

**Charter School Facilities Program  
Successor Charter School Review  
Staff Summary Report – February 2025  
Item# 3 Resolution 25-02**

<b>Obligor:</b>	Green Dot Public Schools California
<b>Project School:</b>	Ánimo City of Champions Charter High School
<b>CDS (County – District – School) Code:</b>	19 10199 0136119
<b>Project Address:</b>	3405 West Imperial Highway, Inglewood, CA 90305
<b>Type of Apportionment:</b>	Succession of CSFP Facility
<b>County:</b>	Los Angeles
<b>District in which Project is Located:</b>	Inglewood Unified School District
<b>Charter Authorizer:</b>	Los Angeles County Office of Education
<b>Total Remaining CSFP Financed Amount:</b>	\$8,806,757
<b>Remaining Funding Agreement Term:</b>	26 Years
<b>Assumed Interest Rate:</b>	2.0%
<b>Estimated Annual CSFP Payment:</b>	\$437,689
<b>First Year of Occupancy of New Project:</b>	2025-2026

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Ánimo City of Champions Charter High School (Ánimo City of Champions or CHA), is financially sound for Charter School Facilities Program (Program or CSFP) Final Conversion as a Successor assuming the Program matching share loan. This determination shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon CHA electing to have its CSFP payments intercepted at the state-level, under Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.

**Application Highlights:** Below staff highlighted key criteria evaluated when conducting the financial soundness review for CHA. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In 2023-24, CHA had a total enrollment of 303 students in grades nine through twelve; the average daily attendance (ADA) rate was model shows 91% 93.0%, and Unduplicated Pupil Percentage (UPP) of ADA was 88.1%.
Debt Service Coverage	CHA's debt service coverage from adjusted net income for this proposed CSFP loan is projected to average model has 151.9% 177.4% over the first three years that payments are due.
Eligibility Criteria	CHA has met all eligibility criteria: (1) CHA commenced operations in March 2017; (2) CHA's charter is in place through June 30, 2028; (3) CHA is in good standing with its chartering authority and in compliance with the terms of its charter.
Student Performance	CHA students' performance has exceeded that of peer schools during the periods examined, based on California standardized testing (CAASPP).

**Program Eligibility:** The Los Angeles County Office of Education has confirmed that as of November 22, 2024, CHA is following the terms of its Charter Agreement and has no pending or outstanding Notices of Violation or Intent to Revoke. Additionally, CHA has been in operation for more than two years and their current charter is effective through June 2028.

**Legal Status Questionnaire:** Staff reviewed the applicant's responses to the questions contained in the Legal Status portion of the application. The applicant attested to there being no outstanding issues. No further information was disclosed that would lead staff to question the financial or legal integrity of the applicant.

**Project Description and Background:** The original project was Today's Fresh Start – Inglewood (TFSI), a charter school operated by Today's Fresh Start, Inc. The project was first approved for preliminary apportionment on February 23, 2005, through Proposition 55 funding. The project underwent Final Conversion on March 6, 2013, and the first year of occupancy was the 2016-17 school year. TFSI ceased operation on June 30, 2020. After lengthy legal proceeding, the succession process was initiated in late 2024 through a Notice of Invention provided by Inglewood School District. CHA was named as the proposed Successor for the project.

The site has not been occupied in the recent past after being vacated by TFSI. Deterioration associated with the facility being vacant presently inhibits utilization of the facilities by CHA. The scope of work includes rehabilitating the facility as well as demolishing the office building that is not compliant with the Division of the State Architect (DSA) situated on the southern half of the parcel and replacing it with an athletics field. This associated work will be funded through Green Dot Public Schools (GDPSC) directly. A signed commitment of the funding is provided as an attachment to this item. Staff also confirmed the availability of funding based on audited financial statements for the last fiscal year and unaudited statements from the current fiscal year.

**School Organizational Information:** CHA opened with its founding 9<sup>th</sup> grade class in August of 2017. Since then, the school has provided a high-quality education for high school students (grades nine through twelve) from the City of Inglewood. CHA is operated by GDPSC, a California nonprofit public benefit corporation. GDPSC currently operates 18 middle and high schools across Los Angeles serving nearly 10,000 students.

