the lease term was extended by five years, to August 2027.

Lease escalation related to fiscal 19/20 of \$35K was billed and paid in August 2020, resulting in Rent Expense being higher in 20/21 vs 21/22.

July rent was prepaid in both June 2021 and June 2020.

10. **Page six and eight - Depreciation Expense**

Change in depreciation expense from 18/19 is due to additional depreciation for the leasehold improvements and equipment for the Fitness Center, new laptops purchased for incoming 9th grade class, new classroom furniture, and an upgraded firewall system in 18/19, offset by newly retired assets (primarily computer equipment) for which depreciation is no longer applicable.

As City High has purchased more expensive laptops for the new 9th grade classes in 20/21 and 21/22, depreciation expense will start trending higher again (See Note 12).

11. **Page two - Accounts Receivable and Grants Receivable**

See comments under Note #1 above regarding Grants Receivable. The amount at June 30, 2020 and June 30, 2021 represents amount due under the Partner4Work Grant.

City High traditionally began invoicing for tuition for each new school year in October.

This allowed a few months for enrollment to stabilize and eliminated the need for numerous billing adjustments. The suburban school districts were invoiced for August thru October 20XX

at that time. However, in 16/17, City High began billing in accordance with new State regulations.

According to these regulations, City High must first bill each school district by the 5th of each month, allowing 30 days for the school district to make payment. If payment is not received in 30 days, City High may then apply to the PDE for tuition redirection for nonpaying school districts.

The PDE has been extremely slow in funding tuition redirection for the past several years. In fiscal 19/20, 20/21, and early 21/22 this was due primarily to the Covid-19 pandemic.

City High had not received any tuition redirection from the PDE since March 2020, which represented billings through January 2020. This results in an extremely high A/R again @ 6/30/20. Over one year of tuition redirection was outstanding from the PDE as of 2/28/21.

City High has completed the reconciliations for fiscal 19/20. They were submitted to the PDE in late January 2021, with payment of ~\$263K received in March 2021.

It should be noted that some of the school districts that were previously paid through tuition redirection have begun making payments on their own to City High. This has resulted in the A/R not being as high as might be expected at 6/30/21, given the lack of redirection payments for the 20/21 school year. It should be noted that an additional tuition redirection payment of ~\$138,000 for 2 school districts was received from the PDE in June 2021. No tuition redirection has been received from the PDE thus far in fiscal 21/22.

12. **Page two and two(a) - Fixed Assets and Debt**

Beginning in fiscal 10/11 through fiscal 19/20, operating funds have been used to purchase computers for the new freshman class. The computers are capitalized as fixed assets (see Page 2) and are being depreciated over 4 years beginning 9/1/20.

Additionally, in 17/18, a new Fitness Center was completed, with the cost to City High capped at \$200,000. As of February 2018, the Fitness Center, including the new elevator access, has been completed and in use, the costs have been capitalized and depreciated over the new extended lease term of ten years. The equipment purchased for the Fitness Center has been capitalized as Furniture and Fixtures, and depreciated over 5 years. Note that the Fitness Center and equipment were placed in service in late October 2017. Depreciation commenced effective 11/1/2017.

Depreciation related to the new elevator commenced on 2/1/2018, when it was placed in service.

All capital leases have been paid off and City High has no long-term or short-term debt outstanding.

Note that the refurbished computers originally purchased for the new 9th grade class in August 2020 were ultimately sent back to the vendor in early January 2021, and replaced with newer computers, more suitable to the virtual learning environment. The vendor agreed to provide reimbursement of the original computers at 50% of original purchase price, exclusive of batteries. The overall loss on the transaction was ~\$37,000, and was included in the June 2021 financial statements. The resulting reimbursement of \$15,760 was received in May 2021.

The newer, higher cost computers were again purchased for the incoming Freshman Class in the 21/22 school year. This will result in higher depreciation over the next 4 years.

13. **Page six and eight - Student Transportation**

In 07/08 through 18/19 City High helped to subsidize the student trips to Costa Rica, New York, and Niagara Falls utilizing interest earned on the CD and MMAX accounts, as well as operating funds. In fiscal 19/20, City High planned again help to subsidize these trips and the budget reflects these costs, however all Spring 2020 and Spring 2021 trips were cancelled due to Covid-19.

All Fall 2021 fieldtrips were also cancelled. Currently, there are plans for a New York City fieldtrip for both the Senior and Junior Class in Spring 2022, as well as a fieldtrip for the Sophomore Class (location to be decided). There is no Costa Rica trip planned for 21/22.

NOTE: The amount of student contributions and fundraising associated with the Costa Rica and Niagara Falls trips for 18/19 was repaid from the Student Activities Account to the City High Operating Account in November, after the completion of the fiscal 18/19 audit. Student payments toward the cancelled 19/20 trips (including New York City in 19/20) that had accumulated in the Student Activities Account, were either refunded to the students or rolled over (See Below).

Other student transportation costs include daily transportation of special education students to approved private schools. This cost began to trend higher in the second half of 17/18, and has continued to trend higher in 18/19 and 19/20, as City High has additional students enrolled in private schools (transporting ~10 students either to private schools or to City High prior to Covid-19).

Until in-person instruction was reinstated on a full time basis (March/April 2021), transportation costs were minimal.

Note that all trips in 19/20 were cancelled due to COVID-19. Students were refunded their deposits for the Costa Rica trip, net of airfare vouchers that were issued to them from American Airlines. Students were also refunded for the New York City trip and the Niagara Falls trip, except in the case where deposits were rolled over for future trips or toward Senior Fees. No student trips at all were taken during fiscal 20/21, and no deposits were collected.

