

**JLPAA**  
**Governing Board Meeting**  
**Minuets**  
**22 September 2018**

Robin Wayland, Jennifer Oglesby, Edwin Rodriguez, Kim Scott (via phone)  
Staff: Willie Oliver, Shellie Dansby, Tanya Taylor  
Public attendance to include teaching staff and parents

**1.0 Call to order at 1006**

**Quorum established**

**2.0 Greetings to public attendance**

**3.0 Hearings:** deferred

**4.0 Motion received to approve the agenda by Ms Oglesby. Vote by role call. Motion carried and approved.**

**5.0 Information**

**5.1 Charter Impact-** Mr. Chris Williams reviewed the financials. Refer to Charter Impact chapters in JLPAA notebooks. NB: Actual School enrollment is 165 to date. Budgetary target was 302. Revenue per student is dependent on ADA ( Average Daily Attendance). Enrollment is the driver for revenue.

Fund Balance reviewed

Cash Balance reviewed

Recommendations: increase our cash balance reserves through fundraisers.

Charter Impact roles and responsibilities reviewed.

**5.2 Education Protection Account Fund Usage** addressed

Brief discussion by the board

**Motion made by Ms. Oglesby to approve. Vote by role call. Motion carried and approved.**

**5.3 EDD**

No discussion by the board

**Motion made by Ms. Oglesby to approve. Vote by role call. Motion carried and approved.**

**5.4 Approve Charter School Revolving Loan Fund Program Loan Agreement number:18-22 CDS: 33-10330-0137851 Charter number: 1988 of 250K**

Brief discussion by the board

**Motion made by Ms. Oglesby to approve Charter Loan Fund. Vote by role call. Motion carried and approved.**

**Minutes of the Board meeting of 23 June 2018 reviewed as well as Minutes from Emergency meeting 3 August 2018. Motion made by Ms. Wayland to approve the minutes from both meetings.**

**Vote by Role Call, Motion carried and approved.**

**5.5 Teacher concerns**

Ms. Dansby reviewed the packet submitted( reference packet Of 22 September 2018)

Noted TK is too large and needs to be split into 2 Am classes.

First grade is too large and needs to be split

Office supplies for teachers pending : first order received, second one is pending.

AC needs attention/repair

**5.6. Teacher Schedules** reviewed by Ms. Dansby

**5.7 Professional development plan** reviewed by Ms. Dansby

**5.8 Special Education** reviewed by Ms. Dansby

**5.9 Assessments** reviewed by Ms. Dansby

**5.10 Planning and development**

Ms. Taylor recommended the board be apprised of expenditures for the classroom.

Discussion held and board asked that we be apprised only, and not queried for permission so as to expedite the process.

5.12 Mr. Oliver addressed the concerns on the facilities

AC repair is in progress

Playground equipment repairs are on going

Issues of classroom movement were addressed.

Public comments/ teacher comments addressed:

Concerns raised about school security regarding public access

Concerns raised about the AC by the teachers

Concerns raised about administration of medication for students( student's own prescribed medication)

Concerns about food handling issues raised

Room space concerns addressed by parents and teachers

Office follow through issues raised by teachers

Please refer to folder submitted 9/21/2018 by parents

**Open session adjourned 1200**

**Closed session by the members of the board:** Mr Rodriguez, Ms Oglesby, Ms Wayland reviewing parent concerns, communications received.

**Recommendations by the board**

Need to have consistent office followup and security check for outsiders coming into building.

Purchase portable AC units to fix room temperatures

Change food vendors to satisfy food issues raised by parents

Hire a licensed health care professional for medication administration and emergency health issues.

Recommend termination of Principal and secretary for actionable, unprofessional behavior including but not limited to leaking private emails and letters to parents ( see folder)

Meeting adjourned at 1330

Minutes respectfully submitted

23 September 2018

Robin Wayland

Secretary



# Julia Lee Performing Arts Academy

Monthly Financial Presentation – August 2018



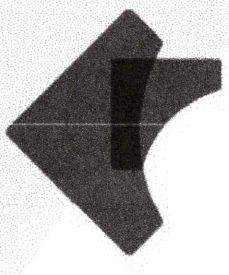


# August Highlights

- The lower actual enrollment of 165 will lower the overall revenues versus the budgeted enrollment of 302.
- Since we lowered the revenue, we also reduced the expenses.
- We'll talk fund balance and cash reserve.
- Reduction of factoring services will be reduced by year-end.
- Review Top 10 payments from July
- Review compliance requirements

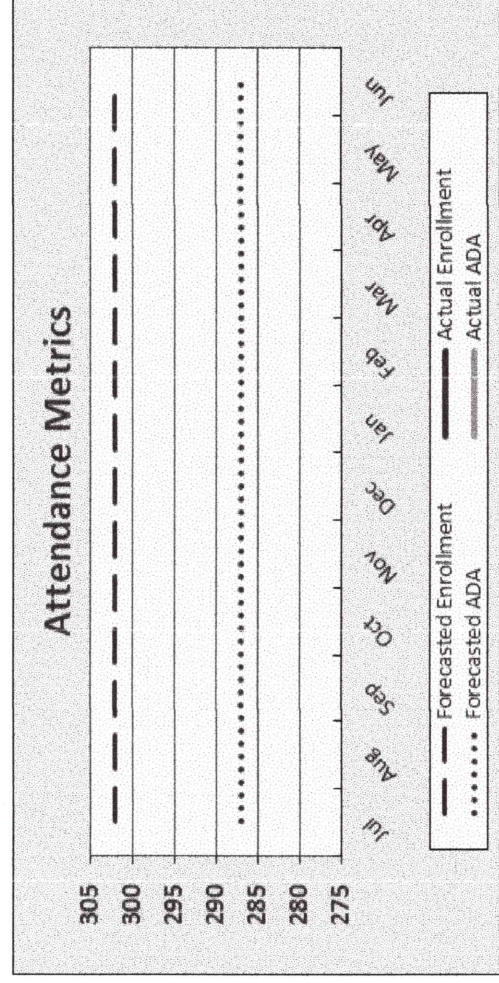


# Attendance Data and Metrics



- The 18-19 budget is 302 enrolled students, while the current enrollment is approximately 165.
- The ADA is projected to be 157 versus a budgeted ADA of 287.
- Every ADA represents about \$13k in revenue

| Enrollment & Per Pupil Data |               |                 |               |
|-----------------------------|---------------|-----------------|---------------|
|                             | <u>Actual</u> | <u>Forecast</u> | <u>Budget</u> |
| Average Enrollment          | n/a           | 165             | 302           |
| ADA                         | n/a           | 157             | 287           |
| Attendance Rate             | n/a           | 95.0%           | 95.0%         |
| Unduplicated %              | 39.5%         | 39.5%           | 65.6%         |
| Revenue per ADA             |               | \$13,460        | \$11,319      |
| Expenses per ADA            |               | \$12,656        | \$11,055      |





# Revenue

- Revenue will be lower than the budget by \$1.137mm due to the lower ADA.
- Sources of revenue: LCFF, EPA, In Lieu,
- Federal Revenues: SPED, Nutrition, Title I, Title V
- State Revenues: SPED, Nutrition, SB740, Lottery

| Revenue              | Year-to-Date     |             |                  |
|----------------------|------------------|-------------|------------------|
|                      | Actual           | Budget      | Fav/(Unf)        |
| State Aid-Rev Limit  | \$ -             | \$ -        | \$ -             |
| Federal Revenue      | 46,004           | -           | 46,004           |
| Other State Revenue  | -                | -           | -                |
| Other Local Revenue  | -                | -           | -                |
| <b>Total Revenue</b> | <b>\$ 46,004</b> | <b>\$ -</b> | <b>\$ 46,004</b> |

|  | Annual/Full Year    |                     |                       |
|--|---------------------|---------------------|-----------------------|
|  | Forecast            | Budget              | Fav/(Unf)             |
|  | \$ 1,371,030        | \$ 2,691,491        | \$ (1,320,461)        |
|  | 480,124             | 188,017             | 292,107               |
|  | 258,765             | 367,962             | (109,197)             |
|  | -                   | -                   | -                     |
|  | <b>\$ 2,109,919</b> | <b>\$ 3,247,470</b> | <b>\$ (1,137,551)</b> |



