

***Charter
School
Revolving
Loan Fund
Program***

**2015-
2016**

**Annual
Detailed Fund
Condition**



Charter School Revolving Loan Fund Program

2015-2016 Annual Detailed Fund Condition

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Charter School Revolving Loan Fund Program

2015-16 Annual Detailed Fund Condition

Introduction

Pursuant to Section 41366.6(b) of the Education Code, the California School Finance Authority (Authority) presents fund details of the Charter School Revolving Loan Fund Program for fiscal year 2015-16. Below are Program updates and highlights for the 2015-16 fiscal year. Additional details are contained in the report.

Current/Past Loans: As of June 30, 2016, the Authority is working with approximately 130 schools to pay back approximately \$21.3 million in loan funds. These schools are spread throughout the state and located in 33 different counties. Since the program was transferred in 2013-14, the Authority has successfully collected from and closed out 203 loans, totaling \$38.3 million in loan funds. These collected payments are deposited into the Charter School Revolving Loan Fund to make loans for new charter schools.

Security Fund Transfer: As the program's Loan Fund was adequately funded for the 2015-16 funding round, the Authority did not request a transfer of funds from the Charter School Security Fund to the Charter School Revolving Loan Fund in the 2015-16 fiscal year. Currently, the Authority does not foresee a need to transfer funds from the security fund into the program fund in the next two fiscal years (16-17 and 17-18). Should the growth of new charter schools increase, we will revisit these assumptions.

Defaulted Loans: Since the Program was transferred in July 2013, the Authority has worked to recover nearly \$2 million of previously defaulted loan funds, and continues to collect on defaulted loans. Additionally, underwriting criteria implemented by the Authority has led to an impressively low 3% default rate on loans underwritten by the Authority.

In spring 2016, the Authority has taken steps to discharge \$6.3 million in loans that have been in default as far back as 2002. This is the first time in Program history that steps have been taken to write-off and discharge old loans. Only \$208,376 of the \$6.3 million defaulted funds were of loans underwritten by the Authority.

Plans for 2016-17: The Authority has proposed amended regulations for the 2016-17 fiscal year to help further strengthen the program's default rate and improve the application process. The Authority is also in the early stages of creating an online application to be used in future funding rounds.

California School Finance Authority
 Analysis of Change in Fund Balance
 California Education Code Section 41366.6(b)
Charter School Revolving Loan Fund – Fund #0606

As of June 30, 2016	Fiscal Year		
	2015-16 Actual	2016-17 Estimated	2017-18 Projected
Beginning Fund Balance	\$ 6,359,451	\$ 8,359,860	\$ 7,909,866
<u>Additions</u>			
Principal Repayment	\$ 10,000,409	\$ 7,550,006	\$ 7,109,664
Transfers from CSSF (Fund #8000)	\$ -	\$ -	\$ -
<i>Total Additions</i>	\$ 10,000,409	\$ 7,550,006	\$ 7,109,664
<u>Deductions</u>			
Loan Principal Disbursed	\$ 8,000,000	\$ 8,000,000	\$ 7,750,000
<i>Total Deductions</i>	\$ 8,000,000	\$ 8,000,000	\$ 7,750,000
Net Additions/(Deductions)	\$ 2,000,409	\$ (449,994)	\$ (640,336)
Ending Fund Balance	\$ 8,359,860	\$ 7,909,866	\$ 7,269,530

