



THE PALMDALE AEROSPACE ACADEMY

2025-2026

Adoption Budget Report



Presented June 10, 2025

Administration

Board of Directors

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Justin Knowles, Treasurer

Nardy Lopez, Secretary

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Administration

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Roseann Zarasua, Chief Business Official

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Christopher Riley, Director of Student Services

Gary Schatz, Director of Educational Services

Julie Fawcette, Director of Special Education

Julie Lovvik, Director of Health Services

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General Information

About the School

The Palmdale Aerospace Academy (The Academy) is a transitional kindergarten through 12th-grade charter school that provides education under a single Board of Directors and centralized administration. The Academy operates two campuses and an administrative office on the same property.

Mission Statement

The Palmdale Aerospace Academy is committed to academic excellence. Guided by the principles and innovation of the aerospace industry, the educational program integrates STEAM focused learning with real world applications providing opportunities for students to design, create, and explore. Through industry-inspired learning experiences and partnerships with aerospace employers, local community colleges, and other partners, students will develop the skills and mindset needed to innovate, adapt, and excel in a rapidly evolving world.

Vision Statement

The vision of The Palmdale Aerospace Academy is to provide an engaging environment for learning in grades TK-12. Our graduates will be supported, encouraged, and challenged to develop the following competencies that they will use for the rest of their lives:

- Ethical, Responsible Citizens Who Lead With Integrity
- Flexible, Adaptable, Imaginative, and Resilient Life-Long Learners
- Creators and Innovators Who Are Artistic and Technologically Literate
- Empathetic and Compassionate Individuals
- Effective Communicators, Critical Thinkers, and Problem-Solvers

Enterprise Fund (Fund 62) Summary

Revenues

The Enterprise Fund consists of two different types of revenue:

Unrestricted – funds whose uses are not subject to external or legal constraints and may be used for any purpose not prohibited by law.

Restricted – funds subject to constraints imposed by external resource providers or by law through constitutional provisions or enabling legislation.

Revenues are also classified into the following subcategories: LCFF Sources, Federal Sources, Other State Revenue, and Other Local Revenue.

Unrestricted Revenues

The Local Control Funding Formula (LCFF) is the primary unrestricted revenue source for The Academy. The LCFF is comprised of the base grant, additional funding for K-3 and grades 9-12 Class Size Reduction (CSR), supplemental grants for English learners, low-income, foster youth, and homeless students, and add-ons for Home-to- School Transportation and a Targeted Instructional Improvement Grant (TIIG) – The Academy does not receive these add-ons. However, commencing in fiscal year 2022-23, a transitional kindergarten add-on was added to the LCFF calculation. The Academy does receive this funding—all these sums become the Principal Apportionment.

The Principal Apportionment comprises State Aid, Education Protection Act, and In-Lieu of Property Tax monies. The LCFF apportionment amount is derived from a mathematical calculation utilizing The Academy's current-year average daily attendance (ADA) through the attendance reporting period named P-2 (typically a date in the middle of April), base grant per student value, Cost of Living Allowance (COLA), and the percentage of students who are either English learners, low-income, foster youth, or homeless (unduplicated student count).

Restricted Revenues

Restricted revenues are subject to externally imposed and legally enforceable constraints by external providers or by law through constitutional provisions.

Overview

Under the California Education Code, charter schools are required to submit a preliminary budget for the upcoming fiscal year and a Local Control Accountability Plan (LCAP) to their authorizing agency and the County Office of Education by July 1 of each year.

Budgets Are Not Static Documents

With the passage of Proposition 25 in November 2010, the legislative vote requirement necessary to pass the State Budget and spending bills related to the Budget was lowered from two-thirds to a simple majority. In addition, Proposition 25 stipulated that if the Legislature fails to pass a budget by June 15, all members of the Legislature will permanently forfeit their salary and expense reimbursement for each day that the budget remains unadopted. This timeline makes it challenging to complete budget planning, as the final state budget is likely to change, and its trickle-down impact could affect California schools.