14. **Page six and eight - Other Purchased Services**

Other Purchased Services (except for Advertising) should be comparable to 20/21, and include janitorial costs, extermination and pest control, and other miscellaneous services.

Other Purchased Services are higher YTD in fiscal 21/22 due to required water sampling that was performed in September and October, costing ~\$7K, as well as higher monthly cleaning costs now that students and staff are back in the building full-time.

15. **Page two - Prepaid Expenses**

Prepaid expenses at 6/30/21 and 6/30/20 represent advance deposits for software support and maintenance contracts for fiscal 21/22 and 20/21, respectively. In addition, the July rent and

As of:	Balance Sheet		Tuition Receivable	Accounts Payable
	Cash Balance	Current Ratio*		
October 31, 2021	\$4,576,595	\$19 to \$1	\$485,445	\$14,881
June 30, 2021	\$5,129,604	\$15 to \$1	\$616,969	\$11,797

*Current Ratio = Current Assets/Current Liabilities

	Tuition Receivable Aging Schedule				
	Total	Current	>30	>60	>90
October 31, 2021	\$485,445	\$4,059	\$182,809	\$0	\$298,577
June 30, 2021	\$616,969	\$215,270	\$302,584	\$0	\$99,115

For the 4 Mos. Ended Oct:	Income Statement			
	Total Revenue	Total Expense	Revenue Per Student*	Expense Per Student*
2021	\$3,437,199	\$4,276,248	\$5,988.15	\$7,449.91
21/22 Budget	\$13,599,808	\$13,248,576	\$25,184.83	\$24,534.40
% of Budget	25.27%	32.28%	23.78%	30.37%
2020	\$3,806,529	\$4,077,503	\$7,463.78	\$7,995.10

Comments: Revenue is lower in 21/22 than 20/21 due to PPS paying an estimated tuition rate based on final enrollment in 20/21. This will start to correct in November when PPS reconciles to actual enrollment. Also, Miscellaneous Receipts (refunds, etc) were higher in 20/21. This is slightly offset by CARES Act - ESSER grant funds, as well as Federal and State Lunch subsidies in 21/22 that were not received in 20/21.

YTD Expenses in 21/22 are higher than 20/21 due to higher salaries and benefits, higher supply and technology costs, higher utility costs, and higher lunch and school store food expenses.

See below for benefit expense discussion.

***Average Student Enrollment** assumed as follows:

21/22 Budget:	540 students	
Oct 2021	574 students	(YTD Average)
Oct 2020	510 students	(YTD Average)

Highlights: Total Revenue is lower YTD in fiscal 21/22 than 20/21 due to PPS tuition payments based on estimated enrollment (actual enrollment is higher in 21/22). See below.

Total Expenses are also higher YTD as expected due to higher salaries (raises) and benefits, as well as higher supply costs, food costs due to a return to in-person instruction, and higher utility costs.

Enrollment is up 64 students at the start of the 21/22 school year as compared to the start of the 20/21 school year. (574 vs 510). This is primarily due to the new Freshman Class currently near maximum capacity with 178 students. The fiscal 21/22 budget was built based on average enrollment of 540 students. However, there continues to be a loss of interest earnings due to decrease in interest rates (Covid-19 related).

Note that City High realized a total savings of ~\$950,000 in fiscal 17/18 thru 20/21, by implementing the new 401K plan for new hires effective 7/1/17.

As of 10/31/21, 41 employees are participating in the 401K plan rather than PSERS. This represents over 45% of the workforce. Savings will continue to grow each fiscal year as employee turnover occurs and new hires join the 401K plan rather than PSERS.

City Charter High School
List of Depository Institutions
As of October 31, 2021

MMAX Account: (Placed Through Huntington Bank)

Issuer Name	FDIC #	City, State	Amount
AccessBank Texas	58562	Denton, TX	\$249,900.00
Allegiance Bank	58628	Houston, TX	\$249,900.00
Bank of Houston National Association	3178	Houston, TX	\$249,900.00
First Internet Bank of Indiana	34607	Fishers, IN	\$249,900.00
HSBC Bank USA National Association	57890	Tysons, VA	\$115,149.54
JPMorgan Chase Bank National Association	628	Columbus, OH	\$249,900.00
MY SAFRA BANK FSB	35154	New York, NY	\$249,900.00
Ocean Bank	24156	Miami, FL	\$249,900.00
Pacific National Bank	26299	Miami, FL	\$249,900.00
Signature Bank	57053	New York, NY	\$249,900.00
SpiritBank	4048	Tulsa, OK	\$249,900.00
The Northern Trust Company	913	Chicago, IL	\$249,900.00
Tristate Capital Bank	58457	Pittsburgh, PA	\$249,900.00
Total Portfolio (Interest - .02%)			<u>\$3,113,949.54</u>

Certificates of Deposit: (Placed Through PNC Investments, Inc.)

Issuer Name/Cusip No.	Effective Date	Maturity Date	Interest Rate	Amount
Ballston National Bank/New York/058723AG2	6/16/2021	9/16/2021	0.03%	\$250,000.00
Guilford Savings Bank/Guilford,CT/401834BN5	6/22/2021	9/21/2021	0.03%	\$250,000.00
Bank of India/New York/06279KQ66	6/15/2021	12/15/2021	0.05%	\$250,000.00
Goldman Sachs Bank/USA/38149MWT6	6/11/2021	12/16/2021	0.05%	\$250,000.00
Total Portfolio				<u>\$1,000,000.00</u>

NOTE: Each Certificate of Deposit issued under a specific Cusip Number is a separate and distinct entity with respect to FDIC insurance coverage, regardless of issuing bank.

