

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

**2018-  
2019**

**Annual  
Detailed  
Fund  
Condition**



**Charter School Revolving Loan Fund Program**  
**2018-2019 Annual Detailed Fund Condition**  
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## Charter School Revolving Loan Fund Program

### 2018-19 Annual Detailed Fund Condition

#### Introduction

Pursuant to Section 41366.6(b) of the Education Code, the California School Finance Authority (Authority) is required to present fund details of the Charter School Revolving Loan Fund Program (Program) every fiscal year. Below are Program updates and highlights for the 2018-19 fiscal year which includes the 2017-18 funding round decisions and awards as well as the application period and first round of awards for the 2018-19 funding round. Additionally, financial reports and loan data are contained in the report as well.

Some of the major highlights of the 2018-19 fiscal year:

- As of June 30, 2019, 125 Program loans are outstanding, with a total balance of \$18.9 million. Schools utilizing these loans are located in 25 counties throughout the state.
- The Authority made recommendations to fund 38 loans to 38 schools in the 2017-18 funding round, totaling \$9.32 million. A total of \$9.095 million was disbursed by June 30, 2019.
- As the Program's Loan Fund was adequately funded for the 2017-18 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 2018-19 fiscal year.
- The Authority reviewed 30 applications for the 2018-19 funding round with a total of 25 applications being approved for awards; 19 of these schools were approved for funding in the 2018-19 fiscal year, at Authority's June 2019 board meeting. The remaining six were approved at the Authority's August 2019 meeting which is in the 2019-20 fiscal year.

**Defaulted Loans:** Since the Authority assumed Program administration in 2013-14, twelve schools have defaulted on their loans. These schools represents 4.68% of the loans approved by the Authority for loans which accounts for \$1.715 million of the total \$36.675 million awarded. These twelve schools have been, or are in, the process of being discharged from accountability. By end of the 2018-19 fiscal year, staff has been able to recover more than \$236,000. On page six of this report, a table has been included that reflects the defaults, and the amount of funds recovered from each the defaulted loans.

The Authority analyzed the defaulted loans and found that defaults typically occurred as a result of unrealized enrollment projections that were used to review the creditworthiness of each school. With a vast majority of a new charter school's revenue dependent on reported Average Daily Attendance (ADA), attendance may have a greater impact on financial performance than the school's management or expenses alone. Starting in 2017-18, the Authority made the following changes to mitigate risk and

reduce losses. These changes were also made considering the Program's mission to assist in the opening and establishment of new schools, which are inherently riskier.

The Authority further refined its loan application review process focusing on enrollment projections and the school's ability to repay the loan. The Authority also required enrollment verification provided by California Department of Education (CDE) to ensure projections are being met. The Authority also changed from one total disbursement of funds to incremental disbursements, depending on reported attendance. Each disbursement occurs only in the months after CDE certifies attendance, which happen in September, December, and February. If CDE reports enrollment levels that are not adequate to repay the loan, applications have their future disbursements downsized or eliminated completely depending on the levels reported.

After implementing these new processes, staff demonstrated the effectiveness of the changes in the initial funding round, which ended in the 2018-19 fiscal year. For example, staff determined that a school would not be able to repay the requested \$250,000 loan within its charter term based on its projected enrollment. The school's award was reduced to \$175,000 due to this determination. After the initial award of \$100,000, the school failed to meet any enrollment projections, closed midway through the school year, and did not receive the remaining \$75,000 that was awarded. Since only the initial \$100,000 was disbursed, rather than a loan amount of \$250,000, which the school could have been awarded in earlier funding rounds, staff was able to prevent a \$150,000 loss. The full effect of the Authority's new process will take time to provide more thorough information and to confirm that these changes have truly mitigated risk and reduced losses. Staff will continue to monitor the effectiveness of our underwriting due diligence and amend internal procedures when needed.

