

Nevada State Public Charter School Authority
2021 Application for a
Charter School Revolving Loan
(Pursuant to Nevada Revised Statute 388A.432)
Submission Window is July 1, 2021 - October 15, 2021

Charter School Name:

School Street Address:

City: State: Zip:

Contact Name: Phone:

Mailing Address:

City: State: Zip:

Title: email:

Chartering Entity (School District or State Public Charter School Authority):

Term of Charter: (xx/xx/xx) to (xx/xx/xx) Opening Date: (xx/xx/xx)

Loan Amount Requested: \$ Repayment Period Requested (1, 2 or 3 years):

Number of Students to be Enrolled:	K-5	6-8	9-12	Total K-12
	186	62	-	248

The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Nevada Revised Statute 388A.432. I certify that the above information and supporting documents are true and correct to the best of my knowledge and that any loan funds received as a result of this application will be used in accordance with Nevada Revised Statute 388A.435 and all other applicable state and federal laws. By signing this document the entity that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school.

Signature of Governing Body President

Printed Name

Date

Battle Born Academy



Table of Contents

Cover Sheet	.....	1
Table of Contents	.....	2
Revolving Loan Application	.....	3
Section 1	.....	7
Section 2	.....	10
Section 3	.....	12
Exhibit 1.2 Executive Summary	.....	16
Exhibit 1.4 Board Resolution	.....	17
Exhibit 1.5 Board Acknowledgement	.....	22
Exhibit 1.6 Financial Controls	.....	23
Exhibit 1.7 Budget	.....	24
1.7A 1-Year Budget	.....	Attached
1.7B 3-Year Budget	.....	Attached
1.7C Budget Narrative	.....	24
Attachment 1 Marketing Plan	.....	28

STATE PUBLIC CHARTER SCHOOL AUTHORITY



2021 CHARTER SCHOOL LOAN APPLICATION

**Nevada State Public Charter School Authority Application for a Charter School Revolving Loan
(Pursuant to Nevada Revised Statute 388A.432 et seq.)**

THE REVOLVING LOAN PROGRAM **FOR NEVADA CHARTER SCHOOLS**

The State Public Charter School Authority (SPCSA) is pleased to announce that the Legislature of the State of Nevada has created an Account within the State General Fund, administered by the SPCSA, from which to issue a Revolving Loan.

Any Charter School in the State of Nevada may, pursuant to NRS 388A and NAC 388A, apply for a Revolving Loan, no matter the sponsor.

The total amount of a Revolving Loan that may be made to a charter school must not exceed the lesser of an amount equal to \$500 per pupil enrolled, or to be enrolled during the upcoming school year, at the charter school or \$200,000.

The authorized uses of the loans are for costs consistent with NRS 388A.435, approved by the board of the charter school and identified in the loan application, pursuant to NRS 388A.435 as follows:

- (a) "In preparing a charter school to commence its first year of operation;
- (b) To improve a charter school that has been in operation; and
- (c) To fund recruitment of teachers and pupils to new charter school facilities and enrollment of pupils in such facilities."

Repayment shall be made pursuant to NAC 388A.675 including that the Department of Education shall deduct from the apportionments made to the charter school pursuant to NRS 387.124, an amount of money equal to the annual repayment amount of the loan, including interest.

Repayments must also be made in equal amounts during the period of repayment, which must not exceed 3 years, agreed upon by the governing body of the charter school and the State Public Charter School Authority.

The rate of interest for Revolving Loans made from the Account is to be an interest rate at or below market rate to charter schools. This rate is currently the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date of the transaction. See NAC 388A.675 Repayment of loans. (NRS 385.080, 388A.110, 388A.438).

No fees or points are assessed to the applicant charter school.

An application for a Revolving Loan must be submitted by the governing body of a charter school to the SPCSA "on or after January 1 and on or before March 15 or on or after July 1 and on or before October 15 of the calendar year in which the loan will be made" (NAC 388A.665). The State Public Charter School Authority may, upon request of the governing body of a charter school and for good cause shown, accept an application for a loan from the Account at any time.