OVERVIEW:

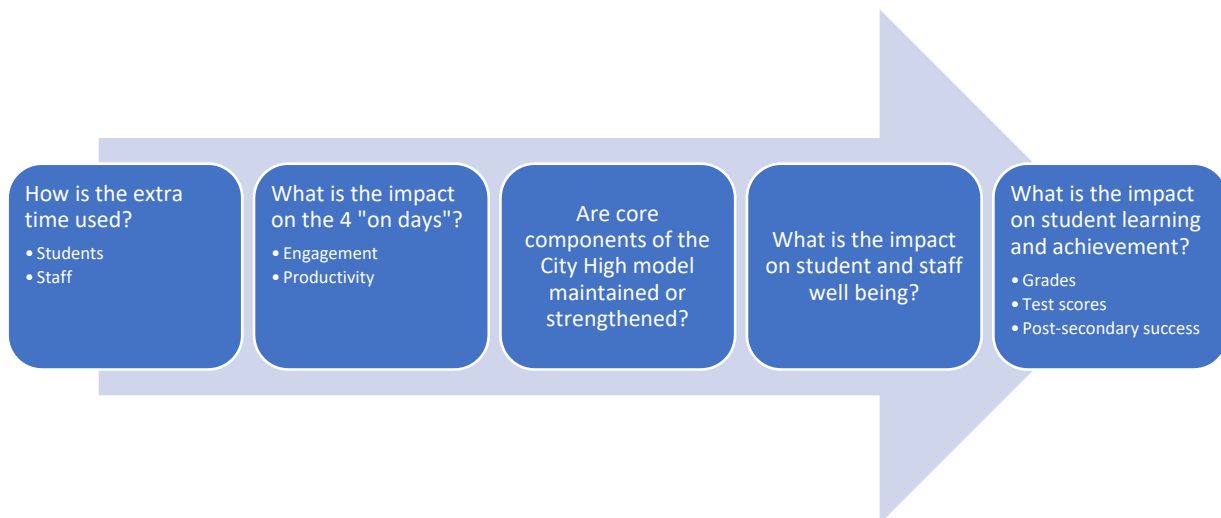
During the 2021-22 school year, City High is piloting a 4-day schedule in an effort to improve student and staff well-being while maintaining the school's unique model and the high performance it enables. Given the school's extended school day, year-round calendar, and rigorous curriculum, the goal is to find an optimal balance of engagement and ability to recharge. The school began researching the model prior to the pandemic in response to rising concerns about student and staff burnout. City High tested a 4-day schedule during the pandemic and will continue it on a pilot basis for the return to full in-person instruction. This memo lays out the evaluation questions and data collection that the school will use to determine the impact of the pilot and whether the schedule should be made permanent.

SPECIFICS OF THE 4PLUS (Personalized Learning for Student Success) MODEL

- Students will attend school Tuesday-Friday.
- The extended school day, year-round calendar, and block schedule will be maintained.
- Students will not be expected to complete work on Mondays, although the time may be used to catch up on assignments.
- The school will offer optional student programming every other Monday, including recreational activities, access to the fitness center and opportunities for 1:1 support from teachers and wellness staff.
- Teachers and staff will work every other Monday, using the time for professional learning, curriculum work, lesson planning and grading, and communications with students and parents.
- All other core elements of the City High model will be maintained: looping, the advisory program, workforce preparation including internships, and the independent senior model.

EVALUATION QUESTIONS:

Evaluation of the pilot will address the following questions:



In addressing these questions, the evaluation will look at these specific indicators:

(1) What do students and staff do with the extra time?

- a. Students: Sleep, work, activities/hobbies, participation in and impact of school-sponsored activities on Mondays, safety and access to food on Mondays.
- b. Staff: Professional learning, planning, communication with students and parents, team roles.

(2) What do they do differently during the 4 "on days"?

- a. Students: Attendance, Engagement/productivity, discipline, participation, workforce grades
- b. Staff: Changes to curriculum and pedagogy, ability to differentiate and personalize

(3) Are the core components of the City High model maintained or strengthened?

- a. Looping- and the strong relationships it enables
- b. Workforce orientation, including internship
- c. Culture- measured using the 7 mantras/core values:
 - o Safety
 - o Caring
 - o Collaboration
 - o Responsibility
 - o Challenge
 - o Connections to the real world
 - o Known as individuals
- d. Rigorous curriculum: Coverage, depth

(4) What is the impact on students and staff well-being?

- a. Reported levels of stress, work/life balance, feeling caught up
- b. Retention

(5) What is the impact on student learning and achievement?

- a. Grades
- b. Test scores: STAR, Keystone, SAT
- c. Post-secondary success: Graduation rate, Promise eligibility, % accepted to 2 or 4-year college

DATA SOURCES

Many of these indicators are already tracked in the school's annual report, so for those the approach will be to look at this year's results relative to the 5-year trend. The table below identifies relevant existing data elements from administrative data and surveys as well as new data that will be collected to speak specifically to the impacts of 4PLUS.