Charter school budgets are initially adopted in June of each year. However, even after the state budget is adopted, revenues for charter schools may still change. Since they are subject to constant change, charter school budgets are not static documents; instead, they must be constantly revised to respond to decisions at the State and federal levels, as well as to the expenditure needs of each charter school.

Acceptance of constant revisions is one of the biggest challenges in understanding a charter school's budget. Yesterday's numbers are not always today's numbers. However, while there is a base cost of service, charter schools operate on such a narrow income margin that even a slight shift in revenues or expenses can have a significant impact on a charter's decisions. Although the cycle of budget adjustments varies, it exhibits a discernible rhythm, enabling the identification of the most significant budget changes by month.

Executive Summary

California Economy

The 2025–2026 fiscal year begins amid an economically cautious climate for California’s public education system. State revenues have shown signs of slowing compared to the post-pandemic rebound, and while the Governor’s proposed budget prioritizes education, funding volatility remains a concern. For charter schools, this means continued fiscal pressure from deferrals, changes in federal allocations, and increased cost-of-living pressures.

At the federal level, education funding remains uncertain. President Trump has initiated efforts to dismantle the U.S. Department of Education. In March 2025, he signed an executive order directing the Secretary of Education to facilitate the department's closure. However, a federal judge blocked this executive order in May 2025. This creates potential risk for programs that rely on federal support, such as Title I, special education, and nutrition services. For The Palmdale Aerospace Academy, this policy climate reinforces the importance of conservative forecasting, maintaining fiscal independence, and protecting reserve levels to guard against future disruptions.

Cost of Living Adjustment (COLA)

The statutory Cost of Living Adjustment (COLA) for 2025–26 is set at 2.30%, a reduction from the Governor’s January proposal of 2.43%. While the adopted rate is slightly higher than in recent years, it remains modest compared to escalating operating costs. The Special Education COLA increase of 2.30% equates to an approximate rate of \$917.52 per ADA, up from \$869.89 per ADA in fiscal year 2024-25. Other categorical programs, including State Mental Health Services and the Mandated Block Grant, will also receive the statutory COLA increase of 2.30%

Cash Flow - Deferrals

Although the state has not yet enacted formal apportionment deferrals, the Governor’s May Revision proposes delaying the June 2026 apportionment to July 2027. While the Legislature is actively exploring alternatives, economic volatility and the potential for mid-year budget adjustments continue to be ongoing concerns. Fortunately, this proposed deferral will not impact The Palmdale Aerospace Academy’s operations, as the school maintains a robust projected unrestricted reserve of 58.65% for fiscal year 2025–26. This high reserve level—well above the state-required recommendations—is the result of the financial covenant obligations tied to the Academy’s bond issuances, which have contributed to a consistent structural surplus over time.

Local Control Funding Formula (LCFF)

The Local Control Funding Formula (LCFF) remains the largest and most significant source of revenue for The Palmdale Aerospace Academy, projected at \$32,147,158 for the 2025–26 fiscal year. This represents a 6.2% increase over the prior year, primarily due to higher Average Daily Attendance (ADA) and the application of the 2.30% COLA adjustment. LCFF revenue accounts for more than 80% of the Academy’s unrestricted operating funds. For 2025–26, the LCFF base grant per ADA is \$10,025 for grades TK–3, \$10,177 for grades 4–6, \$10,478 for grades 7–8, and \$12,144 for grades 9–12. These base rates are applied to the Academy’s grade-level ADA and are further adjusted based on the unduplicated student count for supplemental and concentration funding.