Tentative Funding Planning Calendar Revolving Loan Application

	Deadlines
Spring Application Cycle (March Submission Deadline) (Possible disbursement as early as June)	
Spring Cycle Revolving Loan Applications accepted	Jan 1 – Mar 15
Application submittal start date	Jan 1
Application submittal end date (deadline)	March 15
Application presented to SPCSA board	April (~19 th) (>~50 days)
Funding request before Interim Finance Committee (IFC) (if approved by SPCSA board)	next scheduled meeting of the IFC after SPCSA Board approval
Funds released (if approved)	as early as June
Fall Application Cycle (October Submission Deadline) (Possible disbursement as early as February)	
Fall Cycle Revolving Loan Applications accepted	Jul 1 – Oct 15
Application submittal start date	July 1
Application submittal end date (deadline)	October 15
Application presented to SPCSA board	December
Funding request before IFC (if approved by SPCSA board)	next scheduled meeting of the IFC after SPCSA Board approval
Funds released (if approved)	as early as February

SPCSA and IFC dates are subject to change, with or without notice.

In determining whether to approve an application, the SPCSA Board will, pursuant to NAC 388A.670, consider the:

- (a) Reliability of the business plan submitted with the application;
- (b) Ability of the charter school to obtain financial assistance from other sources;
- (c) Information submitted in the application; and
- (d) Effect of approval of the application on the equitable geographic distribution throughout this State of loans from the Account.

Regarding the priority of Revolving Loan applications, the SPCSA Board will “grant priority for loans from the Account to those charter schools with approved loan applications that will use the money obtained from the loan in preparing to commence the first year of operation,” pursuant to NAC 388A.670 (1) and NAC 388A.670 reserves the authority to determine which schools will be loaned certain amounts according to the priorities of the school.

Eligibility Requirements

To determine whether an applicant is eligible to be approved for a Revolving Loan, the SPCSA will consider the school’s creditworthiness and its academic, financial, and organizational performance.

LOAN APPLICATION INSTRUCTIONS

An application for a loan from the Account must be submitted by the governing body of a charter school to the SSPCSA as described above, pursuant to NRS 388A and NAC 388A, including NAC 388A.665. The Revolving Loan application is separated into 3 tracks. Please choose one or more tracks which best suit your loan application:

- (a) To prepare a charter school to commence its first year of operation;
- (b) To improve a charter school that has been in operation, including campus expansions; and
- (c) To fund recruitment of teachers and pupils to new charter school facilities and enrollment of pupils in such facilities.

Specific Section Requirements

Using the corresponding numbered list below, all applications must:

Section 1

Exhibit 1.1 Complete the Revolving Loan Application Cover Page.

Included in separate document

Exhibit 1.2 Include an Executive Summary (may be included in a letter from the school board of directors requesting the Revolving Loan). The Executive Summary may be one paragraph which states that the board is requesting a loan on behalf of the _____ campus of the _____ school in the amount of \$124,000, for a term of 36_ months/years, to be used for the purpose(s) of _____.

Battle Born Academy intends to borrow \$124,000 on a 3-year repayment term to assist with initial cash flow entering the first year of operation in 2022-23. Battle Born Academy intends to utilize the first year of operations to establish a solid financial position and build a healthy cash reserve for operational purposes. Subsequently, in Year 2 and 3 (fiscal years 2023-24 and 2024-25 respectively), Battle Born Academy will make 24 equal monthly installment payments (or quarterly payments via deduction from PCFP payment) to repay the principal plus interest of the Revolving Loan Fund loan. For detailed figures, please see the 3-year cashflow projections on page XX.

Exhibit 1.3 If the charter school is sponsored by a local school district or a college or university within the Nevada System of Higher Education:

- a) Provide a letter of endorsement from the sponsor of the charter school.
- b) For a school that is already in operation this letter shall include supporting documentation and evidence of the school's academic performance for up to the preceding three years and a statement describing any findings based on the annual performance audit pursuant to NRS 388A.405 and any findings under the performance framework for the charter school pursuant to NRS 388A.270. Additionally, the letter shall provide a history of the school's most recent three years' Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which lead to the ratings.
 - i. For any findings and for any 2-star or lower ratings referenced in the letter above, the school shall provide a detailed discussion of the strategies the school will employ to address the underlying issues.