Existing administrative data	<ul style="list-style-type: none"> - Attendance - Tardy rates - Discipline - Internship completion - Retention - Grades (Academic and workforce) - Test scores - Post-secondary success
Existing survey items	<ul style="list-style-type: none"> - Experience of school culture - Parent satisfaction - Faculty team functioning

Evaluation of City High's 4PLUS Pilot, 2021-22 School Year

New administrative data needed	<ul style="list-style-type: none"> - Participation in optional Monday activities (students) - Participation in professional learning (teachers) - Access to 1-on-1 support
New survey items needed <ul style="list-style-type: none"> ▪ <i>Student</i> ▪ <i>Faculty</i> ▪ <i>Parent</i> 	<ul style="list-style-type: none"> - Use of time on Mondays - Well-being - Engagement - Impacts on curriculum and pedagogy (teacher only)
New qualitative data needed	<p>Additional qualitative data will consist of interviews each trimester addressing all of the above but focusing in particular on</p> <ul style="list-style-type: none"> - Changes to curriculum and pedagogy - Ability to personalize instruction, including differentiation and feedback - Impacts on specific student populations, including IEP students <p><i>Interviews each trimester will include</i></p> <ul style="list-style-type: none"> - <i>8-10 faculty across grade levels and content areas</i> - <i>1-2 administrators</i> - <i>Specialist staff: Student activity manager, teacher coach, reading specialist, wellness, internships</i>

TIMELINE

NOVEMBER	<ul style="list-style-type: none"> - Establish 5-year baseline for all existing administrative and survey-based indicators - Develop protocol and conduct first round of faculty interviews - Gather Tri1 data on participation in Monday activities
DECEMBER	<ul style="list-style-type: none"> - Preliminary analysis of Tri1 attendance and grades data
JANUARY	<ul style="list-style-type: none"> - Short check-in survey with students focused on well-being and time use on Mondays
FEBRUARY	<ul style="list-style-type: none"> - Annual parent survey in conjunction with conferences - Faculty interviews
MARCH	<ul style="list-style-type: none"> - Tri2 data on participation in Monday activities
APRIL	<ul style="list-style-type: none"> - Update grades and attendance analysis - Updates to faculty, staff, and student surveys
MAY	<ul style="list-style-type: none"> - Annual faculty, staff, and student surveys¹ - Final faculty interviews
JUNE	<ul style="list-style-type: none"> - Data analysis and report to board
JULY	<ul style="list-style-type: none"> - Update analysis with Tri3 data

¹ End of year surveys are normally administered in June. They will be shifted a few weeks earlier this year in order to accommodate the timing of the Board decision on continuing the 4-week schedule. Depending on the timing of the PPS renewal vote, we may administer an earlier survey specific to the impact of the 4-week schedule.

Professional Development Update - Ed Leader Meeting on 11/11/21

Review of This Trimester's Workshops:

August	<ul style="list-style-type: none">● All Staff Trauma Training (Dr. Brennan)● Discussions (Lyskava - about 10)● Mindfulness and Self-Regulation (Kizior - about 25)● Relationships Matter (Budziszewski and Zatezalo - about 25)● Student Engagement - Choice, Voice, and Movement- about 20)
September	<ul style="list-style-type: none">● Talking about Team Roles (17 attendees)<ul style="list-style-type: none">○ WATS (3 people worked together), Retention (5), Advisory (4), Team Facilitation (3), Wellness Liaisons (2)● Classroom Management (Luft - about 20)
October	<ul style="list-style-type: none">● Trauma Training - Part II (Dr. Brennan - about 20)● Mindfulness and Self-Regulation (Kizior - 8)● Tech Tools<ul style="list-style-type: none">○ Desmos (Kohnen - 6)○ Photoshop (Shaner - 5)
November	<ul style="list-style-type: none">● Trauma Training - Part III (Dr. Brennan - TBD)● Classroom Management and Teacher Cultural Self-Awareness (Dr. Cunningham - TBD)

- Successes/Positive Takeaways:
 - Excellent reviews continue (feedback is shared with PD facilitators)
 - Using staff voice to help make decisions
 - Began recording sessions with the help of Duty and Shaner (City High Panel and Dr. Brennan's October Workshop)
 - Aimed for general classroom needs, bigger picture needs, and workshops that translate for everyone in the building (meeting the needs of everyone in the building)
- Challenges:
 - How do we prioritize one hour once a month?
 - People are struggling with too many options
 - Getting to basic staff needs (November doesn't have a "Classroom Basics" type of PD)
 - Lack of content time (big gap from September to November)
 - Not all staff have signed up for one

- Grad Project Presentations this trimester (looks like this trimester only)

Schedule for the Remainder of the the Year:

- Trimester 2

- January 3 - TBD (make decision ASAP)
 - What are our hours this day?
 - All Staff Meeting and Team Meetings
 - Add a workshop or content meeting?
- January 10 - Content Meetings
- January 24 - All Staff Restorative Practices Workshop (Dr. Cunningham)
- February 7 - PD Workshop Choices:
 - Relationships Matter (Budziszewski and Zatezalo)
 - Special Education for the Regular Education Teacher (Baranowski)
 - Classroom Management (Luft)
- February 21 - Conferences
- March 7 - Content Meetings
- March 21 - PD Workshop Choices:
 - Social Justice Pedagogy - Part 1 (Dr. Kokka and Barga)
 - Assessment and Grading (?)
 - Staff Well-Being (?)

- Trimester 3

- April 25 - TBD (similar to January 3)
- May 2 - Content Meetings
- May 16 - PD Workshop Choices:
 - Social Justice Pedagogy - Part 2 (Dr. Kokka and Barga)
 - *New York Times* Educational Resources (Domingues-Murphy)
 - Team Teaching (?)
- June 6 - Content Meetings
- June 27 - PD Workshop Choices:
 - City High Continuum (Riley)
 - LGBTQIA Resources Workshop (?)
 - *New York Times* Educational Resources (Domingues-Murphy)
- July 11 - Content Meetings
- July 25/End of Year - Final Workshops? Did not initially plan anything given this is the final week of school.