# Expenses

- Expenses have been lowered by \$1.2mm
- Reduced factoring costs. Dropping from \$111k to \$48k

|                       | Year-to-Date     |                  |                 |
|-----------------------|------------------|------------------|-----------------|
|                       | Actual           | Budget           | Fav/(Unf)       |
| Expenses              |                  |                  |                 |
| Certificated Salaries | \$ -             | \$ 9,167         | \$ 9,167        |
| Classified Salaries   | 32,500           | 30,833           | (1,667)         |
| Benefits              | 3,591            | 17,280           | 13,688          |
| Books and Supplies    | 1,562            | 6,669            | 5,107           |
| Subagreement Services | -                | -                | -               |
| Professional Services | 8,722            | 8,590            | (132)           |
| Facilities            | 565              | 1,017            | 452             |
| Operations            | 1,312            | 6,293            | 4,980           |
| Depreciation          | -                | -                | -               |
| Interest              | 25,431           | -                | (25,431)        |
| <b>Total Expenses</b> | <b>\$ 73,683</b> | <b>\$ 79,848</b> | <b>\$ 6,164</b> |

|                       | Annual/Full Year    |                     |                     |
|-----------------------|---------------------|---------------------|---------------------|
|                       | Forecast            | Budget              | Fav/(Unf)           |
|                       | \$ 480,882          | \$ 976,000          | \$ 495,118          |
|                       | 482,893             | 430,000             | (52,893)            |
|                       | 235,428             | 393,556             | 158,128             |
|                       | 163,572             | 422,490             | 258,918             |
|                       | 133,506             | 228,806             | 95,300              |
|                       | 141,360             | 225,689             | 84,329              |
|                       | 201,692             | 202,200             | 508                 |
|                       | 93,669              | 181,910             | 88,241              |
|                       | 2,255               | -                   | (2,255)             |
|                       | 48,523              | 111,000             | 62,477              |
| <b>Total Expenses</b> | <b>\$ 1,983,781</b> | <b>\$ 3,171,651</b> | <b>\$ 1,187,870</b> |



# Fund Balance

- The 5% fund balance requirement amounts to \$99k, while we expect to end at \$126
- The cash reserve balance should be about 3 month's of expenses.
- The surplus or deficit adds to the overall fund balance.

## Total Surplus(Deficit)

Beginning Fund Balance

## Ending Fund Balance

As a % of Annual Expenses

| Year-to-Date       |                    |           |
|--------------------|--------------------|-----------|
| Actual             | Budget             | Fav/(Unf) |
| \$ (27,679)        | \$ (79,848)        | \$ 52,168 |
| -                  | -                  | -         |
| <u>\$ (27,679)</u> | <u>\$ (79,848)</u> |           |
| -1.4%              |                    | -2.5%     |

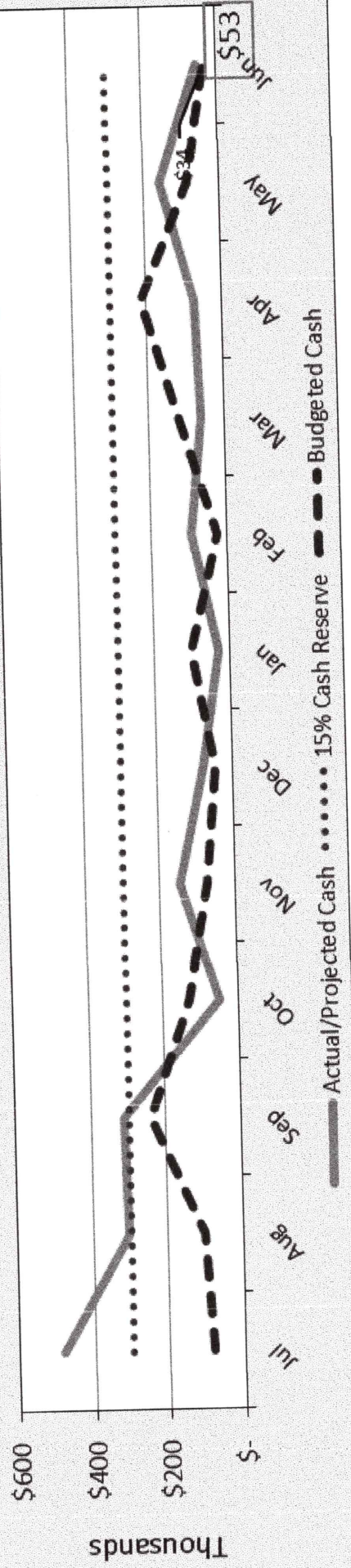
| Annual/Full Year  |                  |           |
|-------------------|------------------|-----------|
| Forecast          | Budget           | Fav/(Unf) |
| \$ 126,138        | \$ 75,819        | \$ 50,319 |
| -                 | -                | -         |
| <u>\$ 126,138</u> | <u>\$ 75,819</u> |           |
| 6.4%              |                  | 2.4%      |



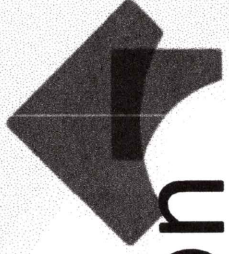
# Cash Balance

- The end of year Cash balance is expected to be approximately \$53k, versus a budgeted amount of \$33k. The 15% cash reserve amount is \$297k and 3 month's of expense will be \$496k
- The ending July cash balance was \$483k.

Month-End Cash Balance



# Statement of Financial Position



- Cash is 90% of all assets (excluding factoring)
- Current factoring will be settled in October.
- Expected to factor again from Feb – May.

|   | Current Balance    | Beginning Year Balance | YTD Change         | YTD % Change |
|---|--------------------|------------------------|--------------------|--------------|
| <b>Assets</b>                           |                    |                        |                    |              |
| <b>Current Assets</b>                   |                    |                        |                    |              |
| Cash & Cash Equivalents                 | \$ 482,768         | \$ 32,283              | \$ 450,485         | 1395%        |
| Public Funding Receivables              | 46,004             | -                      | 46,004             | 0%           |
| Factored Receivables                    | (606,811)          | (81,380)               | (525,431)          | 646%         |
| <b>Total Current Assets</b>             | <b>(78,040)</b>    | <b>(49,098)</b>        | <b>(28,942)</b>    | <b>59%</b>   |
| <b>Long Term Assets</b>                 |                    |                        |                    |              |
| Deposits                                | 10,000             | 10,000                 | -                  | 0%           |
| <b>Total Long Term Assets</b>           | <b>10,000</b>      | <b>10,000</b>          | <b>-</b>           | <b>0%</b>    |
| <b>Total Assets</b>                     | <b>\$ (68,040)</b> | <b>\$ (39,098)</b>     | <b>\$ (28,942)</b> | <b>74%</b>   |
| <b>Liabilities</b>                      |                    |                        |                    |              |
| <b>Current Liabilities</b>              |                    |                        |                    |              |
| Accounts Payable                        | -                  | 6,613                  | \$ (6,613)         | -100%        |
| Accrued Liabilities                     | 19,142             | 13,792                 | 5,350              | 39%          |
| <b>Total Current Liabilities</b>        | <b>19,142</b>      | <b>20,405</b>          | <b>(1,263)</b>     | <b>-6%</b>   |
| <b>Long Term Liabilities</b>            |                    |                        |                    |              |
| <b>Total Long Term Liabilities</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>           | <b>0%</b>    |
| <b>Total Liabilities</b>                | <b>19,142</b>      | <b>20,405</b>          | <b>(1,263)</b>     | <b>-6%</b>   |
| <b>Total Net Assets</b>                 | <b>(87,182)</b>    | <b>(59,503)</b>        | <b>(27,680)</b>    | <b>47%</b>   |
| <b>Total Liabilities and Net Assets</b> | <b>\$ (68,040)</b> | <b>\$ (39,098)</b>     | <b>\$ (28,942)</b> | <b>74%</b>   |