OR

If the charter school is sponsored by the State Public Charter School Authority and is already in operation:

- a) Provide a summary of any findings under the State Public Charter School Authority Charter School Performance Framework for up to the preceding three years, including supporting documentation and evidence outlining the specific areas in need of improvement. Additionally, the school shall provide a history of the school's most recent three years' Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which

led to the ratings. Reports prepared by the State Public Charter School Authority for the charter school containing this information may be incorporated by reference.

- i. For any findings and for any 2-star or lower ratings referenced above, the school shall provide a detailed discussion of the strategies the school has or will employ to address the underlying issues.

Exhibit 1.3 is not applicable to Battle Born Academy.

Exhibit 1.4 Provide a resolution and copy of the minutes, draft or final, of the governing body authorizing submission of the loan application.

Exhibit 1.5 Provide the signature(s) of the board chair of the governing body on a statement acknowledging that the school board voted and approved the revolving loan request and the responsibility for repayment of the loan even in the event of the closure of the charter school.

Exhibit 1.6 If the charter school is an operational charter school provide:

- a) A statement of the financial history of the applicant by completing and attaching the most recent three years of audited financial statements,
- b) Three credit references for the applicant,
- c) EIN Number, and
- d) DUNS Number (*if available*).

OR If the charter school is not yet operational:

- a) Provide a copy of the internal financial controls and procedure controls of the school and a letter from a certified public accountant or other financial or accounting professional, pre-approved in writing by the SPCSA, which professional attests that the internal financial controls and procedure controls therein are, in the opinion, of the CPA or other financial professional, not unreasonable and are such as to provide reasonable assurances of repayment of the Revolving Loan to the SPCSA.¹:

See Exhibit 1.6, separate letter from EdTec, attached.

- i. Preparation and maintenance of financial statements and records in accordance with generally accepted accounting procedures (GAAP),
- ii. Payroll procedures,
- iii. Accounting for contributions and grants,
- iv. Procedures for the creation and review of interim and annual financial statements (should specify, the individual(s) that will be responsible for preparing and reviewing such financial statements and ensuring that they contain valid and reliable data),
- v. Existence of appropriate internal financial controls and procedures,
- vi. Safeguarding of assets including cash and equipment,
- vii. Compliance with applicable laws and regulation,
- viii. Ensuring that the purchasing process results in the acquisition of necessary goods and services at the best price, and

¹ If a school received charter approval less than 60 days prior to the due date of this loan application, it may provide an assurance that the controls will be established and documented prior to the issuance of the loan.

- ix. In demonstrating status of aforementioned controls, the school should include:
 - 1. A description of the control,
 - 2. If the control is currently operational, and
 - 3. Who at the Charter School is responsible for the control.

Exhibit 1.7 Using the standard state budget format. *Please see Exhibit 1.7A and 1.7B budget documents provided by EdTec.*

(https://doe.nv.gov/uploadedFiles/ndedoenvgov/content/Charter_Schools/Documents/BudgetCharterSchoolsSY19-20.xlsx), or some other budget pro forma format pre-approved in writing by the SPCSA, provide a statement of the monthly cash flow for the operation of the charter school for each year of the proposed loan term, including, without limitation, an identification of the amount and timing of receipt of revenue relating to the amount and timing of expenditures. Submit a working MS Excel file which provides a budget for the charter school for the fiscal year in which the loan is received and for each fiscal year of the proposed period for repayment of the loan. The budget must:

- a) Include an identification of all sources of revenue and resources and expenses and uses,
- b) Include on one or more separate lines the cost for repayment of the loan,
- c) Include the following pro forma projections, with supporting detail, for each year a loan balance is outstanding the overall:
 - a. Current Ratio,
 - b. Debt to Asset Ratio,
 - c. Debt Service Coverage Ratio,
 - d. Days of Unrestricted Cash On Hand, and
- d) Be accompanied by a written narrative explaining each of the assumptions made in developing the budget.

Section 2

Exhibit 2.1 Describe the proposal of the charter school to repay the loan, consistent with NAC 386.445.