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, 2019

	Fiscal Year		
	2018-19 Actual	2019-20 Estimated	2020-21 Projected
<b>Beginning Fund Balance</b>	<b>\$ 9,148,646</b>	<b>\$ 10,545,835</b>	<b>\$ 8,630,681</b>
<b><u>Additions</u></b>			
Principal Repayment	\$ 8,127,189	\$ 6,834,846	\$ 7,843,234
Transfers from CSSF (Fund #8000)	\$ -	\$ 1,500,000	\$ -
<b><i>Total Additions</i></b>	<b>\$ 8,127,189</b>	<b>\$ 8,334,846</b>	<b>\$ 7,843,234</b>
<b><u>Deductions</u></b>			
Loan Principal Disbursed	\$ 6,730,000	\$ 10,250,000	\$ 8,000,000
<b><i>Total Deductions</i></b>	<b>\$ 6,730,000</b>	<b>\$ 10,250,000</b>	<b>\$ 8,000,000</b>
<b>Net Additions/(Deductions)</b>	<b>\$ 1,397,189</b>	<b>\$ (1,915,154)</b>	<b>\$ (156,766)</b>
<b>Ending Fund Balance</b>	<b>\$ 10,545,835</b>	<b>\$ 8,630,681</b>	<b>\$ 8,473,915</b>

**Charter School Revolving Loan Fund Program**  
**Awarded Loans Documented in 2018-19**

Fund #0606

<u>County</u>	<u>Charter School</u>	<u>Disbursement Date</u>	<u>Pooled Money Investment Account (PMIA) Interest Rate</u>	<u>Loan Amount</u>
Butte	Achieve Charter High School	9/18/19	2.07%	\$ 100,000
Sutter	Aero-STEM Academy	9/27/18	2.30%	\$ 250,000
San Bernardino	Allegiance STEAM Academy- Thrive	9/6/18	2.24%	\$ 250,000
Alameda	Aurum Preparatory Academy	8/8/18	2.22%	\$ 250,000
San Bernardino	Elite Academic Academy - Adult Work Force Investment	8/22/18	2.23%	\$ 250,000
San Bernardino	Elite Academic Academy - Lucerne	8/22/18	2.23%	\$ 250,000
San Diego	Elite Academic Academy - Mountain Empire	8/22/18	2.23%	\$ 250,000
San Bernardino	Entrepreneur High School	8/21/18	2.22%	\$ 250,000
Los Angeles	EXCELENCIA CHARTER ACADEMY	8/21/18	2.23%	\$ 250,000
Los Angeles	High Tech LA Middle School	8/21/18	2.20%	\$ 250,000
Los Angeles	Ingenium Clarion Charter Middle School	9/4/18	2.21%	\$ 250,000
Los Angeles	Ingenium Wings Independent Study	9/4/18	2.21%	\$ 250,000
Kern	Inspire Charter - Kern	3/22/19	2.44%	\$ 250,000
Sutter	Inspire Charter School - North	3/22/19	2.44%	\$ 250,000
Fresno	Inspire Charter School - Winship - Central	3/22/19	2.44%	\$ 250,000
Contra Costa	Invictus Academy of Richmond	12/4/18	2.33%	\$ 250,000
San Diego	JCS - Mountain Oaks	4/16/19	2.45%	\$ 250,000
Riverside	JCS - Pine Hills	4/16/19	2.45%	\$ 250,000
Riverside	Journey	8/28/18	2.22%	\$ 250,000
Riverside	Julia Lee Performing Arts Academy	10/5/18	2.28%	\$ 250,000
Los Angeles	Learning By Design Charter School	9/6/18	2.24%	\$ 250,000
Santa Clara	Legacy Academy	9/18/18	2.07%	\$ 100,000
Los Angeles	Los Feliz Charter Middle School for the Arts	9/6/18	2.28%	\$ 250,000
Los Angeles	OCS - South	8/22/18	2.20%	\$ 250,000
San Diego	Pacific Springs Charter School	10/9/18	2.24%	\$ 250,000
Los Angeles	Pathways Academy Adult Education	4/16/19	2.45%	\$ 145,000
Shasta	Phoenix Charter Academy	1/24/19	2.41%	\$ 250,000
Placer	Placer Academy Charter	10/8/18	2.28%	\$ 250,000
Contra Costa	Rocketship Delta Prep	1/24/19	2.41%	\$ 250,000
San Bernardino	Savant Preparatory Academy of Business	9/10/18	2.25%	\$ 250,000
San Diego	Scholarship Prep - Oceanside	3/20/19	2.44%	\$ 250,000
Los Angeles	Soleil Academy	8/28/18	2.24%	\$ 250,000
Los Angeles	STEM Preparatory Elementary School	10/8/18	2.28%	\$ 250,000
Orange	Tomorrow's Leadership Collaborative Charter School	10/11/18	2.28%	\$ 250,000
Los Angeles	Valley International Preparatory High School	9/18/18	2.26%	\$ 250,000
San Diego	Vista Springs Charter School	10/9/18	2.24%	\$ 250,000
Contra Costa	Voices College-Bound Language Academy at West Contra Costa	9/4/18	2.21%	\$ 250,000
Los Angeles	Vox Collegiate	8/28/18	2.27%	\$ 250,000
<b>TOTAL</b>				<b>\$ 9,095,000</b>