# Top 10 Payments

| Check Number | Vendor Name  | Transaction Description         | Check Date | Check Amount |
|--------------|--|---------------------------------|------------|--------------|
| 10027        | Charter Impact, Inc.                               | Business Mgmt. svcs 07/18       | 7/26/2018  | 5,412.00     |
| 10023        | Elsinore First Assembly                            | Security Deposit (1)            | 7/11/2018  | 5,000.00     |
| 10027        | Charter Impact, Inc.                               | Consulting svcs                 | 7/26/2018  | 3,000.00     |
| 10022        | Ray Taylor   | LCD Screen & Cisco Phones       | 7/11/2018  | 1,077.50     |
| 10029        | Ray Taylor   | Reimb. - 7/30                   | 7/31/2018  | 994.48       |
| 10018        | Color Press Printing Inc                           | Marketing - 30,000 Door Hangers | 7/3/2018   | 876.00       |
| 10017        | Tanya Taylor                                       | Employee Reimbursement 06/18    | 7/2/2018   | 751.85       |
| 10025        | Hansberger & Klein, a Professional Law Corporation | Legal svcs 05/18 - 06/18        | 7/25/2018  | 441.00       |
| 10019        | Tanya Taylor                                       | Reimb 06/18                     | 7/6/2018   | 262.14       |
| 10026        | Tanya Taylor                                       | Reimb 06/18 - 07/18             | 7/25/2018  | 209.50       |

# Suggestions

- Revenues must exceed Expenses for the year.  
Watch this closely.
  - Enrollment is the driver
- Cash is KING! Lack of cash control can close a school.
  - Fund raising is needed
  - A cash reserve is needed



# Upcoming Items

- Census Day (Oct 3)
- California Basic Educational Data System (CBEDS) data due to CDE (Oct 3)
- SB 740 Charter School Facility Grant Program applications (Oct 15)
- Public Charter School Grant Program and Dissemination Grant (Oct 31)
- (Oct 31) Collect National School Lunch Program (NSLP) applications
- 20-Day Report – (Oct 31)
- Federal Cash Management – Period 2 – (Oct 31)



# Questions & Discussion

# *JULIA LEE Performing Arts Academy*

**Financial Package**  
**August 31, 2018**

*Presented by:*







# Julia Lee Performing Arts Academy

## Monthly Cash Flow/Forecast FY18-19

Revised 9/18/18

ADA = 156.75



|   | Jul-18   | Aug-18    | Sep-18   | Oct-18  | Nov-18   | Dec-18    | Jan-19  | Feb-19   | Mar-19   | Apr-19   | May-19  | Jun-19   | Year-End<br>Accruals | Annual<br>Forecast | Original<br>Budget Total | Favorable /<br>(Unfav.) |
|---|----------|-----------|----------|---------|----------|-----------|---------|----------|----------|----------|---------|----------|----------------------|--------------------|--------------------------|-------------------------|
| <b>Subsegment Services</b>                  |          |           |          |         |          |           |         |          |          |          |         |          |                      |                    |                          |                         |
| 5102 Special Education                      | -        | 2,880     | 10,810   | 10,810  | 10,810   | 10,810    | 10,810  | 10,810   | 10,810   | 10,810   | 10,810  | 10,810   | 10,810               | 110,982            | 120,486                  | 9,504                   |
| 5103 Substitute Teacher                     | -        | 1,833     | 1,833    | 1,833   | 1,833    | 1,833     | 1,833   | 1,833    | 1,833    | 1,833    | 1,833   | 1,833    | -                    | 20,160             | 29,120                   | 8,960                   |
| 5105 Security                               | -        | 2,364     | -        | -       | -        | -         | -       | -        | -        | -        | -       | -        | -                    | 2,364              | -                        | (2,364)                 |
| 5106 Other Educational Consultants          | -        | -         | -        | -       | -        | -         | -       | -        | -        | -        | -       | -        | -                    | -                  | 79,200                   | 79,200                  |
|   | -        | 7,077     | 12,643   | 12,643  | 12,643   | 12,643    | 12,643  | 12,643   | 12,643   | 12,643   | 12,643  | 12,643   | -                    | 133,506            | 228,805                  | 95,300                  |
| <b>Professional/Consulting Services</b>     |          |           |          |         |          |           |         |          |          |          |         |          |                      |                    |                          |                         |
| 5801 IT                                     | -        | 105       | 833      | 833     | 833      | 833       | 833     | 833      | 833      | 833      | 833     | 833      | -                    | 8,438              | 10,000                   | 1,562                   |
| 5802 Audit & Taxes                          | -        | -         | -        | -       | -        | -         | -       | 3,333    | 3,333    | 3,333    | -       | -        | 2,500                | 12,500             | 10,000                   | (2,500)                 |
| 5803 Legal                                  | -        | 100       | 1,667    | 1,667   | 1,667    | 1,667     | 1,667   | 1,667    | 1,667    | 1,667    | 1,667   | 1,667    | -                    | 16,767             | 35,000                   | 18,233                  |
| 5804 Professional Development               | -        | 277       | 500      | 500     | 500      | 500       | 500     | 500      | 500      | 500      | 500     | 500      | -                    | 5,277              | 20,000                   | 14,723                  |
| 5810 Payroll Service Fee                    | 310      | 305       | 333      | 333     | 333      | 333       | 333     | 333      | 333      | 333      | 333     | 333      | -                    | 3,948              | 4,000                    | 52                      |
| 5811 Management Fee                         | 8,412    | 5,542     | 4,726    | 4,726   | 4,726    | 4,726     | 4,726   | 4,726    | 4,726    | 4,726    | 4,726   | 4,726    | -                    | 61,211             | 76,079                   | 14,868                  |
| 5812 District Oversight Fee                 | -        | -         | 768      | 4,755   | 236      | 236       | 2,250   | 311      | 1,030    | 1,125    | 1,030   | 1,030    | 938                  | 13,710             | 26,915                   | 13,205                  |
| 5814 SPED Encroachment                      | -        | -         | -        | -       | -        | -         | -       | -        | 3,373    | 3,373    | 3,373   | 3,373    | -                    | 19,510             | 43,695                   | 24,186                  |
|   | 8,722    | 6,329     | 8,827    | 12,814  | 8,295    | 8,295     | 10,309  | 11,703   | 15,795   | 15,890   | 12,462  | 12,462   | 9,457                | 141,360            | 225,689                  | 84,329                  |
| <b>Facilities, Repairs and Other Leases</b> |          |           |          |         |          |           |         |          |          |          |         |          |                      |                    |                          |                         |
| 5601 Rent                                   | -        | 18,000    | 18,000   | 18,000  | 18,000   | 18,000    | 18,000  | 18,000   | 18,000   | 18,000   | 18,000  | 18,000   | 9,000                | 189,000            | 190,000                  | 1,000                   |
| 5603 Equipment Leases                       | -        | 600       | 600      | 600     | 600      | 600       | 600     | 600      | 600      | 600      | 600     | 600      | -                    | 6,600              | 7,200                    | 600                     |
| 5604 Other Leases                           | 131      | 83        | 83       | 83      | 83       | 83        | 83      | 83       | 83       | 83       | 83      | 83       | -                    | 1,044              | -                        | (1,044)                 |
| 5610 Repairs and Maintenance                | 434      | 447       | 417      | 417     | 417      | 417       | 417     | 417      | 417      | 417      | 417     | 417      | -                    | 5,048              | 5,000                    | (48)                    |
|   | 565      | 19,130    | 19,100   | 19,100  | 19,100   | 19,100    | 19,100  | 19,100   | 19,100   | 19,100   | 19,100  | 19,100   | -                    | 201,692            | 202,200                  | 508                     |
| <b>Operations and Housekeeping</b>          |          |           |          |         |          |           |         |          |          |          |         |          |                      |                    |                          |                         |
| 5201 Auto and Travel                        | -        | 2,176     | -        | -       | -        | -         | 500     | 500      | 500      | 500      | -       | -        | -                    | 4,176              | 2,000                    | (2,176)                 |
| 5203 Business Meals                         | -        | 428       | -        | -       | -        | -         | -       | -        | -        | -        | -       | -        | -                    | 428                | -                        | (428)                   |
| 5300 Dues & Memberships                     | -        | 376       | 376      | 376     | 376      | 376       | 376     | 376      | 376      | 376      | 376     | 376      | -                    | 4,134              | 4,510                    | 376                     |
| 5400 Insurance                              | -        | 2,898     | 2,487    | 2,487   | 2,487    | 2,487     | 2,487   | 2,487    | 2,487    | 2,487    | 2,487   | 2,487    | -                    | 27,755             | 31,000                   | 3,235                   |
| 5510 Office Expense                         | 396      | 1,071     | 2,583    | 2,583   | 2,583    | 2,583     | 2,583   | 2,583    | 2,583    | 2,583    | 2,583   | 2,583    | -                    | 27,301             | 30,000                   | 2,699                   |
| 5511 Postage and Shipping                   | -        | 363       | 1,000    | 1,000   | 1,000    | 1,000     | 1,000   | 1,000    | 1,000    | 1,000    | 1,000   | 1,000    | -                    | 10,363             | 10,000                   | (363)                   |
| 5512 Printing                               | 20       | -         | 200      | 200     | 200      | 200       | 200     | 200      | 200      | 200      | 200     | 200      | -                    | 2,020              | 2,000                    | (20)                    |
| 5513 Other Taxes and Fees                   | -        | -         | 500      | 500     | 500      | 500       | 500     | 500      | 500      | 500      | 500     | 500      | -                    | 5,000              | 5,000                    | -                       |
| 5514 Bank Charges                           | 20       | 20        | 240      | 240     | 240      | 240       | 240     | 240      | 240      | 240      | 240     | 240      | -                    | 2,440              | 2,400                    | (40)                    |
| 5515 Public Relations/Recruitment           | 876      | -         | -        | -       | -        | -         | -       | -        | -        | -        | -       | -        | -                    | 876                | 5,000                    | 4,124                   |
| 5516 Miscellaneous Expense                  | -        | -         | -        | -       | -        | -         | -       | -        | -        | -        | -       | -        | -                    | -                  | 80,000                   | 80,000                  |
| 5900 Communications                         | -        | 833       | 833      | 833     | 833      | 833       | 833     | 833      | 833      | 833      | 833     | 833      | -                    | 9,167              | 10,000                   | 833                     |
|   | 1,312    | 8,165     | 8,219    | 8,219   | 8,219    | 8,219     | 8,719   | 8,719    | 8,719    | 8,719    | 8,219   | 8,219    | -                    | 93,669             | 181,910                  | 88,241                  |
| <b>Depreciation</b>                         |          |           |          |         |          |           |         |          |          |          |         |          |                      |                    |                          |                         |
| 6900 Depreciation Expense                   | -        | 205       | 205      | 205     | 205      | 205       | 205     | 205      | 205      | 205      | 205     | 205      | -                    | 2,255              | -                        | (2,255)                 |
|   | -        | 205       | 205      | 205     | 205      | 205       | 205     | 205      | 205      | 205      | 205     | 205      | -                    | 2,255              | -                        | (2,255)                 |
| <b>Interest</b>                             |          |           |          |         |          |           |         |          |          |          |         |          |                      |                    |                          |                         |
| 7438 Interest Expense                       | 25,431   | -         | -        | -       | 8,222    | -         | -       | 3,718    | 3,718    | 3,718    | 3,718   | 3,718    | -                    | 48,523             | 111,000                  | 62,477                  |
|   | 25,431   | -         | -        | -       | 8,222    | -         | -       | 3,718    | 3,718    | 3,718    | 3,718   | 3,718    | -                    | 48,523             | 111,000                  | 62,477                  |
| <b>Total Expenses</b>                       | 73,683   | 224,350   | 188,470  | 164,612 | 168,316  | 161,760   | 164,527 | 169,115  | 170,494  | 170,065  | 165,825 | 153,107  | 9,457                | 1,983,781          | 3,171,650                | 1,187,870               |
| <b>Monthly Surplus (Deficit)</b>            | (27,680) | (224,350) | (93,712) | 311,983 | (67,614) | (118,119) | 115,063 | (60,956) | (30,200) | (38,233) | 84,058  | (30,752) | 306,651              | 126,138            | 75,820                   | 50,320                  |