Battle Born Academy intends to borrow \$124,000 on a 3-year repayment term to assist with initial cash flow in planning year and entering the first year of operation in 2022-23. Battle Born Academy intends to utilize the first year of operations to establish a solid financial position and build a healthy cash reserve for operational purposes. Subsequently, in Year 2 and 3 (fiscal years 2023-24 and 2024-25 respectively), Battle Born Academy will make 24 equal monthly installment payments (or quarterly payments vis deduction from PCFP payment) to repay the principal plus interest of the Revolving Loan Fund loan.

Exhibit 2.2 Detail the financial needs of the charter school including a detailed enumeration and explanation of the costs to be covered by this loan.

Due to the timing of receipt of state PCFP and federal revenues, the school will likely have an initial cash flow need to cover ongoing operational costs in the early months, including facility rent and staff salaries. We anticipate that the loan proceeds will go toward rent expense in the first two months at the start of the school year, totaling approximately \$75,000. The remaining \$49,000 will be used to cover staff salaries and benefits.

Exhibit 2.3 Provide a list of the anticipated expenses for which the funds obtained from the loan will be used.

Staff salaries and benefits - \$49,000

Facility rent - \$75,000

Exhibit 2.4 Explain the effect that receipt of the loan will have on the operation of the charter school. Specially, in the event that the school is unable to obtain this loan, identify which of the costs detailed above will be modified or eliminated.

This loan enables the school to focus its cash on hand on preparing the facility and classrooms with the instructional supplies and furniture necessary for an operating school. If the school is unable to obtain this loan, the expenses, salaries and benefits tagged to be funded by this loan will not change. Instead the school will incur additional expenses to secure other financing. The charter can seek out a factoring company such as Charter Asset Management and pay a financing fee. This option is much more expensive and will only be used if there are no other options.

Exhibit 2.5 Describe the effect, if any that receipt of the loan will have on the ability of the governing body or the charter school to obtain other financial assistance from public and private sources. If there are any other loans or grants which are contingent upon obtaining this loan, please describe those in detail and provide supporting documentation.

Battle Born Academy has a substantial need because the school is a startup and faces significant expense pressures. Having sufficient working capital to open the school would favorably position the school to achieve its charter objectives. The school staff will be able to focus on the curriculum and operations rather than worry about how to manage negative cash flow.

The loan will assist us in procuring additional funds as the school demonstrates solid progress towards achieving its charter objectives. The program will help the school retain and attract students and further raise its community profile. By offering their program as described in the petition, Battle Born Academy hopes to garner community financial support.

Furthermore, the additional cash will allow the organization to shift some executive attention away from the daily financial pressures towards making investments in fundraising and grant writing. Since effective fundraising often takes months to set in place, it is important that the school have a runway of financial stability to carry the school while additional funds are obtained.

Exhibit 2.6 Provide a detailed plan for the use of the funds obtained from the loan. Describe how this loan will enhance the credit of the charter school.

This will be used to pay facility rents and staff salaries and benefits in the first months of operation. This loan enhances the school's credit in that the school will be able to make timely payments to vendors. By establishing a solid credit history and positive cash flow, the school becomes a better candidate to apply for credit cards or a line of credit in its second year.

Section 3

Exhibit 3.1 If a member of the governing body or a member of the school's leadership team with day-to-day responsibility in academics or business operations and finance has, or had, an association or affiliation with another charter school in this State or another state¹:

- a) Provide a statement as to whether the school is still in operation. If the school is not in operation, please report the date and reason for the closure of the school. Please note whether the member of the governing body was a board member or staff member of the school at the time of the closure or in the three-year period leading up to the closure. Provide current contact information for the most recent charter school authorizer and any past authorizer of the charter school.
- b) Provide a statement of the financial history of the charter school with which the member has or had such an association or affiliation.
- c) The most recent three years of audited financial statements for the period when the individual was associated with the charter school. If the audited financials were included as part of a charter application filed on or after July 1, 2015 that information may be incorporated by reference.

This section is not applicable to Battle Born Academy.