Grade Span	TK-3	4-6	7-8	9-12
2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
2.30% COLA	\$231	\$234	\$241	\$279
2025-26 Base Grant per ADA	\$10,256	\$10,411	\$10,719	\$12,423
GSA	\$1,067	–	–	\$323
2025-26 Adjusted Base Grant per ADA	\$11,323	\$10,411	\$10,719	\$12,746
20% Supplemental Grant per ADA¹	\$2,265	\$2,082	\$2,144	\$2,549
65% Concentration Grant per ADA²	\$3,312	\$3,045	\$3,135	\$3,728
TK Add-On per ADA (inclusive of COLA)	\$5,545 ³	–	–	–

Grade Span Adjustment (GSA)

The Local Control Funding Formula provides an augmentation to the base grant, referred to as the Grade Span Adjustment (GSA). The GSA requires the Academy to maintain a 24:1 school site average student-to-teacher ratio in grades Transitional Kindergarten (TK) through third (3) or, other alternate locally bargained ratio. The 2025-26 Budget reflects that The Academy will meet the GSA requirement and anticipates receiving \$679,949 in funding, reflected in the base grant revenue projection.

Supplemental and Concentration Grants

Charter schools receive additional LCFF funding through supplemental and concentration grants based on the percentage of enrolled students who are English learners, eligible for free or reduced-price meals, or in foster care—collectively known as the unduplicated pupil population. The supplemental grant is equal to 20% of the adjusted base grant (including grade span adjustments)

for each student in the unduplicated count. If a charter school's unduplicated pupil percentage (UPP) exceeds 55%, it also qualifies for a concentration grant equal to 65% of the adjusted base grant for each student above the 55% threshold. The Palmdale Aerospace Academy's current three-year average UPP is projected at 75.62%, which qualifies the school to receive supplemental and concentration grant funding of \$3,774,971 and \$3,345,408, respectively, for fiscal year 2025-26.

Special Education Funding

Funding to support students with disabilities (SWD) comes from Local Control Funding, followed by state funding sources, and then Federal sources. However, the combined funding sources do not adequately address the needs of the mandated services required by federal and state directives. As special education expenditures continue to rise due to an increase in identified students, as well as step and column benefits and pension rates, the amount of funding received from both federal and state sources has remained static.

In the realm of special education, funding responsibilities have increasingly shifted toward local charter schools over the past decade. In the 2007–08 fiscal year, local charters covered approximately 49% of special education costs, with the state and federal governments contributing the remaining 51%. By 2023-24, the local share had risen to 62%, while state and federal contributions declined. This trend highlights the increasing financial burden on charters to support special education services amid evolving funding structures.

Therefore, unrestricted dollars are necessary to cover the shortfall in special education expenditures. The 2025-26 Budget of unrestricted contributions to special education is projected to include \$2,028,036 from the state and \$359,960 from federal sources. This represents a 7.2% increase in state special education funding compared to the prior year. Despite these increases, the costs of special education services exceed available restricted revenue. As a result, TPAA is projected to contribute \$1,523,483 from LCFF funds to cover the gap.

Local Control Accountability Plan (LCAP)

The LCFF requires charter schools to develop school-wide goals that include specific actions aimed at improving outcomes for all students, with particular attention to English learners, foster youth, and low-income students. The development, review, and support of the Local Control and Accountability Plan (LCAP) must include meaningful engagement from all stakeholder groups, including parents, students, staff, community members, and other partners. The 2025–26 fiscal year represents Year 2 of The Palmdale Aerospace Academy's current three-year LCAP cycle.

Enrollment

The Palmdale Aerospace Academy's 2025–26 budget is built on a projected enrollment of 2,280 students. This is a modest increase of 21 students compared to 2024–25, based on current trends and confirmed enrollment through CBEDS reporting. The corresponding P-2 ADA is projected at 2,143.20, compared to 2,124.35 in 2024–25. This assumes a 94% attendance rate, calculated using a three-year average of historical attendance data. The growth in ADA has a direct and positive impact on LCFF funding, which remains the Academy's primary source of unrestricted revenue.