# Julia Lee Performing Arts Academy



## Monthly Cash Flow/Forecast FY18-19

Revised 9/18/18

ADA = 156.75

|                                      | Jul-18   | Aug-18    | Sep-18   | Oct-18    | Nov-18   | Dec-18    | Jan-19    | Feb-19   | Mar-19   | Apr-19   | May-19   | Jun-19    | Year-End Accruals | Annual Forecast | Original Budget Total | Favorable / (Unfav.) |
|--------------------------------------|----------|-----------|----------|-----------|----------|-----------|-----------|----------|----------|----------|----------|-----------|-------------------|-----------------|-----------------------|----------------------|
| <b>Cash Flow Adjustments</b>         |          |           |          |           |          |           |           |          |          |          |          |           |                   |                 |                       |                      |
| Monthly Surplus (Deficit)            | (27,680) | (224,350) | (93,712) | 311,983   | (67,614) | (118,119) | 115,063   | (60,956) | (30,200) | (38,233) | 84,058   | (30,752)  | 306,651           | 126,138         | 6.36%                 |                      |
| Cash flows from operating activities | (46,004) | 46,003    | -        | -         | -        | -         | -         | -        | -        | -        | -        | -         | (316,108)         | (316,108)       |                       |                      |
| Public Funding Receivables           | 25,431   | -         | -        | -         | -        | -         | -         | -        | -        | -        | -        | -         | -                 | 25,431          |                       |                      |
| Grants and Contributions Rec.        | (6,613)  | -         | -        | -         | -        | -         | -         | -        | -        | -        | -        | -         | 9,457             | 2,844           |                       |                      |
| Accounts Payable                     | 5,350    | -         | -        | -         | -        | -         | -         | -        | -        | -        | -        | -         | -                 | 5,350           |                       |                      |
| Accrued Expenses                     | -        | -         | -        | -         | -        | -         | -         | -        | -        | -        | -        | -         | -                 | -               |                       |                      |
| Cash flows from financing activities | 500,000  | -         | -        | -         | 164,444  | -         | -         | 74,351   | 74,351   | 74,351   | 74,351   | 74,351    | -                 | 961,847         |                       |                      |
| Proceeds from Factoring              | -        | -         | -        | (575,000) | -        | -         | (164,444) | -        | (74,351) | (74,351) | (74,351) | (74,351)  | -                 | (1,036,847)     |                       |                      |
| Payments on Factoring                | -        | -         | -        | -         | -        | 50,000    | -         | 50,000   | -        | 50,000   | -        | -         | -                 | 250,000         |                       |                      |
| Proceeds/(Payments) on Debt          | -        | -         | 100,000  | -         | -        | -         | -         | -        | -        | -        | -        | -         | -                 | -               |                       |                      |
| Total Change in Cash                 | 450,485  | (178,142) | 6,493    | (262,812) | 97,035   | (67,914)  | (49,176)  | 63,599   | (29,995) | 11,972   | 84,263   | (104,898) |                   |                 |                       |                      |
| Cash, Beginning of Month             | 32,283   | 482,768   | 304,625  | 311,118   | 48,306   | 145,341   | 77,427    | 28,251   | 91,851   | 61,856   | 73,828   | 158,091   |                   |                 |                       |                      |
| Cash, End of Month                   | 482,768  | 304,625   | 311,118  | 48,306    | 145,341  | 77,427    | 28,251    | 91,851   | 61,856   | 73,828   | 158,091  | 53,193    |                   |                 |                       |                      |