**Revolving Loan Default and Recovery of Funds Rates - By School**

<b>Charter School Name</b>	<b>Funding Round</b>	<b>Loan Amount</b>	<b>Original Default Amount</b>	<b>Recovery in Process</b>	<b>Recovery Amount</b>	<b>Final Default Amount</b>
Albert Einstein Academy for Letters, Arts & Sciences-STEAM	2013-14	\$ 250,000.00	\$ 44,163.00	No	\$ 25,260.47	\$ 18,902.53
Endeavour Academy (AEALAS)	2013-14	\$ 250,000.00	\$ 150,004.00	No	\$ -	\$ 150,004.00
Oxford Preparatory Academy - San Diego County-Borrego Springs	2013-14	\$ 250,000.00	\$ 200,002.00	No	\$ -	\$ 200,002.00
Rowland Heights Charter Academy	2013-14	\$ 250,000.00	\$ 250,000.00	No	\$ 2,979.00	\$ 247,021.00
Renew Virtual Academy K12 #1	2013-14	\$ 250,000.00	\$ 208,335.00	No	\$ -	\$ 208,335.00
Beacon Classical Academy National City	2014-15	\$ 250,000.00	\$ 158,337.00	Yes	Pending	\$ 158,337.00
Taft T. Newman Leadership Academy	2014-15	\$ 250,000.00	\$ 108,339.00	No	\$ 31,626.00	\$ 76,713.00
Castlemont Junior Academy	2014-15	\$ 250,000.00	\$ 183,336.00	No	\$ 4,185.00	\$ 179,151.00
Castlemont Primary Academy	2014-15	\$ 250,000.00	\$ 158,337.00	No	\$ 3,611.00	\$ 154,726.00
Paramount Collegiate Academy	2014-15	\$ 250,000.00	\$ 158,337.00	No	\$ -	\$ 158,337.00
Academy of Science and Engineering	2015-16	\$ 250,000.00	\$ 231,827.00	No	\$ 119,048.00	\$ 112,779.00
Century High School, an Integrated Global Studies Academy	2016-17	\$ 250,000.00	\$ 229,116.00	Yes	\$ 33,063.00	\$ 196,053.00
Legacy Academy	2017-18	\$ 100,000.00	\$ 100,000.00	Yes	\$ 36,610.00	\$ 63,390.00
<b>TOTALS:</b>		<b>\$ 3,100,000.00</b>	<b>\$ 2,180,133.00</b>		<b>\$ 256,382.47</b>	<b>\$ 1,923,750.53</b>

State of California  
**Memorandum**

Date: September 19, 2019

To: State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

From: CA School Finance Authority (0985)  
Prepared by: State Treasurer's Office – Fiscal Services (0950)  
915 Capitol Mall, Room 538  
Sacramento, CA 95814  
Rebecca Grajski, Director of Administration Division, bgrajski@treasurer.ca.gov  
Kim Petelle, Accounting Chief – kpetelle@treasurer.ca.gov

Subject: CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year-end June 30, 2019, are enclosed:

**Charter School Revolving Loan Fund (0606)**

<u>Report No.</u>	<u>Description</u>
3	No Activity to Report Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
20	Statement of Financial Condition

**Special Reports**

<u>Report No.</u>	<u>Description</u>
14	Report of Accounts Outside the State Treasury – submitted with Fund 0526
18	Statement of Change in Capital Assets Account Group – None to Report
19	Statement of Capital Assets Account Group – submitted with Fund 0526
22	Statement of Contingent Liabilities - None to Report

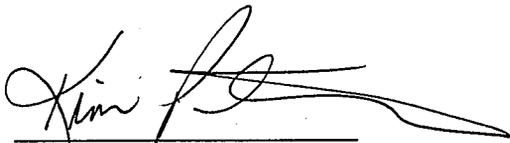
**SUPPLEMENTAL FORMS**

Due To/From Other Funds/Appropriations Supplementary Information Form– None to Report  
Material Variance Explanation Form

Contact Person: Kristalyn Fong  
Phone Number: (916) 653-5670  
E-mail: kfong@treasurer.ca.gov

*I certify (or declare) under penalty of perjury that the data on the attached statements 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).*

Subscribed and executed this 19<sup>th</sup> day of September 2019, at Sacramento, California.