Questions and Ideas for Next Year/Moving Forward:

- Creating a place to store all materials and resources; how do we create a culture to use this?
- ACT 48 Credit
- Prioritizing workshops over content meetings each conference month?
- Stand-alone workshops vs. a theme for the year

- Welcoming new/fresh ideas

4PLUS MONDAY

We are excited to start our 4PLUS Monday schedule. Below you will find the programs we will be offering between 12:30pm - 2:30pm this first trimester. We have academic, wellness, and activity options for our students. The space is limited on certain activities and will be given on a first-come first-served basis. We have also included a list of resources that you can contact on your own to participate in their programs on Mondays. If there is any cost involved in those resources, you will be financially responsible.

Author of the Trimester - Kit Frick

Books of the Trimester - See *All the Stars* or *All Eyes On Us*

	Location	Description/Notes
Academic Support w/Teacher(s)	Virtual	1-on-1 w/Teacher(s) (Virtual only / Requires appointment)
Reading Club	Quiet Lunch Room	Free book, book discussion, and meet the author
Post High School Planning	Auditorium	Hosting different workshops to help with all of your post high school planning
Volunteer Opportunity	Cafeteria	Help a local non-profit and get some volunteer hours
Wellness	Wellness Office	In-person or Virtual / Requires appointment (No drop-ins) You must email: ickes@cityhigh.org or zuniga@cityhigh.org
Weight Lifting	Gym	Build up strength in your arms, legs, and core
YOGA	Dance Studio	Build your core strength while working on your inner peace
Kickball	Point State Park	Meet at the school in the courtyard
Climbing	Ascend	Meet at the school in the courtyard; this will run from 12-4pm
Outdoor Pgh	TBD	Meet at the school in the courtyard
Running	Downtown	Meet at the school in the courtyard

September 27, 2021

12:30-1:00	1:00-1:30	1:30-2:00	2:00-2:30
Academic Support: 1-on-1 w/Teacher(s) (Virtual only / Requires appointment)			
Reading Club			
Post High School Planning			
Wellness (In-person or Virtual / Requires appointment)			

4PLUS MONDAY

Weight Lifting		
		Kickball

October 25, 2021

12:30-1:00	1:00-1:30	1:30-2:00	2:00-2:30
Academic Support: 1-on-1 w/Teacher(s) (Virtual only / Requires appointment)			
Reading Club			
Post High School Planning			
Wellness (In-person or Virtual / Requires appointment)			
Weight Lifting			
Climbing at Ascend			

November 8, 2021

12:30-1:00	1:00-1:30	1:30-2:00	2:00-2:30
Academic Support: 1-on-1 w/Teacher(s) (Virtual only / Requires appointment)			
Volunteer Opportunity			
Wellness (In-person or Virtual / Requires appointment)			
YOGA			
Activity with Outdoors Pittsburgh			

November 22, 2021

4PLUS MONDAY

12:30-1:00	1:00-1:30	1:30-2:00	2:00-2:30
Academic Support: 1-on-1 w/Teacher(s) (Virtual only / Requires appointment)			
Reading Club - Meet the author			
Post High School Planning			
Wellness (In-person or Virtual / Requires appointment)			
Weight Lifting			
		Running	

EDSYS, Inc.
d/b/a City Charter High School

Financial Statements

Years Ended June 30, 2021 and 2020
with Independent Auditor's Report

EDSYS, INC.

YEARS ENDED JUNE 30, 2021 AND 2020

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Independent Auditor's Report

Board of Directors EDSYS, Inc.

We have audited the accompanying financial statements of EDSYS, Inc. (EDSYS), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
EDSYS, Inc.
Independent Auditor's Report
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EDSYS as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Pittsburgh, Pennsylvania
MONTH XX, 2021

EDSYS, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,129,605	\$ 4,351,702
Cash restricted for student activities fund	8,102	38,551
Tuition receivable	616,969	803,521
Grants and other accounts receivable	51,720	80,318
Other current assets	11,488	29,502
Prepaid expenses	233,104	233,027
Total current assets	6,050,988	5,536,621
Noncurrent assets:		
Property and equipment, net of accumulated depreciation	589,844	573,831
Total Assets	\$ 6,640,832	\$ 6,110,452
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 11,797	\$ 9,284
Amounts held for student activities fund	8,102	38,551
Other current liabilities	378,117	441,471
Total Current Liabilities	398,016	489,306
Net Assets:		
Without donor restrictions:		
Undesignated	2,627,972	4,928,482
Board-designated:		
Lease payments	1,020,831	58,333
Retirement contributions	1,979,169	-
Investment in property and equipment	589,844	573,831
Total without donor restrictions	6,217,816	5,560,646
With donor restrictions	25,000	60,500
Total Net Assets	6,242,816	5,621,146
Total Liabilities and Net Assets	\$ 6,640,832	\$ 6,110,452

See accompanying notes to financial statements.

EDSYS, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:						
Tuition	\$ 11,004,705	\$ -	\$ 11,004,705	\$ 11,385,064	\$ -	\$ 11,385,064
Grant revenue and reimbursements	787,683	-	787,683	704,603	-	704,603
Contributions	-	-	-	6,500	60,000	66,500
Cafeteria revenue	13,393	-	13,393	62,605	-	62,605
Investment income	3,382	-	3,382	55,032	-	55,032
Other	72,256	-	72,256	72,325	-	72,325
Net assets released from restriction:						
Satisfaction of donor restrictions	35,500	(35,500)	-	365	(365)	-
Total revenue and other support	11,916,919	(35,500)	11,881,419	12,286,494	59,635	12,346,129
Expenses:						
Program:						
Charter School	10,689,124	-	10,689,124	11,128,917	-	11,128,917
Management and general	570,625	-	570,625	551,215	-	551,215
Total expenses	11,259,749	-	11,259,749	11,680,132	-	11,680,132
Change in Net Assets	657,170	(35,500)	621,670	606,362	59,635	665,997
Net Assets:						
Beginning of year	5,560,646	60,500	5,621,146	4,954,284	865	4,955,149
End of year	<u>\$ 6,217,816</u>	<u>\$ 25,000</u>	<u>\$ 6,242,816</u>	<u>\$ 5,560,646</u>	<u>\$ 60,500</u>	<u>\$ 5,621,146</u>

See accompanying notes to financial statements.