Average Daily Attendance

Under California's Local Control Funding Formula (LCFF), charter schools receive funding based on their Average Daily Attendance (ADA) as reported at the Second Principal Apportionment (P-2), which reflects attendance data through April 15. For charter schools, LCFF funding is determined using the greater of the current year or prior year ADA. Given the projected increase in enrollment for the 2025–26 fiscal year, the Academy anticipates that its LCFF funding will be based on the higher projected ADA for that year.

Employee Staffing

The Academy's fiscal year 2025–26 budget assumes full staffing effective July 1, 2025. Total projected salary costs—including certificated and classified personnel, substitutes, stipends, extra-curricular, and extra-duty pay—amount to \$20,303,328. Associated employee benefits are projected at \$9,349,493, bringing the total compensation cost to \$29,652,821. This represents approximately 66% of total expenditures, aligning with industry norms for personnel-driven organizations and highlighting the Academy's continued investment in staffing and instructional support.

California State Teachers Retirement System (CalSTRS)

The 2025–26 charter budget incorporates the mandated employer contribution rate increase to the California State Teachers' Retirement System (CalSTRS). The employer rate for 2025–26 is set at 19.10%, continuing to drive upward pressure on overall personnel costs. The projected CalSTRS expense for the fiscal year is \$3,292,232.

Public Employee Retirement System (CalPERS)

The California Public Employees' Retirement System (CalPERS) is intended to serve as the retirement program for the Academy's classified employees; however, the Academy's application to become a CalPERS employer, submitted in October 2024, has not yet been approved by the State. The process

has been prolonged due to limited communication and delays from both the Los Angeles County Office of Education (LACOE) and CalPERS. The Academy remains hopeful that access to the CalPERS system will be in place by July 1, 2025.

For fiscal year 2025–26, the CalPERS employer contribution rate is set at 26.81%, resulting in a projected pension cost of \$1,574,011. This would represent a new and substantial financial obligation for the Academy.

Education Protection Account (EPA)

The Education Protection Account (EPA), established under Proposition 30 and extended by Proposition 55, provides funding that must be used to support instructional expenses, not administrative costs. Each year, charter schools are required to present a spending plan for EPA funds at a public board meeting and post both the amount received and how it was used on their website. Funds must be tracked by using a specific resource and revenue code and reported based on actual expenditures whenever possible. EPA funds are distributed quarterly by the State.

The Palmdale Aerospace Academy

Fiscal Year 2025–2026

Proposed Use of Education Protection Account (Proposition 30) Funds

For Fund 01, Resource 1400 Education Protection Account

Description		
AMOUNT AVAILABLE FOR THIS FISCAL YEAR	Objects	Estimated
Local Control Funding (LCFF)	8012	\$ 4,610,318.00
TOTAL AVAILABLE		\$ 4,610,318.00
ASSIGNED EXPENDITURES AND OTHER FINANCING USES		
Objects 1000-7999, by Function	Function	
Classroom Instruction*	10000	\$ 3,791,920.00
Benefits	10000	\$ 818,398.00
Classroom Supplies	10000	\$ -
TOTAL EXPENDITURES AND OTHER FINANCING USES		\$ 4,610,318.00
BALANCE (Total Available minus Total Expenditures and Other Financing Uses)		\$ -

* Education Protection Account funds will be expended on instruction-related personnel costs and activities in Part C Pupil Education

Revenues Summary

The projected revenue for fiscal year 2025-26 is \$46,529,999.

Fund 62 - Enterprise Fund		2025-2026
A. Revenue		
LCFF Sources	\$	32,147,158
Federal Revenue	\$	1,693,805
Other State Revenues	\$	10,004,101
STRS On-Behalf	\$	682,435
Other Local Revenues	\$	2,002,500
Transfers In	\$	450,000
Total Revenue	\$	46,979,999

Expenditures Summary

The projected expenditures for fiscal year 2025-26 are \$45,171,285.