The instructional program at CHA provides a small school environment to high school students, grades nine through twelve, with a personalized approach to learning for students who would otherwise attend high schools with larger student populations. The school is responsive and uses data to adjust instructional design to meet the needs of its students. The school cites strong student teacher relationships, advisory programs for students, Multi-Tiered System of Supports (MTSS) programs and mental health support as contributing to the framework for effective instructional design. In addition, CHA has developed restorative practices that include student mediations and implementation of school wide classroom structures that minimize classroom interruptions. CHA's current charter expires at the end of fiscal year 2027-28.

Cristina de Jesus is the current CEO and President of GDPSC, Cen'Cere Cooks is the current Principal of CHA. GDPSC is governed by a volunteer board of directors, comprised of educational leaders, committed parents, and dedicated community members. With its efforts targeted on the strategic focus of GDPSC, the board is responsible for ensuring the organization is faithful to the terms of its charters, and that their schools are effective, equitable, and responsive to the needs of students and families.

### 2024-25 Green Dot Public Schools Board of Directors

Name	Position	Term Expiration
Kevin S. Reed	Board Chair	12/31/2026
Jon Goodman	Board Vice Chair & Secretary	12/31/2025
Peter Scranton	Board Member	12/31/2025
Louis Gomez	Board Member	12/31/2026
Ivette Peña	Board Member	12/31/2026
Claudio Chavez	Board Member	12/31/2026
Dr. Robert Cherry	Board Member	12/31/2026
Ricardo Barragan	Board Member	12/31/2026
Jason Feuerstein	Board Member	12/31/2025
Rita Ravindra	Board Member	12/31/2025
LaTonia Lopez	Board Member	Ex Officio Position

**School Academic Performance:** The following tables represent the recent academic performance of CHA; two similar local high schools, Inglewood High and Morningside High in addition to the Los Angeles County Office of Education. Results are provided through the California Department of Education's California Assessment of Student Performance and Progress (CAASPP) Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards.

### English Language Arts Achievement

	FY21	FY22	FY23	FY24
Ánimo City of Champions	N/A*	37.5%	47.4%	45.5%
Inglewood High	29.5%*	41.5%	30.6%	32.4%
Morningside High	39.8%*	23.5%	25.5%	25.7%
Los Angeles County Office of Education	40.0%*	44.9%	50.4%	53.3%

\*2020-2021 testing participation varied due to factors surrounding the novel coronavirus (COVID-19) pandemic.

	FY21	FY22	FY23	FY24
Ánimo City of Champions	N/A*	4.6%	1.3%	6.5%
Inglewood High	6.7%*	1.3%	0.5%	4.2%
Morningside High	7.6%*	2.6%	6.4%	7.1%
Los Angeles County Office of Education	21.8%*	23.3%	25.0%	25.1%

\*2021 testing participation varied due to factors surrounding the novel coronavirus (COVID-19) pandemic.

**Enrollment Trends and Projections:** The tables below present enrollment and average daily attendance information for CHA from FY 2020-21 through FY 2028-29. CHA administration anticipates occupying the proposed project facility by the start of FY 2025-26. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data. CHA is authorized for an enrollment of up to 650 students but is capping enrollment at 475 students as part of this request.

CHA serves 301 students, as of fiscal year 2024. While the school's charter authorizes higher enrollment, this is limited by the size of the South 8<sup>th</sup> Ave campus currently occupied by CHA. Once CHA occupies the West Imperial Highway campus enrollment capacity will raise to 475 students. CHA will gradually increase enrollment in this population by fiscal year 2030, which given the strong demand at CHA and other nearby GDPSC schools attainable. The projected increasing student enrollment will support hiring of additional full-time employees (FTE) in the coming years.

#### **CHA Student Enrollment and Average Daily Attendance**

Year (FY)	2021	2022	2023	2024	2025	2026	2027
Enrollment	353	343	315	303	306	332	388
ADA (%)	94.1%	85.7%	89.8%	90.8%	90.8%	90.4%	92.0%

#### **Financial Analysis**

**Financial Data Sources:** This financial analysis is based on the consideration and review of the following for CHA: (1) audited financial statements for FY 2020-21 through 2023-24; (2) budget projections for FYs 2024-25 through 2029-30 2027 along with these assumptions.