EDSYS, INC.**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2021

	Program	Management and General	Total
Salaries and employee benefits	\$ 7,707,807	\$ 182,524	\$ 7,890,331
Accounting services	-	68,727	68,727
Banking fees	-	60	60
Other professional services	552,895	78,821	631,716
Curriculum materials	69,600	-	69,600
Dues and fees	844	-	844
Depreciation expense	221,695	24,633	246,328
Occupancy	1,430,799	158,978	1,589,777
Legal services	-	44,087	44,087
Office supplies and miscellaneous equipment	315,413	79	315,492
Scholarships	37,500	-	37,500
Student activities	1,535	-	1,535
Travel	-	-	-
Student transportation	97,977	-	97,977
Food services	26,981	-	26,981
Printing and binding	12,236	-	12,236
Advertising	99,396	-	99,396
Information technology	114,446	12,716	127,162
Total expenses	<u>\$ 10,689,124</u>	<u>\$ 570,625</u>	<u>\$ 11,259,749</u>

See accompanying notes to financial statements.

EDSYS, INC.**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries and employee benefits	\$ 7,822,372	\$ 172,288	\$ 7,994,660
Accounting services	-	38,141	38,141
Banking fees	-	70	70
Other professional services	777,904	82,180	860,084
Curriculum materials	62,103	-	62,103
Dues and fees	5,029	-	5,029
Depreciation expense	230,143	25,572	255,715
Occupancy	1,413,945	157,105	1,571,050
Legal services	-	60,986	60,986
Office supplies and miscellaneous equipment	316,481	3,265	319,746
Scholarships	-	-	-
Student activities	24,245	-	24,245
Travel	2,263	656	2,919
Student transportation	217,278	-	217,278
Food services	113,989	-	113,989
Printing and binding	4,473	-	4,473
Advertising	40,125	-	40,125
Information technology	98,567	10,952	109,519
Total expenses	<u>\$ 11,128,917</u>	<u>\$ 551,215</u>	<u>\$ 11,680,132</u>

See accompanying notes to financial statements.

EDSYS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 621,670	\$ 665,997
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	246,328	255,715
Change in:		
Tuition receivable	186,552	(637)
Grants and other accounts receivable	28,598	(66,031)
Amount held for student activities fund	(30,449)	(9,637)
Other current assets	18,014	16,086
Prepaid expenses	(77)	(17,894)
Accounts payable	2,513	(44,195)
Other current liabilities	(63,354)	130,374
Net cash provided by (used in) operating activities	1,009,795	929,778
Cash Flows From Investing Activities:		
Payments for property and equipment	(262,341)	(128,285)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	747,454	801,493
Cash, Cash Equivalents, and Restricted Cash:		
Beginning of year	4,390,253	3,588,760
End of year	\$ 5,137,707	\$ 4,390,253
Consists of:		
Cash and cash equivalents	\$ 5,129,605	\$ 4,351,702
Cash restricted for student activities fund	8,102	38,551
	\$ 5,137,707	\$ 4,390,253

See accompanying notes to financial statements.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

1. Organization

EDSYS, Inc. (EDSYS) is a non-profit organization created to establish a technologically oriented charter high school in western Pennsylvania. The mission of EDSYS, a technology infused public school, is to graduate students who are academically, technologically, personally, and socially prepared to succeed in post-secondary education or training. Using a team approach, EDSYS cultivates a safe, supportive, and academically rigorous environment by recognizing and nurturing individual talents, needs, and skills.

EDSYS began operations in January 2001. The technological charter school opened in September 2002. The original charter expired June 30, 2007. As of July 1, 2017, the charter has been extended through June 30, 2022.

In June 2002, EDSYS received approval from the Pennsylvania Department of State Corporation Bureau to operate and conduct business under the name 'City Charter High School'.

2. Summary of Significant Accounting Policies

The accounting policies of EDSYS conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The following is a summary of the more significant policies:

Financial Statement Presentation

EDSYS is required to report information regarding its financial position and activities according to classes of net assets: net assets without donor restrictions and net assets with donor restrictions. EDSYS is also required to present a statement of cash flows.

The net assets of EDSYS are reported in two net asset classes as follows:

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations. At times, the Board of Directors (Board) may designate a portion of the net assets without donor restrictions to be used for certain projects. As of June 30, 2021 and 2020, the Board designated \$1,020,831 and \$58,333, respectively, for lease payments and \$1,979,169 and \$0, respectively, for retirement contributions.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Board-designated funds consist of funds set aside to cover incremental monthly lease payments as required under the lease terms (as described in Note 8) and retirement contributions. These amounts could be made available for general operating purposes by Board approval if necessary.

With donor restrictions – Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of EDSYS pursuant to those stipulations.

Basis of Accounting

The accrual basis of accounting is followed by EDSYS as applicable to not-for-profit organizations. Accordingly, revenues and support are recognized when earned and expenses are recognized when the liabilities are incurred.

Functional Allocation of Expenses

The allocation of functional expenses approximates program usage. Specific identification with a particular function is the major basis for allocation. Immaterial amounts of fundraising expenses are included in management and general expense.