Fund 62 - Enterprise Fund		2025-2026
B. Expenses		
Certificated Salaries	\$	13,674,400
Classified Salaries	\$	6,628,928
Employee Benefits	\$	8,667,058
STRS On-Behalf	\$	682,435
Books and Supplies	\$	3,289,234
Services and Other Operating Expenses	\$	11,224,230
Capital Outlay/Depreciation	\$	470,000
Other Outgo (excluding Indirect Costs)	\$	85,000
Transfers Out	\$	450,000
Total Expenses	\$	45,171,285

Net Position

The projected ending net position for 2025–26 is \$28,556,318, which includes \$26.5 million in unrestricted funds and \$2.1 million in restricted funds. This represents a 6.8% increase over the prior year and demonstrates continued financial growth. However, the Academy has been unable to significantly spend down its reserves due to bond covenant requirements that mandate maintaining a minimum reserve equal to 1.2 times the annual debt service payment. Additionally, the required debt coverage ratio is based on the current year’s revenues less expenses (projected at \$1,808,714), further limiting flexibility in drawing down reserves.

Despite these constraints, the Academy’s net position remains well above the required thresholds, ensuring a strong financial foundation and compliance with long-term debt obligations. To strategically use a portion of the available reserves in support of student outcomes, the Academy plans to invest in fixed asset expenditures, such as classroom furniture and instructional enhancements, for teachers who complete specialized educational training. These expenditures align with the Academy’s mission and are timed to ensure resources are deployed effectively while maintaining covenant compliance.

Fund 62 - Enterprise Fund	2025-2026
C. Excess (Deficiency) of Revenues over Expenses	<u>\$ 1,808,714</u>
D. Net Position	
Projected Beginning Net Position as of July 1, 2025	\$ 26,747,604
Audit Adjustments	<u>\$ -</u>
Adjusted Beginning Net Position	<u>\$ 26,747,604</u>
Projected Ending Net Position June 30, 2026	<u><u>\$ 28,556,318</u></u>

Multi-Year Projections (MYP) – Fund 62

Assumptions

The Multi-Year Projection (MYP) through fiscal year 2027–28 reflects stable revenue growth and disciplined fiscal oversight. Annual increases in the Cost-of-Living Adjustment (COLA)—rising from 2.30% in 2025–26 to 3.42% in 2027–28—support consistent growth in LCFF revenue. ADA is projected to increase modestly from 2,143.20 in 2025–26 to 2,162.00 in 2026–27, holding steady into 2027–28. Enrollment remains stable, and the unduplicated pupil percentage averages above 75%, sustaining eligibility for supplemental and concentration grant funding under the LCFF.

Total LCFF Supplemental and Concentration revenues are projected to grow from \$7.1 million in 2025–26 to approximately \$7.5 million in 2027–28. Employer pension obligations remain a cost driver, with CalSTRS rates holding at 19.10% and CalPERS increasing slightly from 26.81% to 27.80% over the period. Personnel costs reflect a projected step and column increase of 2.00% annually for both certificated and classified staff.

Special Education contributions are projected to decrease slightly from \$1,526,490 in 2025–26 to \$1,490,954 in 2027–28. This decline is due to increased AB 602 (state special education funds) funding allocations, driven by COLA adjustments, as well as improved contract management and resource planning.

Despite rising costs, the Academy maintains a balanced budget in all three years of the projection. Positive operating results and unrestricted reserves exceeding 20% annually ensure continued compliance with fiscal benchmarks and all bond covenant requirements, including debt service coverage and liquidity thresholds. This prudent financial management provides a strong foundation for long-term sustainability and supports the Academy's ability to meet its ongoing obligations with confidence.