Charter School Revolving Loan Fund Program

Awarded Loans Documented in 2015-16

Fund #0606

<u>County</u>	<u>Charter School</u>	<u>Disbursement Date</u>	<u>Pooled Money Investment Account Interest Rate</u>	<u>Loan Amount</u>
Alameda	Francophone Charter School of Oakland	9/4/2015	0.34%	\$250,000
Contra Costa	Vista Oaks Charter School	11/16/2015	0.37%	\$250,000
Fresno	Aspen Public School	6/30/2016	0.58%	\$250,000
Los Angeles	Ednovate High School No. 2	8/27/2015	0.33%	\$250,000
Los Angeles	Valiente College Preparatory Charter School	9/18/2015	0.34%	\$250,000
Los Angeles	Everest Value School	10/13/2015	0.36%	\$250,000
Los Angeles	Prepa Tec Los Angeles	10/7/2015	0.35%	\$250,000
Los Angeles	SIATech Academy South	10/7/2015	0.35%	\$250,000
Los Angeles	Village Charter Academy	10/9/2015	0.36%	\$250,000
Los Angeles	Community Preparatory Academy	12/3/2015	0.39%	\$250,000
Los Angeles	Inspire Charter Schools	11/23/2015	0.38%	\$250,000
Los Angeles	Equitas Academy Charter School #4	6/6/2016	0.57%	\$250,000
Los Angeles	California Collegiate Charter School	6/6/2016	0.57%	\$250,000
Los Angeles	Girls Athletic Leadership School Los Angeles	5/31/2016	0.57%	\$250,000
Orange	Vista Heritage Charter Middle School	9/18/2015	0.34%	\$250,000
Orange	Oxford Preparatory Academy - Saddleback Valley	6/1/2016	0.57%	\$250,000
Orange	Orange County Academy of Sciences and Arts	6/30/2016	0.58%	\$250,000
Riverside	Encore High School for the Arts - Riverside	10/7/2015	0.35%	\$250,000
Sacramento	Golden Valley Orchard (GVCS II)	8/27/2015	0.33%	\$250,000
Sacramento	Paramount Collegiate Academy	8/13/2015	0.33%	\$250,000
San Bernardino	Taft T. Newman Leadership Academy	10/9/2015	0.36%	\$250,000
San Bernardino	Ballington Academy for the Arts & Sciences - San Bernardino	6/24/2016	0.58%	\$250,000
San Diego	Beacon Classical Academy National City	10/7/2015	0.35%	\$250,000
San Diego	Stephen W. Hawking II S.T.E.A.M. Charter School	10/7/2015	0.35%	\$250,000
San Diego	Stephen W. Hawking Math and Science Charter School	10/9/2015	0.36%	\$250,000
San Francisco	One Purpose School	7/14/2015	0.32%	\$250,000
San Mateo	Rocketship Redwood City 1	9/18/2015	0.34%	\$250,000
Santa Clara	Alpha: Cindy Avitia High School	8/24/2015	0.33%	\$250,000
Santa Clara	Voices College-Bound Language Academy at Mt. Pleasant	8/13/2015	0.33%	\$250,000
Sutter	California Prep Sutter 8-12	8/21/2015	0.33%	\$250,000
Sutter	California Prep Sutter K-7	8/21/2015	0.33%	\$250,000
Yolo	Empowering Possibilities International Charter	8/13/2015	0.33%	\$250,000
Total Loans Documented				\$8,000,000

CALIFORNIA SCHOOL FINANCE AUTHORITY
 POST-CLOSING TRIAL BALANCE
 AS OF 06/30/16

(REPORT 8)

***** PAGE 1
 FUND : 0606 CHARTER SCHOOL REVOLVING LOAN FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	SUBSIDIARY FILE	
				GLAN	GLAN
1140	CASH IN STATE TREASURY	8,937,071.44	0.00	1140	
1319	ACCOUNTS RECEIVABLE OTHER	925,286.23	0.00	1319	
1380	CONTINGENT RECEIVABLES	6,474,384.85	0.00	1380	
1540	DUE FROM SCHOOL DISTRICTS	172,788.74	0.00	1540	1500
1600	PROVISIONS FOR DEFERRED RECEIVABLES	0.00	7,399,671.08	1600	1600
2140	LOANS TO OTHER GOVERNMENTS	27,180,316.47	0.00	2140	
3020	CLAIMS FILED	0.00	750,000.00	3020	
5380	RESERVE FOR NONCURRENT LOANS RECEIVABLE	0.00	27,180,316.47	5380	
5530	FUND BALANCE -- UNAPPROPRIATED	0.00	8,359,860.18	5530	
0TOTAL FUND	0606	43,689,847.73	43,689,847.73		

OREPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS.
 OI CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE
 PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).
 OSUBSCRIBED AND EXECUTED THIS _____ DAY OF _____, 2016 AT SACRAMENTO, _____, CALIFORNIA.
 O _____
 SIGNATURE OF OFFICER
 OKIM PETELLE
 TYPE OR PRINT NAME OF OFFICER
 OFISCAL OFFICER
 TITLE OF OFFICER