Julia Lee Performing Arts Academy

Statement of Financial Position

July 31, 2018

|                                  | Current Balance    | Beginning Year Balance | YTD Change         | YTD % Change |
|----------------------------------|--------------------|------------------------|--------------------|--------------|
| <b>Assets</b>                    |                    |                        |                    |              |
| Current Assets                   |                    |                        |                    |              |
| Cash & Cash Equivalents          | \$ 482,768         | \$ 32,283              | \$ 450,485         | 1395%        |
| Public Funding Receivables       | 46,004             | -                      | 46,004             | 0%           |
| Factored Receivables             | (606,811)          | (81,380)               | (525,431)          | 646%         |
| Total Current Assets             | <u>(78,040)</u>    | <u>(49,098)</u>        | <u>(28,942)</u>    | 59%          |
| Long Term Assets                 |                    |                        |                    |              |
| Deposits                         | 10,000             | 10,000                 | -                  | 0%           |
| Total Long Term Assets           | <u>10,000</u>      | <u>10,000</u>          | <u>-</u>           | 0%           |
| Total Assets                     | <u>\$ (68,040)</u> | <u>\$ (39,098)</u>     | <u>\$ (28,942)</u> | 74%          |
| <b>Liabilities</b>               |                    |                        |                    |              |
| Current Liabilities              |                    |                        |                    |              |
| Accounts Payable                 | \$ -               | \$ 6,613               | \$ (6,613)         | -100%        |
| Accrued Liabilities              | 19,142             | 13,792                 | 5,350              | 39%          |
| Total Current Liabilities        | <u>19,142</u>      | <u>20,405</u>          | <u>(1,263)</u>     | -6%          |
| Long Term Liabilities            |                    |                        |                    |              |
| Total Long Term Liabilities      | <u>-</u>           | <u>-</u>               | <u>-</u>           | 0%           |
| Total Liabilities                | <u>19,142</u>      | <u>20,405</u>          | <u>(1,263)</u>     | -6%          |
| Total Net Assets                 | <u>(87,182)</u>    | <u>(59,503)</u>        | <u>(27,680)</u>    | 47%          |
| Total Liabilities and Net Assets | <u>\$ (68,040)</u> | <u>\$ (39,098)</u>     | <u>\$ (28,942)</u> | 74%          |

# Julia Lee Performing Arts Academy

## Statement of Cash Flows

For the period ended July 31, 2018

|  | Month Ended<br>7/31/2018 | YTD Ended<br>7/31/2018 |
|--|--------------------------|------------------------|
| Cash Flow From Operating Activities  |                          |                        |
| Changes in Net Assets:   | \$ (27,680)              | \$ (27,680)            |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: |                          |                        |
| Decrease/(Increase) in Operating Assets:   |                          |                        |
| Public Funding Receivable  | (46,004)                 | (46,004)               |
| Grants, Contributions & Pledges Receivable   | 525,431                  | 525,431                |
| Other Assets   | -                        | -                      |
| (Decrease)/Increase in Operating Liabilities   |                          |                        |
| Accounts Payable   | (6,613)                  | (6,613)                |
| Accrued Expenses   | 5,350                    | 5,350                  |
| Total Cash Flow from Operating Activities  | <u>450,485</u>           | <u>450,485</u>         |
| Cash Flows from Investing Activities   |                          |                        |
| Total Cash Flows from Investing Activities   | <u>-</u>                 | <u>-</u>               |
| Cash Flows from Financing Activities   |                          |                        |
| Total Cash Flows from Financing Activities   | <u>-</u>                 | <u>-</u>               |
| Change in Cash & Cash Equivalents  | 450,485                  | 450,485                |
| Cash & Cash Equivalents, Beginning of Period   | 32,283                   | 32,283                 |
| Cash and Cash Equivalents, End of Period   | <u>\$ 482,768</u>        | <u>\$ 482,768</u>      |



Julia Lee Performing Arts Academy

**Budget vs. Actual**

For the period ended July 31, 2018

|  | Current<br>Period<br>Actual | Current<br>Period<br>Budget | Current<br>Period<br>Variance | Current<br>Year<br>Actual | Current<br>Year<br>Budget | Current<br>Year<br>Variance | Total<br>Budget |
|--|-----------------------------|-----------------------------|-------------------------------|---------------------------|---------------------------|-----------------------------|-----------------|
| <b>Revenue</b>                                       |                             |                             |                               |                           |                           |                             |                 |
| State Aid-Revenue Limit                              | -                           | -                           | -                             | -                         | -                         | -                           | -               |
| Total State Aid-Revenue Limit                        | -                           | -                           | -                             | -                         | -                         | -                           | -               |
| <b>Federal Revenue</b>                               |                             |                             |                               |                           |                           |                             |                 |
| Title V, Part B - Charter School Grants              | 46,004                      | -                           | 46,004                        | 46,004                    | -                         | 46,004                      | -               |
| Total Federal Revenue                                | 46,004                      | -                           | 46,004                        | 46,004                    | -                         | 46,004                      | -               |
| <b>Other State Revenue</b>                           |                             |                             |                               |                           |                           |                             |                 |
| Total Other State Revenue                            | -                           | -                           | -                             | -                         | -                         | -                           | -               |
| <b>Local Revenue</b>                                 |                             |                             |                               |                           |                           |                             |                 |
| Total Local Revenue                                  | -                           | -                           | -                             | -                         | -                         | -                           | -               |
| Total Revenue  | 46,004                      | -                           | 46,004                        | 46,004                    | -                         | 46,004                      | -               |
| <b>Expenses</b>                                      |                             |                             |                               |                           |                           |                             |                 |
| <b>Certificated Salaries</b>                         |                             |                             |                               |                           |                           |                             |                 |
| Total Certificated Salaries                          | -                           | -                           | -                             | -                         | -                         | -                           | -               |
| <b>Classified Salaries</b>                           |                             |                             |                               |                           |                           |                             |                 |
| Classified Supervisors' and Administrators' Salaries | 22,917                      | -                           | (22,917)                      | 22,917                    | -                         | (22,917)                    | -               |
| Clerical, Technical, and Office Staff Salaries       | 3,333                       | -                           | (3,333)                       | 3,333                     | -                         | (3,333)                     | -               |
| Other Classified Salaries                            | 6,250                       | -                           | (6,250)                       | 6,250                     | -                         | (6,250)                     | -               |
| Total Classified Salaries                            | 32,500                      | -                           | (32,500)                      | 32,500                    | -                         | (32,500)                    | -               |
| <b>Benefits</b>                                      |                             |                             |                               |                           |                           |                             |                 |
| OASDI/Medicare/Alternative, certificated positions   | 2,015                       | -                           | (2,015)                       | 2,015                     | -                         | (2,015)                     | -               |
| Medicare certificated positions                      | 471                         | -                           | (471)                         | 471                       | -                         | (471)                       | -               |
| State Unemployment Insurance, certificated positions | 1,105                       | -                           | (1,105)                       | 1,105                     | -                         | (1,105)                     | -               |
| Total Benefits                                       | 3,591                       | -                           | (3,591)                       | 3,591                     | -                         | (3,591)                     | -               |
| <b>Books &amp; Supplies</b>                          |                             |                             |                               |                           |                           |                             |                 |
| Noncapitalized Equipment                             | 1,562                       | -                           | (1,562)                       | 1,562                     | -                         | (1,562)                     | -               |
| Total Books & Supplies                               | 1,562                       | -                           | (1,562)                       | 1,562                     | -                         | (1,562)                     | -               |
| <b>Subagreement Services</b>                         |                             |                             |                               |                           |                           |                             |                 |
| Total Subagreement Services                          | -                           | -                           | -                             | -                         | -                         | -                           | -               |
| <b>Professional &amp; Consulting Services</b>        |                             |                             |                               |                           |                           |                             |                 |
| Payroll Service Fee                                  | 310                         | -                           | (310)                         | 310                       | -                         | (310)                       | -               |
| Management Fee                                       | 8,412                       | -                           | (8,412)                       | 8,412                     | -                         | (8,412)                     | -               |
| Total Professional & Consulting Services             | 8,722                       | -                           | (8,722)                       | 8,722                     | -                         | (8,722)                     | -               |
| <b>Facilities, Repairs, &amp; Other Leases</b>       |                             |                             |                               |                           |                           |                             |                 |
| Other Leases   | 131                         | -                           | (131)                         | 131                       | -                         | (131)                       | -               |
| Repairs and Maintenance                              | 434                         | -                           | (434)                         | 434                       | -                         | (434)                       | -               |
| Total Facilities, Repairs, & Other Leases            | 565                         | -                           | (565)                         | 565                       | -                         | (565)                       | -               |
| <b>Operations &amp; Housekeeping</b>                 |                             |                             |                               |                           |                           |                             |                 |
| Office Expense                                       | 396                         | -                           | (396)                         | 396                       | -                         | (396)                       | -               |
| Printing   | 20                          | -                           | (20)                          | 20                        | -                         | (20)                        | -               |
| Bank Charges   | 20                          | -                           | (20)                          | 20                        | -                         | (20)                        | -               |
| Public Relations                                     | 876                         | -                           | (876)                         | 876                       | -                         | (876)                       | -               |
| Total Operations & Housekeeping                      | 1,312                       | -                           | (1,312)                       | 1,312                     | -                         | (1,312)                     | -               |