Assumptions – Continued

Multi-Year Projection Assumptions	2025-2026	2026-2027	2027-2028
COLA	2.30%	3.02%	3.42%
Enrollment (CALPADS)	2,280	\$ 2,300	\$ 2,300
Year to Date Change In Enrollment	0.93%	0.88%	0.00%
Projected P2 ADA	2,143.20	\$ 2,162.00	\$ 2,162.00
Attendance Factor	94.00%	94.00%	94.00%
Unduplicated Count % (3-year average)	75.62%	75.04%	75.00%
LCFF Supplemental	\$ 3,774,971	\$ 3,896,206	\$ 4,027,278
LCFF Concentration	\$ 3,345,408	\$ 3,381,662	\$ 3,490,308
Lottery - Unrestricted; per ADA	\$ 191	\$ 191	\$ 191
Lottery - Restricted; per ADA	\$ 82	\$ 82	\$ 82
Certificated Step and Column	2.00%	2.00%	2.00%
Classified Step	2.00%	2.00%	2.00%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.81%	26.900%	27.800%
Special Education Contributions	\$ 1,526,490	\$ 1,511,001	\$ 1,490,954

Multi-Year Projections (MYP)

Fund 62 - Enterprise Fund	2025-2026	2026-2027	2027-2028
A. Revenue			
LCFF Sources	\$ 32,147,158	\$ 33,307,388	\$ 34,437,113
Federal Revenue	\$ 1,693,805	\$ 1,693,805	\$ 1,693,805
Other State Revenues	\$ 10,004,101	\$ 10,101,571	\$ 10,184,803
STRS On-Behalf	\$ 682,435	\$ 682,435	\$ 682,435
Other Local Revenues	\$ 2,002,500	\$ 2,009,079	\$ 1,982,764
Transfers In	\$ 450,000	\$ 450,000	\$ 450,000
Total Revenue	\$ 46,979,999	\$ 48,244,278	\$ 49,430,920
B. Expenses			
Certificated Salaries	\$ 13,674,400	\$ 14,036,579	\$ 14,385,348
Classified Salaries	\$ 6,628,928	\$ 6,761,507	\$ 6,896,737
Employee Benefits	\$ 8,667,058	\$ 8,777,605	\$ 8,939,946
STRS On-Behalf	\$ 682,435	\$ 682,435	\$ 682,435
Books and Supplies	\$ 3,289,234	\$ 5,206,131	\$ 3,266,749
Services and Other Operating Expenses	\$ 11,224,230	\$ 11,208,591	\$ 11,227,293
Capital Outlay/Depreciation	\$ 470,000	\$ 470,000	\$ 470,000
Other Outgo (excluding Indirect Costs)	\$ 85,000	\$ 85,000	\$ 85,000
Transfers Out	\$ 450,000	\$ 450,000	\$ 450,000
Total Expenses	\$ 45,171,285	\$ 47,677,848	\$ 46,403,508
C. Excess (Deficiency) of Revenues over Expenses	\$ 1,808,714	\$ 566,430	\$ 3,027,412
D. Net Position			
Projected Beginning Net Position as of July 1, 2025	\$ 26,747,604	\$ 28,556,318	\$ 29,122,748
Audit Adjustments	\$ -	\$ -	\$ -
Adjusted Beginning Net Position	\$ 26,747,604	\$ 28,556,318	\$ 29,122,748
Projected Ending Net Position June 30, 2026	\$ 28,556,318	\$ 29,122,748	\$ 32,150,160

Bond Covenants

Design, Create, Explore LLC issued the California Municipal Finance Authority Charter School Revenue Bonds, Series 2016A and Series 2018A, on behalf of The Palmdale Aerospace Academy. In connection with the bond issuance, the Academy entered into a lease agreement with Design, Create, Explore LLC, under which it is obligated to make annual lease payments equal to the bonds' annual principal and interest payments.

In accordance with the bond covenants, the Academy must comply with three key financial requirements at fiscal year-end:

1. A coverage ratio of at least 1.20x, meaning net income available for debt service must be at least 1.2 times the annual lease payment.
2. A cash on hand reserve equal to a minimum of 45 days of operating expenses.
3. A net position to net assets ratio greater than 5%.

