



Utah State Board of Education
P.O. Box 144200
250 East 500 South
Salt Lake City, UT 84114-4200

Subject: Re: USBE FY19 Financial Review of Endeavor Hall (3H)

USBE-1: Your notes to the financial statements state that a bond agreement term was not met. The term state's that the School must maintain a net income available for debt service of not less than 100% of the principal and interest requirements on long-term indebtedness. Please provide a detailed explanation of this term violation and an explanation on the plans to rectify this violation.

Explanation of Violation

The low student enrollment in Middle School was the reason that the school was in violation of the FY2019 Bond Term. In Summary... in FY19 Endeavor Hall had a "expenche" problem that was driven by the Middle School (7th and 8th grades) Enrollment. Basically, the FY19 6:1 student to teacher ratio was the problem. Year on year enrollment for Middle School was never greater than 10:1 and 4-year average is 8:1.

Plan to Rectify

In January 2019, the Board voted to change the schools operation from K-8 to K-6. Historically, Endeavor Hall has done well with K-6 student to teacher ratios.

- FY18 24:1
- FY19 21:1
- FY20 20:1

Without the Middle School, the school will not have a problem with net income available for debt service of not less than 100% of the principal and interest requirements on long-term indebtedness.

Dated: June 1, 2020

ENDEAVOR HALL, as Charter School

 6/1/2020

By: John Edwards
Its: Business Operations Manager



Supporting Data

This is the "Cash on Hand" as reported end of year 2019 to the Bond holders.

Annual October 1 counts:

Grade	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
K	71	65	60	58	67
1	78	67	74	53	56
2	75	79	56	62	49
3	74	70	59	44	53
4	76	68	60	47	41
5	73	55	47	42	47
6	62	61	46	48	30
7	56	43	47	30	0
8	53	34	42	37	0
9	0	0	0	0	0
Total	618	542	491	421	343

Teacher by Grade

Teachers Grade	FY19	FY20
K	2	3
1	2	2
2	2	2
3	2	2
4	2	2
5	2	2
6	2	1
7-8	8	0
SPECIAL	6	3
SPED	3	4
TOTAL	31	21

In Summary: The problem was that "Middle School" requires a minimum of 11 teachers regardless of the number of students.

- In FY19 the student to teacher ration was 67 students and 11 teachers 6:1

Name of Issuer: Utah Charter School Finance Authority

Name of Bond Issue: Charter School Revenue Bonds (Endeavor Hall)
Series 2012

Dissemination Agent: U.S. Bank National Association

Name of Charter School: Endeavor Hall

Date of Issuance: December 13, 2012



- (a) Cash on Hand was equal to \$937,263
- (b) Days Cash on Hand was 104 days (Unrestricted cash as of November 30, 2019 is \$937,263 representing 104 days expenditures based upon the total annual expenditure budget of \$3,287,092 divided by 365 days).
- (c) The amount of Cash on Hand required to comply with the covenant contained in Section 8.14 of the Loan Agreement for current fiscal year is \$194,758 (equal to 5% of the Borrower's Operating Expenses \$ 3,895,169 for the prior fiscal year listed above ending June 30, 2019) and the Borrower is in compliance with such covenant.
- (d) The amount on deposit in the Repair and Replacement Fund is \$76,339.27.

2. Faculty to Student Ratio

Teachers	21
Aide	14
Food Service	4
Administration	2
Total Employees	41
Teacher Experience	
Beginning Teachers	2
1-5 Years Experience	8
6-10 Years Experience	4
Over 10 Years Experience	7
Student:Teacher Ratio	16.3:1

3. Student Retention rates for the 2018-2019 School Year and the 2019-2020 School Years

<u>Grade</u>	<u>FY19 Retention Rate</u>	<u>FY20 Retention Rate</u>
K	97%	116%
1	72%	106%
2	111%	79%
3	75%	120%
4	78%	87%
5	89%	112%
6	104%	63%
Overall	86%	97%

5. Academic Achievement Indicators

Testing Option... DIBELS Growth Benchmark

DIBELS (Dynamic Indicators of Basic Early Literacy Skills) Beginning and End of Year Testing

	2016 - 2017	2017 - 2018	2018 - 2019
Language Arts	38%	54%	67%