Exhibit 3.2 Provide detailed enrollment projections and a comprehensive marketing, and recruitment plan that demonstrate the school has sufficient capacity to exceed the enrollment projections and maintain a sufficient wait list to ensure repayment in the event some students withdraw from school. Please use the marketing plan template attached to this document and submit as **Attachment 1**. Applicants may wish to enhance the marketing plan with additional school-specific strategies including, but not limited to, social media and advertising in addition to the grassroots strategies identified for all applicants.

Please see Attachment 1.

Exhibit 3.3 Attach the business plan for the charter school.

- a) For schools that are seeking to expand their enrollment, within the new or existing facility, please attach the expansion business plan documentation as **Attachment 2**. Applicants are welcome to use this business plan as the format for any amendment request to a sponsor which has not adopted a standard amendment request template.
- b) For schools that have already supplied the information in this business plan as part of their expansion amendment with the State Public Charter School Authority (November 2015 and after) the amendment application may be incorporated by reference.
- c) For New Charter Schools, please provide a copy of your charter application. Schools that were approved by the State Public Charter School Authority may incorporate their charter application by reference.

¹The provisions of this paragraph apply regardless of whether the member has terminated the association or affiliation.

Please see Battle Born Academy's charter application to the State Public Charter School Authority, approved by the SPCSA board on April 23, 2021. The full application and supporting materials are available on the SPCSA website, with the main application found here:

https://charterschools.nv.gov/uploadedFiles/CharterSchoolsnvgov/content/News/Battle-Born-Full-Charter-Application_Redacted.pdf.

OPERATOR APPLICANT INSTRUCTIONS

Specifications

- Please submit the loan application to dpeltier@spsca.nv.gov and mdang@spsca.nv.gov.
- It is the responsibility of the applicant to ensure that the content is complete, detailed, and easily understood and followed by reviewers.
- All narrative elements of the application must be typed with 1-inch page margins and 11-point Cambria font, single-spaced.
- All headings must be in 11, 12, or 14 point Cambria font.
- Tables may be in either 11 or 10 point Cambria font.
- Each section (financial history, governing board member signatures, etc.) must begin on a separate page, as indicated in the numbered list.
- All pages must be consecutively numbered in the footer, including all attachments.
- The table of contents must identify the page number of each section of the required documents.
- Schools are encouraged to utilize Microsoft Word's cross-referencing features to allow for automatic updates to page numbers within the document for any element discussed in more than one section. Simply referring reviewers to content in another section or expecting reviewers to seek out and infer an answer from information which may or may not be found in an attachment is unacceptable and will be deemed unresponsive. Petitioners are expected to exercise appropriate judgement in balancing responsiveness with excessively duplicative content. It is highly advisable to answer the question posed and refer the reviewer to additional contextual information that will inform review with transitional and referential phrases such as "As discussed in greater detail in the Section __ beginning on page __, the school will..." and "Reviewers seeking more information on __ may wish to refer to the section labeled __ beginning on page __. More specifically, the school will..."
- References and citations should be placed in the footer.
- The name of each section and attachment, e.g. "Attachment 1," etc. must be placed in the footer to facilitate easy review and navigation of the materials using the corresponding numbered list. Bookmarking of individual sections and attachments in Acrobat is strongly encouraged to enhance readability and facilitate a thorough review.
- Schools are encouraged to use Microsoft Word's styles features (<http://shaunakelly.com/word/styles/stylesms.html>) to manage formatting, provide for bookmarking and cross-referencing, and facilitate the generation of the table of contents and other features through the heading styles functionality.
- If a particular question does not apply to your team or application, simply respond with an explanatory sentence identifying the reason this question is not applicable to your school **AND** including the term "not applicable" within the sentence.

Guidance and Resources for Applicants

Schools are encouraged to familiarize themselves with **current** Nevada law and regulations relating to charter schools. As Nevada's statutes and regulations are continuing to evolve, it is advisable to monitor and evaluate all changes to ensure that any proposed changes to the charter meet current expectations. The Authority does not have the capacity or the statutory authority to provide individual guidance or legal advice. Charter schools are encouraged to consult the Charter School Association of Nevada and an attorney who is well versed in charter school law for guidance in interpreting those elements of statute and regulation for which the Authority has not incorporated its policy expectations in this document.