Based on the projected budget for fiscal year 2025–26, the Academy remains in full compliance with all bond covenant requirements. The coverage ratio continues to be the most critical and closely monitored financial indicator, as non-compliance could trigger penalties, increased borrowing costs, or acceleration of debt repayment. Maintaining a minimum 1.20x coverage ratio ensures the Academy generates at least \$1.20 in net income for every \$1.00 in annual lease obligations, providing a necessary financial cushion to manage fluctuations in revenues and expenditures.

This covenant is of particular importance to bondholders as it reinforces the Academy's creditworthiness, reduces investor risk, and provides assurance of the Academy's ability to meet its ongoing debt obligations. The Academy's strong financial position, including a robust unrestricted reserve and continued compliance with all financial covenants, supports its long-term fiscal sustainability and commitment to full transparency in all required disclosures.

Bond Covenants: 2024-25 Estimated Actuals

Coverage Ratio Covenant	2024-25 Estimated Actuals
Unrestricted Revenue	32,826,623
Restricted Revenue	<u>17,181,561</u>
Total Revenue	50,008,183
Unrestricted Expenses	31,462,771
Restricted Expenses	<u>15,931,968</u>
Total Expenses	47,394,739
Unrestricted Net Income	1,363,852
Add: Depreciation	456,358
Add: Rent Under the Lease	<u>5,445,775</u>
Net Income Available for Debt Service	7,265,985
Coverage Ratio Covenant	1.33
Coverage Ratio Covenant Requirement	1.20x
Meet Coverage Ratio Covenant Requirement	Yes

Days Cash on Hand	2024-25 Estimated Actuals
Cash and Cash Equivalents	32,141,724
Accounts Receivable	<u>(623,885)</u>
Unrestricted Cash	31,517,839
Total Expenses	47,394,739
Less: Depreciation	<u>(456,358)</u>
Operating Expenses	46,938,381
Days Cash on Hand	245
Days Cash on Hand Requirement	45
Meet Days Cash on Hand Requirement	Yes

Fund Balance/Net Asset Covenant	2024-25 Estimated Actuals
Total Net Asset Balance	27,328,802
Less: Restricted Net Asset Balance	<u>(1,249,593)</u>
Unrestricted Net Asset Balance	26,079,209
Unrestricted Operating Expenses	31,462,771
Fund Balance/ Net Asset	87%
Fund Balance/Net Asset Requirement	5.0%
Meet Fund Balance/Net Asset Requirement	Yes

Bond Covenants: 2025-26 Budget

	2025-26 Adoption Budget
Coverage Ratio Covenant	
Unrestricted Revenue	31,049,052
Restricted Revenue	15,930,947
Total Revenue	46,979,999
Unrestricted Expenses	29,914,794
Restricted Expenses	15,256,491
Total Expenses	45,171,285
Unrestricted Net Income	1,134,258
Add: Depreciation	470,000
Add: Rent Under the Lease	5,449,700
Net Income Available for Debt Service	7,053,958
Coverage Ratio Covenant	1.29
Coverage Ratio Covenant Requirement	1.20x
Meet Coverage Ratio Covenant Requirement	Yes

	2025-26 Adoption Budget
Days Cash on Hand	
Cash and Cash Equivalents	32,141,724
Accounts Receivable	(623,885)
Unrestricted Cash	31,517,839
Total Expenses	45,171,285
Less: Depreciation	(470,000)
Operating Expenses	44,701,285
Days Cash on Hand	257
Days Cash on Hand Requirement	45
Meet Days Cash on Hand Requirement	Yes

	2025-26 Adoption Budget
Fund Balance/Net Asset Covenant	
Total Net Asset Balance	28,556,319
Less: Restricted Net Asset Balance	(2,062,725)
Unrestricted Net Asset Balance	26,493,594
Unrestricted Operating Expenses	29,914,794
Fund Balance/ Net Asset	95%
Fund Balance/Net Asset Requirement	5.0%
Meet Fund Balance/Net Asset Requirement	Yes