Income Taxes

EDSYS is recognized by the Internal Revenue Service as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, EDSYS qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and has been classified as an organization other than a private foundation. Further, EDSYS annually files a Form 990.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term highly liquid investments with maturities from the date of purchase of six months or less.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Liquidity and Availability

EDSYS manages its liquid resources by focusing on timely billing and collection of tuition, as well as various fundraising efforts, to ensure the entity has adequate funds to cover the educational services and programs that are being conducted. EDSYS prepares very detailed budgets and has been very active in fiscal management to ensure the entity remains liquid.

As part of the liquidity management plan, EDSYS invests its cash in excess of daily requirements in short-term investments and certificates of deposit. EDSYS manages its cash, short-term investments, and certificates of deposit to ensure that sufficient cash is available to cover operating expenditures and liabilities as they come due.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

	2021	2020
Financial assets, at year-end	\$ 5,809,782	\$ 5,265,043
Less: those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	(25,000)	(60,500)
Board-designated - lease payments	(1,020,831)	(58,333)
Board-designated - retirement contributions	(1,979,169)	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,784,782</u>	<u>\$ 5,146,210</u>

Revenue and Contribution Recognition

Tuition revenue represents the tuition paid by various Western Pennsylvania School Districts for the students enrolled in EDSYS who reside within that particular school district. This revenue is earned and recognized during the applicable school year as the performance obligation of delivering education services is simultaneously received and consumed by the students. EDSYS has elected not to establish an allowance for doubtful accounts as the entire balance is deemed collectible either through collection from school districts or submitting bills to the Commonwealth of Pennsylvania for school districts that choose not to pay. The Commonwealth of Pennsylvania will withhold state aid payments from the school districts in order to pay EDSYS.

EDSYS, INC.**NOTES TO FINANCIAL STATEMENTS**YEARS ENDED JUNE 30, 2021 AND 2020

Contributions, including unconditional promises to give, are recognized when received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of June 30, 2021 or 2020. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

A portion of EDSYS revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when EDSYS has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. EDYSY did not have any refundable advances at June 30, 2021 or 2020.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment of \$5,000 or more are capitalized. Depreciation is computed over the estimated useful lives of four to ten years of the assets using the straight-line method. Depreciation expense was \$246,328 for the year ended June 30, 2021 and \$255,715 for the year ended June 30, 2020.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Compensated Absences

Unused sick or vacation days do not carry over each year and are not reimbursed if they are unused. However, EDSYS provides a perfect attendance bonus incentive of \$2,000. This bonus is reduced by \$200 for each absence up to ten days. At June 30, 2021 and 2020, the amount accrued for attendance incentives was \$133,900 and \$ 136,400, respectively, and is included in other current liabilities in the statements of financial position.

Pending Accounting Standards Update

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of this update on the financial statements.

ASU 2016-02, "*Leases (Topic 842)*," is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

3. Cash and Cash Equivalents

At June 30, 2021, the carrying amount of EDSYS's deposits (cash and money market instruments) was \$5,137,707 (including \$8,102 of cash restricted for the student activities fund) and the related bank balances totaled \$5,303,194. All of the bank balance was covered by federal depository insurance.

At June 30, 2020 , the carrying amount of EDSYS's deposits (cash and money market instruments) was \$ 4,390,253 (including \$38,551 of cash restricted for the student activities fund) and the related bank balances totaled \$4,648,124. All of the bank balance was covered by federal depository insurance.

EDSYS, INC.**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2021 AND 2020

4. Grants and Other Accounts Receivable

Grants and other accounts receivable consist of the following at June 30:

	2021	2020
Pennsylvania Department of Education	\$ 6,313	\$ 9,918
Partner4Work	20,538	33,275
School Districts - Transportation	9,624	37,125
Other	15,245	-
	<u>\$ 51,720</u>	<u>\$ 80,318</u>

5. Property and Equipment

Property and equipment at June 30, 2021 consist of the following:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021
Depreciable assets:				
Leasehold improvements	\$ 713,251	\$ -	\$ -	\$ 713,251
Furniture and fixtures	1,078,010	-	-	1,078,010
Office equipment	2,101	-	-	2,101
Kitchen equipment	221,996	-	-	221,996
Computer equipment	769,748	262,341	(133,397)	898,692
Total depreciable assets	<u>2,785,106</u>	<u>262,341</u>	<u>(133,397)</u>	<u>2,914,050</u>
Less: accumulated depreciation	<u>(2,211,275)</u>	<u>(246,328)</u>	<u>133,397</u>	<u>(2,324,206)</u>
Net property and equipment	<u>\$ 573,831</u>	<u>\$ 16,013</u>	<u>\$ -</u>	<u>\$ 589,844</u>

EDSYS, INC.**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2021 AND 2020

Property and equipment at June 30, 2020 consist of the following:

	Balance at June 30, 2019	Additions	Deletions	Balance at June 30, 2020
Depreciable assets:				
Leasehold improvements	\$ 713,251	\$ -	\$ -	\$ 713,251
Furniture and fixtures	1,062,582	15,428	-	1,078,010
Office equipment	2,101	-	-	2,101
Kitchen equipment	221,996	-	-	221,996
Computer equipment	771,564	112,857	(114,673)	769,748
Total depreciable assets	<u>2,771,494</u>	<u>128,285</u>	<u>(114,673)</u>	<u>2,785,106</u>
Less: accumulated depreciation	<u>(2,070,233)</u>	<u>(255,715)</u>	<u>114,673</u>	<u>(2,211,275)</u>
Net property and equipment	<u>\$ 701,261</u>	<u>\$ (127,430)</u>	<u>\$ -</u>	<u>\$ 573,831</u>

6. Economic Dependency

The operation of EDSYS is dependent upon the demographics and financial viability of the participating school districts and continuing provisions under Pennsylvania School Law governing charter schools. In addition, approximately 77% of students enrolled are from the City of Pittsburgh and, therefore, are economically dependent on tuition from Pittsburgh Public Schools.