**Assumptions:** Staff's financial analysis of CHA is based upon the following assumptions: (1) Occupancy of the project facilities in FY 2025-26; (2) The repayment of CHA's CSFP matching 2.0% interest, over 26 years with payments commencing in fiscal year 2025-26; (3) School enrollment and ADA projections as provided above under Enrollment Trends and Projections; (4) Local Control Funding Formula (LCFF) per student allocation for CHA is projected to average \$18,760 over the 2024-25 through 2029-30 period; and (5) GDPSC's commitment of funds.

**Long-Term Liabilities:** Based on available data, staff are not aware of any foreseeable long-term liabilities at this time. Additionally, obligors are required to notify the Authority before taking on additional debt that exceeds certain thresholds.

**Benchmark Summary and Analysis:** The following table and summary listing sets forth the results of staff's analysis regarding CHA's financial soundness.

CSFA Charter School Facilities Program														
	School:>> Animo City of Champions Charter High				CDS Code:>> 19 10199 0136119			District:>> Los Angeles County Office of Education						
	Obligor:>> Animo City of Champions Charter High				Open Date:>> 08/09/2017			County:>> Los Angeles County						
OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE METRICS														
	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	AVERAGE	THRESHOLD LEVEL	
OPERATIONAL & FINANCIAL														
Enrollment	258	353	343	315	303	306	332	388	434	473	475			
Average Daily Attendance (ADA)	243	332	294	283	275	278	300	357	404	441	442			
Average Daily Attendance (%)	94.2%	94.1%	85.7%	89.8%	90.8%	90.8%	90.4%	92.0%	93.1%	93.2%	93.1%	91.6%	< 94.0%	
LCFF Sources/ADA	\$ 12,555	\$ 12,501	\$ 15,256	\$ 15,887	\$ 17,219	\$ 17,311	\$ 17,915	\$ 18,497	\$ 19,071	\$ 19,628	\$ 20,137	\$ 16,907		
% Change		-0.4%	22.0%	4.1%	8.4%	0.5%	3.5%	3.2%	3.1%	2.9%	2.6%	5.0%		
Operating Revenues/ADA	\$ 15,128	\$ 16,719	\$ 22,693	\$ 21,756	\$ 24,890	\$ 23,714	\$ 24,105	\$ 22,541	\$ 22,476	\$ 22,502	\$ 23,076	\$ 21,782		
% Change		10.5%	35.7%	-4.1%	14.4%	-4.7%	1.7%	-6.5%	-0.3%	0.1%	2.5%	4.9%		
Operating Expenses plus CSFP MS Pymt./ADA	\$ 15,159	\$ 16,257	\$ 21,496	\$ 22,061	\$ 26,032	\$ 23,714	\$ 25,500	\$ 23,673	\$ 23,243	\$ 22,745	\$ 23,277	\$ 22,105		
% Change		7.2%	32.2%	2.6%	18.0%	-8.9%	7.5%	-7.2%	-1.8%	-2.1%	2.3%	5.0%		
Free Cash Flow/ADA	\$ (31)	\$ 463	\$ 1,197	\$ (305)	\$ (1,142)	\$ (0)	\$ (1,395)	\$ (1,131)	\$ (767)	\$ (243)	\$ (201)	\$ (323)	< 0	
	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	AVERAGE	THRESHOLD LEVEL	
DEBT SERVICE COVERAGE														
Total Operating Revenues	\$ 3,676,140	\$ 5,550,801	\$ 6,671,750	\$ 6,157,006	\$ 6,844,772	\$ 6,592,398	\$ 7,231,598	\$ 8,047,289	\$ 9,080,276	\$ 9,923,485	\$ 10,199,596			
Total Operating Expenses	3,683,686	5,397,205	6,319,970	6,243,253	7,158,883	6,592,398	7,212,400	8,013,430	8,952,485	9,592,772	9,850,540			
Total Other Sources/Uses	37,262	-	78,417	22,316	84,611	-	-	-	-	-	-			
Net Income Available for CSFP MS Payment	29,716	153,596	430,206	(63,931)	(229,500)	(0)	19,198	33,859	127,791	330,713	349,056			
Add Back Capital Outlay	-	-	-	-	-	-	-	-	-	-	-			
Add Back Depreciation	91,982	111,633	65,866	6,569	-	-	604,545	604,545	604,545	604,545	604,545			