Nevada Revised Statutes: NRS 388A et seq. contains the vast majority of law pertaining to charter schools: <https://www.leg.state.nv.us/NRS/NRS-388A.html>. Other NRS chapters bear on charter schools and should also be reviewed.

Nevada Administrative Code: NAC 388A et seq. contains the vast majority of regulations pertaining to charter schools: <https://www.leg.state.nv.us/NAC/NAC-388A.html>. NAC 386.010 through 386.472 as well as other regulations also govern the administration of the state's charter school programs and should be consulted. NAC 388A.665 describes loan application requirements. NRS 388A.435 describes authorized uses.

Finally, applicable SPCSA documentation and applications must also be reviewed. Those considering applying for a Revolving Loan may contact the SPCSA for further information.

Executive Summary

Exhibit 1.2, Exhibit 1.5

Battle Born Academy

Battle Born Academy intends to borrow \$124,000 on a 3-year repayment term to assist with initial cash flow entering the first year of operation in 2022-23. Battle Born Academy intends to utilize the first year of operations to establish a solid financial position and build a healthy cash reserve for operational purposes. Subsequently, in Year 2 and 3 (fiscal years 2023-24 and 2024-25 respectively), Battle Born Academy will make 24 equal monthly installment payments (or quarterly payments via deduction from PCFP payment) to repay the principal plus interest of the Revolving Loan Fund loan. For detailed figures, please see the 3-year cashflow projections on page XX.

As the Board Chair, I hereby acknowledge that the school board voted and approved the revolving loan request and the responsibility for repayment of the loan even in the event of the closure of the charter school.

Chantae Readye

Chantae Readye, Board President

10/15/2021

Date

Agenda
Board of Directors Meeting
July 7, 2021 @ 6:00pm
701 E Bridger Ave UNIT 750, Las Vegas, NV 89101

Board of Directors:

Chantae Readye, Chair; Kelsey Stegall, Secretary; Rebecca Gonzalez, Treasurer; Suyapa Canales, Traci Cheatham, Keith J.D. Hightower

Kathy Rudd, Co-Founder; Katie Krackhardt, Co-Founder

- ❖ This meeting agenda is posted publicly on the school website at www.battlebornacademy.org
- ❖ The Board of Directors of Battle Born Academy may take agenda items out of order; combine two or more items for consideration; or remove an item from the agenda or delay discussion related to an item at any time.
- ❖ Speakers wishing to speak during the public comment period for this meeting may sign up in person immediately prior to the beginning of the meeting. Speakers will be called in the order in which they signed up. No one may sign up for another person or yield their time to another person. Generally, a person wishing to speak during the comment period will be allowed two (2) minutes to address the Board of Directors.
- ❖ Speakers may also submit additional comments in writing.

- 1. Welcome and Roll Call**
- 2. Public Comment**
- 3. Approval of Minutes**
- 4. New Items**
 - a. Financial Policies (for possible action)
 - b. Finances Resolution (for action)
 - c. SPCSA Review (for possible action)
- 5. Elect New Vice Chair (for action)**
- 6. Discussion**
 - a. Year One Budget
 - b. New Board Member
 - c. Board Retreat
- 7. Public Comment**
- 8. Adjournment**

Agenda
Board of Directors Meeting
July 7, 2021 @ 6:00pm
701 E Bridger Ave UNIT 750, Las Vegas, NV 89101

Board of Directors:

Chantae Readye, Chair; Kelsey Stegall, Secretary; Rebecca Gonzalez, Treasurer; Suyapa Canales, Traci Cheatham, Keith J.D. Hightower

Kathy Rudd, Co-Founder; Katie Krackhardt, Co-Founder

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- ❖ Speakers may also submit additional comments in writing.

1. Welcome and Roll Call

Meeting commenced at 6:12 pm with Chantae, Kelsey, Suyapa, Rebecca, Kathy, and Katie present.

2. Public Comment

None.

3. Approval of Minutes

Kelsey summarized the minutes from the previous meeting and moved for their approval. Suyapa seconded and the board approved.

4. New Items

a. Financial Policies (for possible action)

The board discussed the terms of the proposed financial policy, including the discrepancies in the two terms governing petty cash.