# Julia Lee Performing Arts Academy

## Check Register

For the Period Ended July 31, 2018

| Check Number | Vendor Name  | Transaction Description         | Check Date | Check Amount |
|--------------|--|---------------------------------|------------|--------------|
|              |  | Employee Reimbursement 06/18    | 7/2/2018   | 751.85       |
| 10017        | Tanya Taylor                                       |                                 | 7/3/2018   | 876.00       |
| 10018        | Color Press Printing Inc                           | Marketing - 30,000 Door Hangers | 7/6/2018   | 262.14       |
| 10019        | Tanya Taylor                                       | Reimb 06/18                     | 7/9/2018   | VOID         |
| 10020        | VOID   | VOID                            | 7/11/2018  | VOID         |
| 10021        | Elsinore First Assembly                            | Security Deposit (2)            | 7/11/2018  | 1,077.50     |
| 10022        | Ray Taylor   | LCD Screen & Cisco Phones       | 7/11/2018  | 5,000.00     |
| 10023        | Elsinore First Assembly                            | Security Deposit (1)            | 7/13/2018  | 139.28       |
| 10024        | Charter Impact, Inc.                               | FedEx Reimbursement for May     | 7/13/2018  | 182.50       |
| 10024        | Charter Impact, Inc.                               | Regular Payroll 06/25/2018      | 7/13/2018  | 166.25       |
| 10024        | Charter Impact, Inc.                               | Supplemental Payroll 07/03/2018 | 7/13/2018  | 143.25       |
| 10024        | Charter Impact, Inc.                               | Regular Payroll 07/10/2018      | 7/13/2018  | 441.00       |
| 10025        | Hansberger & Klein, a Professional Law Corporation | Legal svcs 05/18 - 06/18        | 7/25/2018  | 209.50       |
| 10026        | Tanya Taylor                                       | Reimb 06/18 - 07/18             | 7/25/2018  | 5,412.00     |
| 10027        | Charter Impact, Inc.                               | Business Mgmt. svcs 07/18       | 7/26/2018  | 3,000.00     |
| 10027        | Charter Impact, Inc.                               | Consulting svcs                 | 7/26/2018  | 98.07        |
| 10027        | Charter Impact, Inc.                               | FedEx Reimb 06/18               | 7/26/2018  | VOID         |
| 10028        | Ray Taylor   | Reimb. - 7/30                   | 7/31/2018  | 994.48       |
| 10029        | Ray Taylor   | Reimb. - 7/30                   | 7/31/2018  |              |

**Total Disbursements Issued in July**      18,753.82

## **Julia Lee Performing Arts Academy**

### **2018-2019 Education Protection Account (EPA) Spending Plan**

Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increases the states sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers.

The new revenues generated from Proposition 30 are deposited into a newly created state account called the Education Protection Account (EPA). School districts, county offices of education, and charter schools (LEAs) will receive funds from the EPA based on their proportionate share of the statewide revenue limit amount. A corresponding reduction is made to an LEA's revenue limit EPA entitlement. LEAs will receive EPA payments quarterly beginning with the 2013-14 Fiscal Year.

Proposition 30 provides that all K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent, but with these provisions:

- The spending plan must be approved by the governing board during a public meeting.
- EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs.
- Refer to the attached list of functions for which EPA funds may be used.
- Each year, the local agency must publish on its website an accounting of how much money was received from the EPA and how the funds were expended.

Estimated 2018-19 EPA Entitlements are estimated to be \$31,350.00

It is proposed that EPA funds be used to cover salary and benefit costs of non-administrative, certificated teaching staff (SACS Object Code 1000).



**Governing Board Resolution**

RESOLUTION OF CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM APPLICANT'S GOVERNING BOARD TO APPROVE THE EXECUTION OF THE LOAN AGREEMENT WITH THE CALIFORNIA SCHOOL FINANCE AUTHORITY

RESOLUTION NO. \_\_\_\_\_ 01 \_\_\_\_\_

WHEREAS, [Riverside Office County Office of Education] authorized the charter for [Julia Lee Performing Arts Academy CDS 1988] on [September 22, 2018]; and,

WHEREAS, the charter school will need funds to [new charter school]; and,

WHEREAS, [Julia Lee Performing Arts Academy] applied for a Charter School Revolving Loan Fund Program loan from the California School Finance Authority during the 2018-19 funding round; and,

WHEREAS, Execution of the loan agreement and disbursement of loan funds is contingent on the California School Finance Authority board approving the charter school's application; and,

WHEREAS, [Julia Lee Performing Arts Academy] governing board has reviewed the loan agreement forwarded by the California School Finance Authority; and,

WHEREAS, [Julia Lee Performing Arts Academy] governing board agrees to meet all terms and conditions for the receipt of a revolving loan pursuant to Education Code sections 41365 through 41367; and,

WHEREAS, upon approval of the loan by the California School Finance Authority and execution of the loan agreement, the California School Finance Authority will request that the State Controller offset apportionment payments to the [Julia Lee Performing Arts Academy] in equal amounts for **4 years (approved by the California School Finance Authority), not greater than five** successive fiscal years commencing with the first fiscal year following the fiscal year in which loan proceeds are disbursed to the charter school.

NOW, THEREFORE BE IT RESOLVED that [Julia Lee Performing Arts Academy] governing board on behalf of the [Julia Lee Performing Arts Academy] hereby approves the execution of a loan agreement with the California School Finance Authority in the amount of [\$250,000.00 (approved by the California School Finance Authority), not to exceed \$250,000.00] as provided by the provisions of Education Code sections 41365 through 41367.

PASSED AND ADOPTED by the [Julia Lee Performing Arts Academy] governing board at a meeting held on [September 22, 2018].

Jennifer Oglesky Board President

Name and Title of the Authorized Representative

[Signature] 9/24/18

Signature Date

**JULIA LEE PERFORMING ARTS ACADEMY  
RESOLUTION REGARDING THE EDUCATION PROTECTION ACCOUNT**

WHEREAS, the voters approved Proposition 30 on November 6, 2012 and Proposition 55 on November 8, 2016;

WHEREAS, Proposition 30 added Article XIII, Section 36 to the California Constitution effective November 7, 2012 (sun setting 12/31/2017), and Proposition 55 Article XIII, Section 36(e) to the California Constitution effective November 8, 2016 (commencing 01/01/2018);

WHEREAS, the provisions of Article XIII, Section 36(e) create in the state General Fund an Education Protection Account to receive and disburse the revenues derived from the incremental increases in taxes imposed by Article XIII, Section 36(f);

WHEREAS, before June 30<sup>th</sup> of each year, the Director of Finance shall estimate the total amount of additional revenues, less refunds that will be derived from the incremental increases in tax rates made pursuant to Article XIII, Section 36(f) that will be available for transfer into the Education Protection Account during the next fiscal year;

WHEREAS, if the sum determined by the State Controller is positive, the State Controller shall transfer the amount calculated into the Education Protection Account within ten days preceding the end of the fiscal year;

WHEREAS, all monies in the Education Protection Account are hereby continuously appropriated for the support of school districts, county offices of education, charter schools and community college districts;



WHEREAS, monies deposited in the Education Protection Account shall not be used to pay any costs incurred by the Legislature, the Governor, or any agency of state government;

WHEREAS, a community college district, county office of education, school district, or charter school shall have the sole authority to determine how the monies received from the Education Protection Account are spent in the school or schools within its jurisdiction;

WHEREAS, the governing board of the district shall make the spending determinations with respect to monies received from the Education Protection Account in open session of a public meeting of the governing board;

WHEREAS, the monies received from the Education Protection Account shall not be used for salaries or benefits for administrators or any other administrative cost;

WHEREAS, each community college district, county office of education, school district and charter school shall annually publish on its Internet website an accounting of how much money was received from the Education Protection Account and how that money was spent;

WHEREAS, the annual independent financial and compliance audit required of community college districts, county offices of education, school districts and charter schools shall ascertain and verify whether the funds provided from the Education Protection Account have been properly disbursed and expended as required by Article XIII, Section 36 of the California Constitution;


WHEREAS, expenses incurred by community college districts, county offices of education, school districts and charter schools to comply with the additional audit requirements of Article XIII, Section 36 may be paid with funding from the Education

Protection Act and shall not be considered administrative costs for purposes of Article XIII, Section 36.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The monies received from the Education Protection Account shall be spent as required by Article XIII, Section 36 and the spending determinations on how the money will be spent shall be made in open session of a public meeting of the governing board of Julia Lee Performing Arts Academy;
2. In compliance with Article XIII, Section 36(e), with the California Constitution, the governing board of Julia Lee Performing Arts Academy has determined to spend the monies received from the Education Protection Act as attached.