Adjusted Net Income Available for CSFP MS Pymt.	121,698	265,229	496,072	(57,362)	(229,500)	(0)	623,743	638,405	732,336	935,258	953,601			
CSFP Matching Share Payments	-	-	-	-	-	-	437,689	437,689	437,689	437,689	437,689			
Free Cash Flow	\$ 121,698	\$ 265,229	\$ 496,072	\$ (57,362)	\$ (229,500)	\$ (0)	\$ 186,054	\$ 200,716	\$ 294,647	\$ 497,569	\$ 515,912	\$ 208,276	< 0	
DSC from Adj. Net Income	N/A	N/A	N/A	N/A	N/A	N/A	142.5%	145.9%	167.3%	213.7%	217.9%	177.4%	< 110.0%	
DSC from LCFF Sources subject to CSFA Intercept							1024.1%	1258.3%	1468.1%	1649.4%	1696.0%	1419.1%		
CSFP MS Payment/Oper. Revenues	N/A	N/A	N/A	N/A	N/A	N/A	6.1%	5.4%	4.8%	4.4%	4.3%	5.0%	> 15.0%	
FUNDRAISING														
Fundraising for Operations	\$ 97,819	\$ 11,345	\$ 10,000	\$ 18,879	\$ -	\$ 204,062	\$ 487,248	\$ 36,622	\$ 40,750	\$ 45,029	\$ 47,696	\$ 90,859		
Fundraising/Oper. Revenues	2.7%	0.2%	0.1%	0.3%	0.0%	3.1%	6.7%	0.5%	0.4%	0.5%	0.5%	1.4%	> 15.0%	
DSC without Fundraising	N/A	N/A	N/A	N/A	N/A	N/A	31.2%	137.5%	158.0%	203.4%	207.0%	147.4%	< 100.0%	
% of Fundraising Required for 100% DSC	N/A	N/A	N/A	N/A	N/A	N/A	61.8%	-448.1%	-623.1%	-1005.0%	-981.7%	-599.2%	> 50.0%	
LIQUIDITY														
Current Assets	\$ 1,433,919	\$ 2,834,642	\$ 3,357,247	\$ 2,402,227	\$ 1,656,658									
Current Liabilities	1,437,599	2,321,795	2,349,307	1,450,670	1,367,364									
Net Working Capital	\$ (3,680)	\$ 512,847	\$ 1,007,940	\$ 951,557	\$ 289,294									
Net Working Capital/Oper. Expenses	-0.1%	9.5%	15.9%	15.2%	4.0%							8.9%	< 5.0%	
Unrestricted Cash & Cash Equivalents	\$ 650,184	\$ 568,141	\$ 1,470,521	\$ 507,087	\$ 947,803									
Unrest. Cash & CE/Oper. Expenses (Days)	64	38	85	30	48									
Unrest. Cash & CE/All Expenses (Days)	64	38	85	30	48								< 90	

**Benchmark Summary:**

- Debt Service Coverage from the Adjusted Net Income estimates 177.4% average debt service coverage, well above the threshold of 100%. The debt service coverage projections show strengthening through fiscal year 2030.
- Average ADA rate is projected below the 94% at 91.6% overall, and 92.3% during repayment years reviewed.
- Free Cash Flow – CHA is projecting positive Free Cash Flow for the budgeted years.
- CSFP Matching Share Payment relative to Operational Revenues: Payments account for 5.0% over the repayment years reviewed.
- Net Working Capital relative to Operating Expenses: CHA's liquidity metrics are positive with a ratio of Net Working Capital to Operational Expenses of 4% in fiscal year 2024 and a historical average of 8.9% from 2020 through 2024.
- Operating Days of Unrestricted Cash and Equivalents relative to All Expenses: CHA averaged 53 operating days from 2020 through 2024.

**Staff Recommendation:** Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Ánimo City of Champions Charter High School (Ánimo City of Champions or CHA), is financially sound for Charter School Facilities Program (Program or CSFP) Final Conversion as a Successor assuming the Program matching share loan. This determination shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon CHA electing to have its CSFP payments intercepted at the state-level, under Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.