  
\_\_\_\_\_  
Kim Petelle  
Accounting Chief

REPORT 7 - PRE-CLOSING TRIAL BALANCE  
 CA School Finance Authority - 0985  
 Fund 0606  
 Fiscal Year 2018 - 19  
 As of 06/30/2019

Business Unit: 0985 - CA School Finance Authority  
 Fund: 0606 - Charter School Revolving Fund  
 Subfund:

Report ID: RPTGL068  
 Run Date: 09/19/2019  
 Run Time: 14:25:01  
 Adjustment Period: 998

ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
1313	AR - Revenue	92,490.00	
1319	AR - Other	362,722.81	
1380	Contingent Receivables	2,018,221.73	
1600	Provision For Deferred AR		2,380,944.54* 1)
2119	Loans Receivable - Other	26,416,808.94	
5380	Reserve - Noncurrent Loans		26,416,808.94
5530	Fund Balance - Unappropriated		10,545,835.47
65	Unapp InterUnit Transfers	9,331,532.73 2)	
9811	Transfers From Other Funds		1,500,000.00* 3)
9839	Other Financial Sources		6,473,187.26
9844	Loan Principal Disbursements	9,095,000.00	
Fund	0606	<u>47,316,776.21</u>	<u>47,316,776.21</u>

1) GL 1600 Normal Balance is Credit Balance  
 2) GL 65 (Unapp InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury) in the legacy system.  
 3) GL9811 Normal Balance is Credit Balance

REPORT 8 - POST-CLOSING TRIAL BALANCE  
 CA School Finance Authority - 0985  
 Fund 0606  
 Fiscal Year 2018 - 19  
 As of 06/30/2019

Business Unit: 0985 - CA School Finance Authority  
 Fund: 0606 - Charter School Revolving Fund  
 Subfund:

Report ID: RPTGL069  
 Run Date: 09/19/2019  
 Run Time: 14:25:29  
 Adjustment Period: 998

ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
1313	AR - Revenue	92,490.00	
1319	AR - Other	362,722.81	
1380	Contingent Receivables	2,018,221.73	
1600	Provision For Deferred AR		2,380,944.54* 1)
2119	Loans Receivable - Other	26,416,808.94	
5380	Reserve - Noncurrent Loans		26,416,808.94
5530	Fund Balance - Unappropriated		9,424,022.73
65	Unapp InterUnit Transfers	9,331,532.73 2)	
Fund	0606	38,221,776.21	38,221,776.21

1) GL 1600 Normal Balance is Credit Balance

2) GL 65 (Unapp Interunit Transfers) is equivalent to GL 1140 (Cash in State Treasury) in the legacy system.

**REPORT 8 – SUBSIDIARIES ON FILE  
CA School Finance Authority - 0985  
Fund 0606  
Fiscal Year 2018-19  
As of 06/30/2019**

**Business Unit :** 0985 - CA School Finance Authority  
**Fund :** 0606 - Charter School Revolving Fund  
**Subfund :**

**Report ID :** RPTGL114  
**Run Date :** 09/19/2019  
**Run Time :** 14:26:03  
**Adjustment Period :** 998

ACCOUNT	ACCOUNT TITLE		DEBITS	CREDITS
-----	SUBSIDIARY	SUBSIDIARY TITLE	-----	-----
1600**		PROVISION FOR DEFERRED AR		
	013190000			362,722.81
	013800000			2,018,221.73
	TOTAL ACCOUNT	1600		2,380,944.54
	TOTAL FUND	0606		2,380,944.54

\*\* 0 (ZERO) IS DISPLAYED PRECEDING SUBSIDIARY CODES FOR THIS GL TO ACCOMMODATE STATE CONTROLLERS OFFICE NEEDS

REPORT 9 ANALYSIS OF CHANGE IN FUND BALANCE  
 CA School Finance Authority - 0985  
 Fund 0606  
 Fiscal Year 2018 - 19  
 As of 06/30/2019

Business Unit:	0985 - CA School Finance Authority	Report ID:	RPTGL113
Fund:	0606 - Charter School Revolving Fund	Run Date:	09/19/2019
Subfund:		Run Time:	14:57:55
		Adjustment Period:	998