Significant changes in EDSYS operations as a result of these factors are not anticipated as of the Independent Auditor's Report date.

EDSYS, INC.**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2021 AND 2020

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	2021	2020
Post high school education		
scholarships	\$ 15,000	\$ 50,500
Teacher training and symposium	10,000	10,000
	<u>\$ 25,000</u>	<u>\$ 60,500</u>

Net assets were released from donor restrictions during the years ended June 30, 2021 and 2020 in the amount of \$35,500 and \$365, respectively, by incurring expenses satisfying the restricted purposes.

8. Operating Lease

On August 31, 2011, EDSYS entered into a new operating lease to rent a facility to operate the charter school. The initial term of the lease is for ten years and eight months commencing in January 2012 and ending in August 2022. On July 7, 2017, the lease was amended extending the lease through August 2027. Rent is to be paid monthly in the amount of \$116,667.

Future minimum rental payments due under the term of the lease are as follows:

Years Ending June 30,	Total
2022	\$ 1,400,000
2023	1,462,500
2024	1,475,000
2025	1,483,333
2026	1,500,000
Thereafter	<u>1,750,000</u>
	<u>\$ 9,070,833</u>

Lease expense for fiscal years 2021 and 2020 was \$1,441,946 and \$ 1,398,867, respectively.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

9. Retirement BenefitsPlan Description

Public School Employees' Retirement System (PSERS) administers a governmental cost-sharing, multi-employer defined benefit pension plan (Pension Plan) and a governmental cost-sharing, multi-employer defined benefit Health Insurance Premium Assistance Program OPEB plan (Premium Assistance), to public school employees of the Commonwealth of Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Employees eligible for PSERS benefits include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania.

Retirees can participate in the Premium Assistance if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the PSERS Health Options Program or an employer-sponsored health insurance program.

Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011 through June 30, 2019. Act 120 created two new membership classes: Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and T-F members, the right to benefits is vested after ten years of service.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Act 5 of 2017 (Act 5) eliminated the stand-alone defined benefit plan, introduced a hybrid benefit, and introduced a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits Provided – Premium Assistance

Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible annuitants are entitled to receive Premium Assistance payments equal to the lesser of \$100 per month or their eligible out-of-pocket monthly health insurance premium. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

Member Contributions

The following illustrates the member's contribution as a percent of the member's qualifying compensation:

- Active members who joined PSERS prior to July 22, 1983:
 - Membership Class T-C 5.25%
 - Membership Class T-D 6.50%

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

- Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001:
 - Membership Class T-C 6.25%
 - Membership Class T-D 7.50%
- Members who joined PSERS after June 30, 2001, and before July 1, 2011:
 - Membership Class T-D 7.50%
- Members who joined PSERS after June 30, 2011 and before June 30, 2019:
 - Membership Class T-E* 7.50%
 - Membership Class T-F** 10.30%

* Shared risk program could cause future contribution rates to fluctuate between 7.50% and 9.50%.

** Shared risk program could cause future contribution rates to fluctuate between 10.30% and 12.30%.

The PSERS plan through EDSYS is closed to new employees not previously enrolled that are hired as of July 1, 2017.

Employer Contributions

EDSYS's contractually required PSERS contribution rate for the fiscal year ended June 30, 2021 was 34.51% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. This rate is composed of a 33.51% rate for the Pension Plan, a 0.82% rate for the Premium Assistance, and a 0.18% rate for Act 5 Defined Contribution.

The combined rate for the fiscal year ended June 30, 2021 was an increase from the fiscal year ended June 30, 2020 combined rate of 34.29%. The combined contribution rate will increase to 34.94% in fiscal year 2022 and is projected to grow to 38.17% by fiscal year 2028.

For fiscal year 2021, EDSYS contributions (including Premium Assistance) approximated \$1,266,000, which were equal to its required contributions including estimates for accruals for that year. These contributions represent less than 5% of the total contributions made to the plan.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

As of the June 30, 2020 actuarial valuation, the PSERS pension plan has a system fiduciary net position of \$58.6 billion, total pension liability of approximately \$107.8 billion, and a funded ratio of 54.32%. EDSYS's portion of the net pension liability was \$13.9 million as of June 30, 2020.

As of the June 30, 2020 actuarial valuation, the PSERS Premium Assistance plan has a system fiduciary net position of approximately \$130 million, total OPEB liability of approximately \$2.29 billion, and a funded ratio of 5.69%. EDSYS's portion of the net OPEB liability was \$609,000 as of June 30, 2020.

401(k) Plan

EDSYS offers a 401(k) plan to employees as an alternative to PSERS. All employees hired after July 1, 2017 will only be eligible to enroll in the 401(k) plan. All employees become eligible to participate as of the individual's hire date. They will be 20% vested after two years of service, 40% after three years, 60% after four years, 80% after five years, and 100% vested after six years of employment. EDSYS makes matching contributions of up to 7% of eligible compensation and a non-elective contribution of 5%. Contributions to the plan for the years ended June 30, 2021 and 2020 were \$ 148,196 and \$ 124,891, respectively.

10. Pennsylvania Coalition of Public Charter Schools Grant

On September 30, 2020, the Pennsylvania Coalition of Public Charter Schools (PCPCS) was awarded an Expanding Opportunities Through Quality Charter Schools Programs Grant from the US Department of Education. The PCPCS, through a competitive application process, chose EDSYS as one of three brick-and-mortar public charter schools to receive funds as subgrantees. EDSYS will receive approximately \$1.3 million from the PCPCS grant over a three-year period beginning in October 2021.

The funds are to be used to help expand public charter school options in Pennsylvania.