



Minutes

Financial Committee Meeting

Thursday, April 18, 2019 @ 8:30 am

2323 W. Parkside Lane, Phoenix, AZ 85027

Adams Traditional Academy • Jefferson Preparatory • Choice Services LLC

Board Members Present

Judd Lewis, Lisa Fink

Board Members Absent

Guests Present

Debi Ryder, Audra Wilson-Smith, Tawnya Mecham, Stacy Oates

I. Financial Reports

A. Balance Sheet

Balance sheet reflects the \$200,000 received from US Bank. It is reflected in the Cash with Ttee-Tax and Insurance.

B. Profit and Loss

The \$200,000 received from US Bank is reflected in other supplemental local revenue.

II. Budget

A. Moving Expense Estimates

Currently the approximate costs are \$500/boxes and \$2000/IT. Facilities manager is still looking at costs for a moving van and paint.

A donation has been received that will cover the moving costs.

B. Preliminary Budget for 2019-2020

The proposed budget for Choice Academies for 2019/2020 was reviewed.

Audra Wilson-Smith will be going over the budget with the principals and director before sending it to the board of directors for a vote.

C. Additional parking expense estimates

The estimates for creating 12-15 parking spaces at the southeast corner of the property ranged from \$17,000 to \$27,000.

No further communication from the HOA owner about grading the lot next to the school for additional parking.

Suggestions were put forth to label parking areas for staff and students.

III. Audits

A. Debt Service Ratio

Currently, the organization is on track to maintain a 1.2 debt service coverage ratio for the 2018-2019 year. This will meet our bond covenant for this year. For the 2019-2020 year, the proposed budget provides a 1.47 debt service coverage ratio.

B. Review of bond holders meeting

Reviewed the notice sent by US Bank on March 27, 2019. The Trustee has advised Choice Academies that as long as CAI continues pursuing its current course of action and implementing the changes outlined in the report and continuing disclosure call and achieve a Debt Service Coverage Ratio of 1.2 at the end of fiscal year end 2019, the Trustee will consider the covenant breach for 2018 to be remedied.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:26 am.