DATED: 9/22, 2018.

  
\_\_\_\_\_  
Board Member (President)



**CALIFORNIA SCHOOL FINANCE AUTHORITY  
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM  
LOAN AGREEMENT NUMBER 18-22**

Julia Lee Performing Arts Academy  
CDS: 33-10330-0137851  
Charter Number: 1988  
Address: 19740 Grande Ave., Lake Elsinore, CA 92530

This loan agreement is made the Seventeenth day of August 2018, between Julia Lee Performing Arts Academy (Loan Recipient) and the California School Finance Authority (Authority).

**RECITALS**

- A. The Loan Recipient has applied to the Authority for a reservation of funds under the Charter School Revolving Loan Fund Program (Program) and the Loan Recipient's application, which is attached hereto as Exhibit A, has been determined by the Authority to meet Program eligibility requirements,
- B. The Loan Recipient has applied for and been approved by the Authority pursuant to Authority Resolution 18-15 for the issuance of a loan to support the operations of the Charter School consistent with the terms of the Charter School's charter.
- C. The Authority proposes to reserve \$250,000 from the Charter School Revolving Loan Fund for the purposes described herein.
- D. The term of this Loan Agreement shall be from the date of this Loan Agreement, hereinabove, through the term of the loan, unless at the Authority's discretion the time period is amended in writing. In no circumstance may the term of this Loan Agreement exceed the period of five years.
- E. This award to the Loan Recipient is contingent upon the availability of funds under the Program.
- F. The purpose of this Loan Agreement is to set forth the terms and conditions upon which the Authority will provide the funds to the Loan Recipient.

NOW, THEREFORE, the Authority and the Loan Recipient agree as follows:

**ARTICLE I – DEFINITIONS**

Section 1.1– ELIGIBLE USE means the use of Program funds for the purposes of supporting the operations or financing of the Charter School consistent with the Charter School's charter.

Section 1.2 – EXECUTIVE DIRECTOR means the Executive Director authorized to act on behalf of the Authority.

Section 1.3 – PROGRAM means the Charter School Revolving Loan Fund Program.

Section 1.4 – PROGRAM DOCUMENTS means this Loan Agreement, Program Regulations, Loan Recipient's Application, and Authority Resolution 18-15, including any and all exhibits or attachments to such documents.

**CALIFORNIA SCHOOL FINANCE AUTHORITY  
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM  
LOAN AGREEMENT NUMBER 18-22**

Section 1.5 – LOAN TERM means the two year period commencing from the first payment date, unless the loan amount has been paid in full or at the Authority's discretion the time period is amended.

Section 1.6 – LOAN RECIPIENT means Julia Lee Performing Arts Academy, CDS: 33-10330-0137851, 19740 Grande Ave., Lake Elsinore, CA 92530.

Section 1.7 – REGULATIONS OR PROGRAM REGULATIONS means the California Code of Regulations, Title 4, Division 15, Article 1.6 (commencing with section 10170.24), as may be amended from time to time.

Section 1.8 – AUTHORITY means the California School Finance Authority.

Section 1.9 – APPLICANT OR CHARTER SCHOOL means Chartering Authority or Charter School.

Section 1.10 – FUND means the Charter School Revolving Loan Fund established pursuant to Education Code section 41365(a).

**ARTICLE II – DELEGATION OF AUTHORITY**

Section 2.1 – Pursuant to Authority Resolution 18-15, the Executive Director is authorized to take actions for, and on behalf, and in the name of the Authority, including, but not limited to:

- (a) Taking all steps necessary with respect to the Loan Recipient including notifying the Loan Recipient whether its Application has been approved for funding, preparing and executing the final form of Loan Agreement and disbursing Program funds pursuant to the Loan Agreement and the Authority's Regulations;
- (b) Drawing money from the Fund, not to exceed the amount approved by the Authority for the Loan Recipient.
- (c) Executing and delivering to the Loan Recipient any and all documents necessary to complete the transfer of Program funds; and
- (d) Undertaking any and all actions and to execute and deliver any and all documents that the Executive Director deems necessary or advisable in order to effectuate the purposes of the Authority Resolution 18-15 approved by the Authority.

**ARTICLE III – REPRESENTATIONS AND WARRANTIES**

The Loan Recipient makes the following representations and warranties to the Authority:

Section 3.1 – LEGAL STATUS. The Loan Recipient represents and warrants that for the Charter School for which funds have been awarded:

- (a) The charter school is established pursuant to Education Code section 47600 et seq.
- (b) An approved charter has been awarded and is in place and current at the time this Loan Agreement is executed and throughout the Loan Term.
- (c) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time this Loan Agreement is executed. The Authority will rely on information from the chartering authority regarding the charter school's good standing and compliance with the terms of its charter.



**CALIFORNIA SCHOOL FINANCE AUTHORITY  
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM  
LOAN AGREEMENT NUMBER 18-22**

(d) The charter school has a County-District-School (CDS) Code and charter number issued by the California Department of Education.

**ARTICLE IV – CONDITIONS PRECEDENT TO DISBURSEMENT OF PROGRAM FUNDS**

The obligation of the Authority to make any disbursements under this Loan Agreement is subject to all of the following conditions:

Section 4.1 – EVENT OF DEFAULT. There shall not exist an Event of Default, as defined in this Loan Agreement, and there shall exist no event, omission or failure of condition, which, after notice of lapse of time, would constitute an Event of Default, as defined in this Loan Agreement.

Section 4.2 – DOCUMENTATION. The Loan Recipient shall deliver to the Authority in form and substance satisfactory to the Authority this Loan Agreement and any other documents required by the Authority.

Section 4.3 – CERTIFIED RESOLUTION. This Loan Agreement and any amendments hereto shall be accompanied by a certified resolution from the Loan Recipient's governing body authorizing its execution.

Section 4.4 – FUNDING CONDITIONS. The Loan Recipient has met all terms and conditions of funding in accordance with the Regulations and the Authority's Resolution Number 18-15.

Section 4.5 – FINANCING APPROVAL. The Loan Recipient has received approval from the Authority for the issuance of Program funds; provided that such approval includes the requirement for repayment through an intercept of funds pursuant to Education Code section 17199.4.

Section 4.6 – TERMS OF COMMITMENT. In the event the Loan Recipient has not fulfilled all terms and conditions precedent as set forth in this Article IV, the Authority's obligation under this Loan Agreement shall automatically terminate, unless at the Authority's discretion, compliance by the Loan Recipient has been waived by the Authority in writing.

**ARTICLE V – PROGRAM DISBURSEMENT PROCEDURES**

Section 5.1 – DISBURSEMENT PROCEDURES. Disbursement of the Program funds shall occur once the Authority makes the loan award determination; provided however that no Program funds shall be disbursed until this Loan Agreement is executed by all parties.

Section 5.2 – DISBURSEMENT PROCESS. Program funds shall be disbursed directly to the Loan Recipient.

Section 5.3 – AMOUNT OF DISBURSEMENT. Program funds shall be disbursed up to the amount authorized pursuant to this Loan Agreement.

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**ARTICLE VI – REPAYMENT PROVISIONS**

Section 6.1 – LOAN REPAYMENT. Loan repayment shall begin the fiscal year after the Loan Recipient receives Program funds. Loan Recipient shall be obligated to repay the Program in two years, with each annual payment representing the initial principal amount of the loan, plus interest based on the rate described in section 6.2. For purposes of determining the year in which the Loan Recipient begins repayment, the Authority shall consider receipt of Program funds to occur on the date that the Accounting Division of the State Treasurer's Office processes the payment for the Loan Recipient. The repayment schedule, once completed by the Authority, will be submitted to the Loan Recipient and attached as EXHIBIT B. If a Charter School fails to open within the next fiscal year after receiving their loan disbursement, the Charter School will be invoiced for the full loan amount, which must be repaid within 60 days, unless granted an extension.