<u>Account Number</u>	<u>Account Title</u>	<u>Total</u>
5530	Fund Balance - Unappropriated, July 1, 2018	10,545,835.47
	Additions:	
9839	Other Financial Sources	6,473,187.26
	Total Additions	<u>6,473,187.26</u>
	Deductions:	
9811	Transfers From Other Funds	(1,500,000.00)
9844	Loan Principal Disbursements	9,095,000.00
	Total Deductions	<u>7,595,000.00</u>
	Adjustments to Fund Balance:	
	Total Adjustments	<u>0.00</u>
5530	Fund Balance - Unappropriated, June 30, 2019	<u>9,424,022.73</u>

\_\_\_\_\_  
 Name of Contact Person (Type or Print)

\_\_\_\_\_  
 Telephone Number

**REPORT 20 - STATEMENT OF FINANCIAL CONDITION**  
**CA School Finance Authority - 0985**  
**Fund 0606**  
**Fiscal Year 2018-19**  
**As of 06/30/2019**

**Business Unit :** 0985 - CA School Finance Authority  
**Fund :** 0606 - Charter School Revolving Fund  
**Subfund :**

**Report ID :** RPTGL077  
**Run Date :** 09/19/2019  
**Run Time :** 15:44:07  
**Adjustment Period :** 998

**Assets**

Account	Account Title	Balance
65	Unapp InterUnit Transfers	9,331,532.73
1313	AR - Revenue	92,490.00
1319	AR - Other	362,722.81
1380	Contingent Receivables	2,018,221.73
1600	Provision For Deferred AR	(2,380,944.54)
2119	Loans Receivable - Other	26,416,808.94
<b>Total Assets</b>		<b>35,840,831.67</b>

**Liabilities & Fund Equity**

Account	Account Title	Balance
5380	Reserve - Noncurrent Loans	(26,416,808.94)
5530	Fund Balance - Unappropriated	(9,424,022.73)
<b>Total Liabilities</b>		<b>(35,840,831.67)</b>
<b>Total Fund Equity</b>		<b>(35,840,831.67)</b>
<b>Total Liabilities &amp; Fund Equity</b>		<b>(35,840,831.67)</b>

GL 65 (Unapp InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury) in the legacy system.

**Material Variance Explanation Form**  
**Expenditures, Revenue, Transfers In, and Transfers Out**  
**June 30, 2019**

Fund Number: 0606

Contact Name: Kristalyn Fong

Agency Code: 0985

Contact Email: kfong@treasurer.ca.gov

Fill in the prior year and current year amounts below for expenditures, revenue, transfers in, and transfers out. Use the amounts from Report 7 from prior and current years. Be sure to include any prior year revision amounts, if applicable.

An explanation is required if a variance amount equals or exceeds \$1 million AND the variance percentage equals or exceeds 10%. If a "YES" is indicated under "Explanation Required", input an explanation in the space provided. Submit this form to the SCO with the fund's year-end financial statements, even if all amounts are zero.

EXPENDITURES				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ 6,730,000.00	\$ 9,095,000.00	\$ 2,365,000.00	35%	YES
Explanation: More Revolving Loans were disbursed to charter schools in 2018/19.				

REVENUE				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ 8,127,189.19	\$ 6,473,187.26	\$ (1,654,001.93)	-20%	YES
Explanation: The ENY 2018 receipts was \$7,163,153, however, for the prior year receivables of \$1,076,388, only \$386,421 was collected and the balance of \$689,967 was reclassified as Contingent Receivables which reduced the CY revenues.				

TRANSFERS IN				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ 1,500,000.00	\$ 1,500,000.00	N/A - PY was zero	YES
Explanation: DOF approved the transfer of \$1,500,000 from Fund 8000 to be able to fund more Revolving Loans to Charter Schools.				