CALIFORNIA SCHOOL FINANCE AUTHORITY
 SUBSIDIARIES ON FILE
 AS OF 06/30/16

***** PAGE 1
 FUND : 0606 CHARTER SCHOOL REVOLVING LOAN FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1500	DUE FROM OTHER GOVERNMENTS		
	15400000 DUE FROM CHARTER SCHOOLS	172,788.74	0.00
0	TOTAL ACCOUNT 1500	172,788.74	0.00
01600**	PROVISION FOR DEFERRED RECEIVABLES		
	013190000 PROVISION FOR DEFERRED RECEIVABLES	0.00	925,286.23
	013800000 PROVISION FOR DEFERRED RECEIVABLES	0.00	6,474,384.85
0 ** 0	(ZERO) IS DISPLAYED PRECEDING SUBSIDIARY CODES FOR THIS GLA TO ACCOMMODATE STATE CONTROLLERS OFFICE NEEDS		
0	TOTAL ACCOUNT 1600	0.00	7,399,671.08
02140	LOANS TO OTHER GOVERNMENTS		
	21430000 LOAN TO CHARTER SCHOOLS	27,180,316.47	0.00
0	TOTAL ACCOUNT 2140	27,180,316.47	0.00
0	TOTAL FUND 0606	27,353,105.21	7,399,671.08

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CALIFORNIA SCHOOL FINANCE AUTHORITY
 TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS
 AS OF 06/30/16

***** PAGE 1
 FUND : 0606 CHARTER SCHOOL REVOLVING LOAN FUND

GLAN	ACCOUNT TITLE	D C	BEGINNING BALANCE	DEBITS	CREDITS	ENDING BALANCE	GLAN
1110	GENERAL CASH	D	0.00	2,943,766.21	2,943,766.21	0.00	1110
1115	GENERAL CASH REMITTANCE IN TRANS	D	0.00	2,943,766.21	2,943,766.21	0.00	1115
1140	CASH IN STATE TREASURY	D	12,031,366.23	9,905,705.21	13,000,000.00	8,937,071.44	1140
1319	ACCOUNTS RECEIVABLE OTHER	D	1,970,109.57	973,365.34CR	71,458.00	925,286.23	1319
1380	CONTINGENT RECEIVABLES	D	5,248,568.28	1,242,842.57	17,026.00	6,474,384.85	1380
1500	DUE FROM OTHER GOVERNMENTS	D	78,084.56	2,179,893.40	2,085,189.22	172,788.74	1500
1600	PROVISION FOR DEFERRED RECEIVABL	C	7,218,677.85-	269,477.23	450,470.46	7,399,671.08-	1600
2140	LOANS TO OTHER GOVERNMENTS	D	29,361,719.42	8,000,000.00	10,181,402.95	27,180,316.47	2140
3020	CLAIMS FILED	C	5,750,000.00-	13,000,000.00	8,000,000.00	750,000.00-	3020
3021	CLAIMS IN PROCESS	C	0.00	8,000,000.00	8,000,000.00	0.00	3021
5380	RESERVE FOR NONCURRENT LOANS REC	C	29,361,719.42-	10,181,402.95	8,000,000.00	27,180,316.47-	5380
5530	FUND BALANCE -- UNAPPROPRIATED	C	6,359,450.79-	0.00	0.00	6,359,450.79-	5530
6110	APPROPRIATIONS	C	4,281,366.23-	0.00	11,905,705.21	16,187,071.44-	6110
6120	APPROPRIATIONS--OFFSET	D	4,281,366.23	11,905,705.21	0.00	16,187,071.44	6120
6171	START OF YEAR PAYABLE	C	78,084.56-	0.00	0.00	78,084.56-	6171
6181	START OF YEAR PAYABLE--OFFSET	D	78,084.56	0.00	0.00	78,084.56	6181
9830	OTHER SOURCES	C	0.00	0.00	10,000,409.39	10,000,409.39-	9830
9844	LOAN PRINCIPAL DISBURSEMENTS	D	0.00	8,000,000.00	0.00	8,000,000.00	9844
9998	START OF SYSTEM CLEARING ACCOUNT	D	0.00	0.00	0.00	0.00	9998
0	TOTAL FUND 0606		0.00	77,599,193.65	77,599,193.65	0.00	
-	TOTAL		0.00	77,599,193.65	77,599,193.65	0.00	

California School Finance Authority
 Analysis of Change in Fund Balance
 California Education Code Section 41366.6(b)
Charter School Security Fund – Fund #8000

