

## **Finance Report May 2021**

### **Edge High School**

#### **Cash Flow**

- Beginning cash of \$25,866 , Ending Cash of \$29,148
- Restricted Cash of \$164,368 Classroom Site, \$13,519 Instructional Improvement, \$8,610 Tax Credit
  - Restricted monies will be significantly lower in end of year activity in June

#### **Revenues**

- Tax credit revenues were less in April than in the prior year, but still greater for the full year
- State Equalization, State Restricted and Federal were all as expected.
- Federal for the year is significantly greater than the prior year as a result of PPP Loan Contribution Revenue, ESSER, ESSER 2 and Enrollment Stability Recovery Funds
- State Equalization is significantly less than prior year from the 30 ADM decrease year over year

#### **Expenses**

- Expenses for the month were very similar to the prior year. Salaries are greater monthly than the prior year from salary increases
- Purchased services were less year over year from Special Education Services and Legal Settlement in fiscal year 2020

#### **Budget FY2021**

- The budget reflects the revision approved in April. Budgeted expenses are in line with this revision. The budget does not include the possible bond fees listed in the next section.

#### **Budget FY2022**

- The proposed budget based on existing funding levels is being presented to the board. The state of Arizona has not approved a budget with funding amount for fiscal year 2022. Once the state budget is completed, the budget will need to be revised by September 15 to be in compliance with statutes put in place with the state budget and close of the legislative session.

#### **Charter Board Financial Framework**

- The prospective financial framework through fiscal year 2021 quarter 4 is available with the board materials.
- The school may leave Intervention Status. To do so, all metrics must be Approaches, or better.
- Notes

- Unrestricted Days Liquidity – Meets or Approaches. Will exceed 15 days (Approaches),
- Adjusted Net Income – Meets, Will exceed \$1 (even with additional bond fees)
- Lease Adjusted Debt Service Coverage Ratio – Approaches, if remains at or above 1.0 (this will likely fall below as a result of the bond fees and IRS Notices)
- 3 year ADM Trend – Approaches, -8.8% (Decrease between 5%-14.99% Approaches)
- Going Concern, Default – Meets, school is able to operate for the upcoming year and has not received notice of default

### **Bond Status**

As of June 22, 2021 Greenwich Investment Management and Kutak Rock LLP staff is still working with Russo, Russo & Slania P.C. with regards to IDA approval of the bond interest rate restructuring. We anticipate fees to be approximately \$20,000 and annual interest rate savings would be approximately \$35,000 in the first year. The transaction may close on June 24, 2021, pending required closing documents and obtaining a new CUSIP (Bond Identifier) Number,

### **Grant Status**

Entitlement grants (IDEA, ESEA Consolidated Title I, II, and IV) are all Director Approved.

The School was awarded \$10,000 through the Targeted Support and Improvement Grant. This is the maximum allowable based on our School Size; this grant applies to Himmel Park. Himmel Park will also apply for the Comprehensive Support and improvement – Low Grad Rate Grant in the fall once available.