TRANSFERS OUT				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ -	\$ -	0%	NO
Explanation:				

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, 2019

	Fiscal Year		
	2018-19 Actual	2019-20 Estimated	2020-21 Projected
<b>Beginning Fund Balance</b>	<b>\$ 2,605,090</b>	<b>\$ 2,701,704</b>	<b>\$ 1,361,510</b>
<b><u>Additions</u></b>			
Interest Income	\$ 96,613	\$ 159,806	\$ 401,613
<b>Total Additions</b>	<b>\$ 96,613</b>	<b>\$ 159,806</b>	<b>\$ 401,613</b>
<b><u>Deductions</u></b>			
Transfer to CSRLF (Fund #0606)	\$ -	\$ 1,500,000	\$ -
<b>Total Deductions</b>	<b>\$ -</b>	<b>\$ 1,500,000</b>	<b>\$ -</b>
<b>Net Additions/(Deductions)</b>	<b>\$ 96,613</b>	<b>\$ (1,340,194)</b>	<b>\$ 401,613</b>
<b>Ending Fund Balance</b>	<b>\$ 2,701,704</b>	<b>\$ 1,361,510</b>	<b>\$ 1,763,123</b>

State of California  
**Memorandum**

Date: September 19, 2019

To: State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

From: CA School Finance Authority (0985)  
Prepared by: State Treasurer's Office – Fiscal Services (0950)  
915 Capitol Mall, Room 538  
Sacramento, CA 95814  
Rebecca Grajski, Director of Administration Division, bgrajski@treasurer.ca.gov  
Kim Petelle, Accounting Chief – kpetelle@treasurer.ca.gov

Subject: CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year-end June 30, 2019, are enclosed:

**Charter School Security Fund (8000)**

<u>Report No.</u>	<u>Description</u>
3	No Activity to Report Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
20	Statement of Financial Condition

**Special Reports**

<u>Report No.</u>	<u>Description</u>
14	Report of Accounts Outside the State Treasury – (submitted with Fund 0526)
18	Statement of Change in Capital Assets Account Group – None to Report
19	Statement of Capital Assets Account Group – (submitted with Fund 0526)
22	Statement of Contingent Liabilities - None to Report

**SUPPLEMENTAL FORMS**

Due To/From Other Funds/Appropriations Supplementary Information Form– None to Report  
Material Variance Explanation Form

Contact Person: Kristalyn Fong  
Phone Number: (916) 653-5670  
E-mail: kfong@treasurer.ca.gov

*I certify (or declare) under penalty of perjury that the data on the attached statements 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).*

Subscribed and executed this 19<sup>th</sup> day of September 2019, at Sacramento, California.

  
\_\_\_\_\_  
Kim Petelle  
Accounting Chief

REPORT 7 - PRE-CLOSING TRIAL BALANCE  
 CA School Finance Authority - 0985  
 Fund 8000  
 Fiscal Year 2018 - 19  
 As of 06/30/2019

Business Unit: 0985 - CA School Finance Authority  
 Fund: 8000 - Charter School Security Fund  
 Subfund:

Report ID: RPTGL068  
 Run Date: 09/19/2019  
 Run Time: 14:25:01  
 Adjustment Period: 998

ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
1319	AR - Other	2,308.75	
1380	Contingent Receivables	9,113.22	
1600	Provision For Deferred AR		11,421.97* 1)
5530	Fund Balance - Unappropriated		2,701,703.51
65	Unapp InterUnit Transfers	1,354,480.29 2)	
8000	Revenue		152,776.78
9812	Transfers to Other Funds	1,500,000.00	
Fund	8000	<u>2,865,902.26</u>	<u>2,865,902.26</u>

1) GL1600 Normal Balance is Credit Balance

2) GL 65 (Unapp Interunit Transfers) is equivalent to GL 1140 (Cash in State Treasury) in the legacy system.

REPORT 8 - POST-CLOSING TRIAL BALANCE  
 CA School Finance Authority - 0985  
 Fund 8000  
 Fiscal Year 2018 - 19  
 As of 06/30/2019

Business Unit: 0985 - CA School Finance Authority  
 Fund: 8000 - Charter School Security Fund  
 Subfund:

Report ID: RPTGL069  
 Run Date: 09/19/2019  
 Run Time: 14:25:29  
 Adjustment Period: 998

ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
1319	AR - Other	2,308.75	
1380	Contingent Receivables	9,113.22	
1600	Provision For Deferred AR		11,421.97* 1)
5530	Fund Balance - Unappropriated		1,354,480.29
65	Unapp InterUnit Transfers	1,354,480.29 2)	
Fund	8000	1,365,902.26	1,365,902.26

1) GL 1600 Normal Balance is Credit Balance.

2) GL 65 (Unapp InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury) in the legacy system.