As of June 30, 2016

	Fiscal Year		
	2015-16 Actual	2016-17 Estimated	2017-18 Projected
Beginning Fund Balance	\$ 2,462,065	\$ 2,531,865	\$ 2,603,304
<u>Additions</u>			
Interest Income	\$ 69,801	\$ 71,439	\$ 75,827
Total Additions	\$ 69,801	\$ 71,439	\$ 75,827
<u>Deductions</u>			
Transfer to CSRLF (Fund #0606)	\$ -	\$ -	\$ -
Total Deductions	\$ -	\$ -	\$ -
Net Additions/(Deductions)	\$ 69,801	\$ 71,439	\$ 75,827
Ending Fund Balance	\$ 2,531,865	\$ 2,603,304	\$ 2,679,131

CALIFORNIA SCHOOL FINANCE AUTHORITY
 PRE-CLOSING TRIAL BALANCE
 AS OF 06/30/16

(REPORT 7)

***** PAGE 1
 FUND : 8000 CHARTER SCHOOL SECURITY FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	2,530,329.20	0.00	1140
1319	ACCOUNTS RECEIVABLE OTHER	9,286.45	0.00	1319
1380	CONTINGENT RECEIVABLES	140,756.52	0.00	1380
1500	DUE FROM OTHER GOVERNMENTS	1,536.07	0.00	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	150,042.97	1600
5530	FUND BALANCE -- UNAPPROPRIATED	0.00	2,462,064.50	5530
8000	REVENUE/OPERATING REVENUE	0.00	69,800.77	8000
0TOTAL FUND	8000	2,681,908.24	2,681,908.24	

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 TITLE OF OFFICER

PRIOR FISCAL YEAR: 2015 0 (ORG) ***** 1 (FUND) FUND(8000) *****

CALIFORNIA SCHOOL FINANCE AUTHORITY
 SUBSIDIARIES ON FILE
 AS OF 06/30/16

***** PAGE 1

FUND : 8000 CHARTER SCHOOL SECURITY FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1500	DUE FROM OTHER GOVERNMENTS		
	15400000 DUE FROM CHARTER SCHOOLS	1,536.07	0.00
0	TOTAL ACCOUNT 1500	1,536.07	0.00
01600**	PROVISION FOR DEFERRED RECEIVABLES		
	013190000 PROVISION FOR DEFERRED RECEIVABLES	0.00	9,286.45
	013800000 PROVISION FOR DEFERRED RECEIVABLES	0.00	140,756.52
0 ** 0	(ZERO) IS DISPLAYED PRECEDING SUBSIDIARY CODES FOR THIS GLA TO ACCOMMODATE STATE CONTROLLERS OFFICE NEEDS		
0	TOTAL ACCOUNT 1600	0.00	150,042.97
0	TOTAL FUND 8000	1,536.07	150,042.97

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 TITLE OF OFFICER

***** PAGE 1
 FUND : 8000 CHARTER SCHOOL SECURITY FUND

GLAN	ACCOUNT TITLE	D C	BEGINNING BALANCE	DEBITS	CREDITS	ENDING BALANCE	GLAN
1110	GENERAL CASH	D	0.00	22,648.14	22,648.14	0.00	1110
1115	GENERAL CASH REMITTANCE IN TRANS	D	0.00	22,648.14	22,648.14	0.00	1115
1140	CASH IN STATE TREASURY	D	2,460,927.06	69,402.14	0.00	2,530,329.20	1140
1319	ACCOUNTS RECEIVABLE OTHER	D	12,299.74	3,013.29CR	0.00	9,286.45	1319
1380	CONTINGENT RECEIVABLES	D	136,113.23	4,736.29	93.00	140,756.52	1380
1500	DUE FROM OTHER GOVERNMENTS	D	1,137.44	10,661.77	10,263.14	1,536.07	1500
1600	PROVISION FOR DEFERRED RECEIVABL	C	148,412.97-	1,723.00	3,353.00	150,042.97-	1600
5530	FUND BALANCE -- UNAPPROPRIATED	C	2,462,064.50-	0.00	0.00	2,462,064.50-	5530
6171	START OF YEAR PAYABLE	C	1,137.44-	0.00	0.00	1,137.44-	6171
6181	START OF YEAR PAYABLE--OFFSET	D	1,137.44	0.00	0.00	1,137.44	6181
8000	REVENUE/OPERATING REVENUE	C	0.00	0.00	69,800.77	69,800.77-	8000
9998	START OF SYSTEM CLEARING ACCOUNT	D	0.00	0.00	0.00	0.00	9998
0	TOTAL FUND 8000		0.00	128,806.19	128,806.19	0.00	
-	TOTAL		0.00	128,806.19	128,806.19	0.00	