Section 6.2 – INTEREST RATE. Interest on the loan shall be based on an interest rate equal to the rate earned by money in the Pooled Money Investment Account as of the date of disbursement of the funds to the charter school, per section 6.1.

Section 6.3 – INTERCEPT OF LOAN PAYMENTS. Loan payments shall be made by intercepting the Charter School's state revenue. Payment amounts reflected in the loan repayment schedule, or partial payments depending on the availability of revenue, shall be intercepted until the loan is paid in full. If the annual payment obligation cannot be made through the intercept process, the Authority may invoice the Loan Recipient directly for payment of any outstanding amounts.

Section 6.4 – ACCOUNTS RECEIVABLE. The Authority shall set up accounts receivable for any Charter School that is past due on loan repayment or that has defaulted on repayment of a Loan.

Section 6.5 – COLLECTION OF LOAN PAYMENTS. If loan payments are not made using the intercept process, the Authority may invoice the Charter School. In the event the Charter School is unable to repay the loan and the Charter School is operated by an affiliated organization or chartering authority, the Authority shall require the affiliated organization or chartering authority to make annual payments or repay the total outstanding loan amount.

**ARTICLE VII – AFFIRMATIVE COVENANTS**

Section 7.1 – LEGAL COMPLIANCE. The Loan Recipient shall:

- (a) Comply with the Program statute and regulations, as such may be amended from time to time, throughout the Program Period.
- (b) Ensure that the expenditure of all loan funds is consistent with the intent of the Program and solely for the purpose of supporting the operations and financing of the Charter School.

Continued and uninterrupted compliance with all Program requirements is the Loan Recipient's responsibility.

Section 7.2 – ACCOUNTING RECORDS. The Loan Recipient shall maintain an accounting system that accurately reflects fiscal transactions, with necessary controls and



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safeguards. This system shall provide an audit trail, including original source documents such as teacher salaries, lease agreements, contracts, receipts, progress payments, invoices, etc. These records shall be retained for the full period of the loan. Such books and accounts shall be available for audit and/or review upon request by the Authority and the Bureau of State Audits.

Section 7.3 – LITIGATION. The Loan Recipient shall promptly notify the Authority in writing of any administrative action or litigation, pending or threatened, by or against the Loan Recipient or otherwise related to the Loan Recipient. For purposes of this item, the term “Loan Recipient” shall include the charter school, the parent company of the charter school, and any subsidiary of the charter school if the subsidiary is involved in or will be benefited by the Program. In addition to each of these entities themselves, the term “Loan Recipient” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.

Section 7.4 – NOTICE TO AUTHORITY. The Loan Recipient shall:

- (a) Notify the Authority, within thirty (30) days, of a Loan Recipient’s determination to deferr opening until the next fiscal year OR close operation altogether and provide clarifaction to the Authority on how the the loan balance will be repaid.
- (b) Notify the Authority if a charter school’s charter is not renewed or is revoked at any time during the Loan Term, within thirty (30) days of receipt of notification of such action, including providing the Authority with a copy of the document provided by the chartering entity notifying the charter school of such action and provide clarifaction to the Authority on how the the remaining loan balance will be repaid.
- (c) Notify the Authority, within thirty (30) days, of any material changes to the facilities, enrollment, charter, nonprofit status, or financial condition.
- (d) Notify the Authority, within thirty (30) days, of a Loan Recipient’s determination that all or a portion of loan funds are no longer needed for their intended use, as identified in the Application, and provide clarifaction to the Authority on how the remaining loan balance will be repaid .

Section 7.5 – RELEASE. The Loan Recipient hereby waives all claims and recourse against the Authority including but not limited to the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to, this Loan Agreement, the Loan Recipient’s use of the Program proceeds or the Loan Recipient’s business operations. The provisions of this section shall survive the termination of this Loan Agreement.

Section 7.6 – INDEMNIFICATION. The Loan Recipient shall defend, indemnify, and hold harmless the Authority, and the State, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Program or the Authority. The provisions of this section shall survive termination of this Loan Agreement.

Section 7.7 – AUDITS. The Loan Recipient shall comply with any audit provisions as may be required bit the Authority, State Controller, or the Bureau of State Audits.

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Section 7.8 – SUBORDINATION OF NEW DEBT. The Loan Recipient will ensure that any loans, debts, or agreements involving factoring of apportionments entered into after this loan agreement is executed shall be subordinated to this Loan.

**ARTICLE VIII – DEFAULT AND REMEDIES**

Section 8.1 – EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Loan Agreement:

- (a) Any representation or warranty made by the Loan Recipient or anyone acting on its behalf, hereunder or under any of the Program Documents, is incorrect in any material respect.
- (b) The Loan Recipient's failure to perform or abide by any term or condition of this Loan Agreement (including all requirements and covenants in Articles III through VII herein) or other Program Documents or comply with any other agreements between the Loan Recipient and the Authority relating to the Program.
- (c) Any substantial or continuous breach by the Loan Recipient of any material obligations of the Loan Recipient imposed by any agreements other than the Program Documents with respect to the Program.
- (d) The Loan Recipient's failure to generate sufficient revenue available for intercept or to pay an invoice to meet its repayment obligations in accordance with their loan repayment schedule.
- (e) The Loan Recipient's failure to repay the loan in any instance.
- (f) The Loan Recipient's failure to remain in good standing with its chartering authority or in compliance with its charter during the term of the loan.
- (g) The Loan Recipient's failure to notify the Authority if there are any material changes to the school and/or its charter.

Section 8.2 – NOTICE OF LOAN RECIPIENT'S DEFAULT AND OPPORTUNITY TO CURE. The Authority shall give written notice to the Loan Recipient of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the Event of Default; (b) the action required to cure the Event of Default, if an action to cure is possible; and (c) a date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which such action to cure must be taken, if an action to cure is possible, provided, however, except with respect to a monetary Event of Default, so long as the Loan Recipient has commenced to cure within such time, then the Loan Recipient shall have a reasonable period, as determined by the Authority, thereafter within which to fully cure the Event of Default.

Section 8.3 – REMEDIES. In an Event of Default, the Authority may pursue any remedy available to it in law or in equity, including, but not limited to, forfeiture and return of all Program funds and any accrued interests.

**ARTICLE IX – MISCELLANEOUS**

Section 9.1 – AMENDMENTS. This Loan Agreement may only be amended, changed or modified in writing signed by the Loan Recipient and the Authority.

Section 9.2 – ASSIGNMENT. This Loan Agreement may not be assigned or transferred in any way by the Loan Recipient without the written consent of the Authority, such consent to



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be granted only if the assignee or transferee is a charter school meeting all of the requirements of this Loan Agreement and the Program Regulations, and which has agreed in writing to accept the terms of this Program Loan Agreement.

Section 9.3 – ENTIRE LOAN AGREEMENT. This Loan Agreement, together with all agreements and documents incorporated by reference herein, constitutes the entire Loan Agreement of the parties and is not subject to modification, amendment, qualification or limitation except as expressly provided herein.

Section 9.4 – NOTICES. Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first-class mail, postage prepaid and addressed as follows:

- (i) If to the Loan Recipient:  
Attn: Tanya Taylor, Director of Arts  
29991 Canyon Hills Rd. #1709-527, Lake Elsinore, CA 92532
- (ii) If to the Authority:  
Attn: Katrina Johantgen, Executive Director  
California School Finance Authority  
300 S. Spring Street, Suite 8500  
Los Angeles, CA 90013

Section 9.5 – COUNTERPARTS. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 9.6 – GOVERNING LAW, VENUE. This Loan Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California applicable to contracts made and performed in the State of California. This Loan Agreement shall be enforceable in the State of California and any action arising hereunder shall (unless waived in writing by the Authority) be filed and maintained in Sacramento, Sacramento County, California.



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IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed in day and year first hereinabove written.

Julia Lee Performing Arts Academy:

By:  \_\_\_\_\_  
Tanya Taylor, Director of Arts

Date: 9/22/18

and

CALIFORNIA SCHOOL FINANCE AUTHORITY:

By: \_\_\_\_\_  
Katrina Johantgen, Executive Director

Date: \_\_\_\_\_