**REPORT 8 – SUBSIDIARIES ON FILE  
CA School Finance Authority - 0985  
Fund 8000  
Fiscal Year 2018-19  
As of 06/30/2019**

**Business Unit :** 0985 - CA School Finance Authority  
**Fund :** 8000 - Charter School Security Fund  
**Subfund :**

**Report ID :** RPTGL114  
**Run Date :** 09/19/2019  
**Run Time :** 14:26:03  
**Adjustment Period :** 998

ACCOUNT	ACCOUNT TITLE		DEBITS	CREDITS
-----	SUBSIDIARY	SUBSIDIARY TITLE	-----	-----
1600**		PROVISION FOR DEFERRED AR		
	013190000			2,308.75
	013800000			9,113.22
	TOTAL ACCOUNT	1600		11,421.97
	TOTAL FUND	8000		11,421.97

\*\* 0 (ZERO) IS DISPLAYED PRECEDING SUBSIDIARY CODES FOR THIS GL TO ACCOMMODATE STATE CONTROLLERS OFFICE NEEDS

REPORT 9 ANALYSIS OF CHANGE IN FUND BALANCE  
 CA School Finance Authority - 0985  
 Fund 8000  
 Fiscal Year 2018 - 19  
 As of 06/30/2019

Business Unit: 0985 - CA School Finance Authority  
 Fund: 8000 - Charter School Security Fund  
 Subfund:

Report ID: RPTGL113  
 Run Date: 09/19/2019  
 Run Time: 14:57:55  
 Adjustment Period: 998

Account Number	Account Title	Total
5530	Fund Balance - Unappropriated, July 1, 2018	2,701,703.51
8000	Additions: Revenue	152,776.78
	Total Additions	152,776.78
9812	Deductions: Transfers to Other Funds	1,500,000.00
	Total Deductions	1,500,000.00
	Adjustments to Fund Balance: Total Adjustments	0.00
5530	Fund Balance - Unappropriated, June 30, 2019	1,354,480.29

Name of Contact Person (Type or Print)

Telephone Number

**REPORT 20 - STATEMENT OF FINANCIAL CONDITION**  
**CA School Finance Authority - 0985**  
**Fund 8000**  
**Fiscal Year 2018-19**  
**As of 06/30/2019**

**Business Unit :** 0985 - CA School Finance Authority  
**Fund :** 8000 - Charter School Security Fund  
**Subfund :**

**Report ID :** RPTGL077  
**Run Date :** 09/19/2019  
**Run Time :** 15:35:50  
**Adjustment Period :** 998

**Assets**

<u>Account</u>	<u>Account Title</u>	<u>Balance</u>
65	Unapp InterUnit Transfers	1,354,480.29
1319	AR - Other	2,308.75
1380	Contingent Receivables	9,113.22
1600	Provision For Deferred AR	(11,421.97)
<b>Total Assets</b>		<b>1,354,480.29</b>

**Liabilities & Fund Equity**

<u>Account</u>	<u>Account Title</u>	<u>Balance</u>
5530	Fund Balance - Unappropriated	(1,354,480.29)
<b>Total Liabilities</b>		<b>(1,354,480.29)</b>
<b>Total Fund Equity</b>		<b>(1,354,480.29)</b>
<b>Total Liabilities &amp; Fund Equity</b>		<b>(1,354,480.29)</b>

GL 65 (Unapp InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury) in the legacy system.

**Material Variance Explanation Form**  
**Expenditures, Revenue, Transfers In, and Transfers Out**  
**June 30, 2019**

Fund Number: 8000

Contact Name: Kristalyn Fong

Agency Code: 0985

Contact Email: kfong@treasurer.ca.gov

Fill in the prior year and current year amounts below for expenditures, revenue, transfers in, and transfers out. Use the amounts from Report 7 from prior and current years. Be sure to include any prior year revision amounts, if applicable.

An explanation is required if a variance amount equals or exceeds \$1 million AND the variance percentage equals or exceeds 10%. If a "YES" is indicated under "Explanation Required", input an explanation in the space provided. Submit this form to the SCO with the fund's year-end financial statements, even if all amounts are zero.

EXPENDITURES				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ -	\$ -	0%	NO
Explanation:				

REVENUE				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ 96,613.15	\$ 152,776.78	\$ 56,163.63	58%	NO
Explanation:				

TRANSFERS IN				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ -	\$ -	0%	NO
Explanation:				

TRANSFERS OUT				
PY 2017-18	CY 2018-19	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ 1,500,000.00	\$ 1,500,000.00	N/A - PY was zero	YES
Explanation: DOF approved the transfer of \$1,500,000 to Fund 0606 to be able to fund more Revolving Loans to Charter Schools.				