Rebecca moved to approve the financial policies proposed by Kathy, and Kelsey seconded it. The board voted, and the board unanimously approved.

b. Finances Resolution (for action)

EdTec began with their contract on July 1 and provided a cash flow estimation for the next year. The most that is needed for a month would be \$250,000, which would include rent, salaries for employees, furniture, and supplies.

The biggest vehicle to provide cash on hand is to get a loan, and SPCSA offers loans that can be applied for this fall to find out in February with the funds disbursed in March. Next summer, the most cash on hand needed would be \$100,000, which is much less than when the school is fully functioning.

One option other than loans would be through philanthropy, raising money, private donors, grants, etc. The option would be for a personal loan from someone who helps new businesses. Another option is to qualify for a business loan, but the business has to be open for two years to get one. Another business loan option is if another operating business co-signs with us, which is being explored with Opportunity 180.

Another option is Opportunity 180 is trying to acquire a donor to issue grants to similar schools, like BBA, to provide \$100,000 to start-up schools.

Suyapa asked what other charters have done, and we are the only school who is in this position. Another option is to get a zero-interest credit card, but there are still limits with the credit card option, where another option would have to be pursued as well. One thing to consider is that not every purchase made will be reimbursable by the grant. The other thing to consider is that the number that should be in the account at this point is \$100,000, and the \$250,000 isn't the goal until June of 2022, with the \$100,000 increasing starting March of 2022 to get to that point.

Kelsey moved to approve the financial proposal to authorize Kathy to acquire funds. Suyapa seconded and the board approved it unanimously.

c. SPCSA Review (for possible action)

The contract was provided to the attorney for review, and we are waiting to hear back from him. Kelsey moves to conditionally approve the contract pending the attorney's signing off of on the contract being agreeable.

5. Elect New Vice Chair (for action)

The two candidates are Suyapa and Keith, and Suyapa said that she believes that Keith is the better fit for this role.

Suyapa moved to approve Keith Hightower as Vice Chair, and Kelsey seconded. The board unanimously approved Keith as the new Vice Chair.

6. Discussion

a. Year One Budget

EdTech is going to start providing a monthly cash flow report, along with four other reports, which are available for the board to review. The full budget will be available for the September meeting and will be ready to be voted on and approved.

b. New Board Member

Search networks for a good fit as to who has community connections and can represent our message well. Kathy is going to provide a two-page and one paragraph pitch to provide to potential board members.

c. Board Retreat

The retreat is supposed to be August or September and the governing committee needs to meet soon to plan the retreat. The governing committee needs to let Chantae know by Friday, July 9, the availability for the retreat planning meeting.

7. Public Comment

None.

8. Adjournment

Suyapa moved to adjourn the meeting at 7:09 p.m., and Kelsey seconded, and the meeting was unanimously adjourned at that time.

Battle Born Academy

July 2021 – Finances Proposal

Submitted to the Board of Directors, July 2, 2021

Whereas, Kathy Rudd (Principal) and Katie Krackhardt (Assistant Principal) have been working in partnership with EdTec, Battle Born Academy's board-approved back office provider to determine the needed cash flow for the Fiscal Year 2021-2022 (FY22), and

Whereas, the current largest source of Battle Born Academy's incoming revenue – the Great Schools for Nevada Charter School Programming Grant – is entirely reimbursable in nature and requires cash on hand for purchases that will then be reimbursed approximately 30-45 days following the submission of the expense and all reporting, including receipts and budget tracking, and

Whereas, the necessary cash-on-hand to utilize these funds, maintain a positive balance of all Battle Born Academy finances, and plan and prepare for the operation of the school is approximately \$350,000 beginning in June of 2022, and maintaining a need of less than \$100,000 from the date of this proposal until that month, and

Whereas, Battle Born Academy will not be eligible for state-sponsored per pupil funds until it is operational in Fall of 2022 and therefore has no other state or federally sponsored recourse for securing the necessary cash-on-hand for FY22, and

Whereas, Battle Born Academy will be eligible for the SPCSA Revolving Loan, in amounts deemed by the State Public Charter School Authority (SPCSA) but usually totaling \$500 per pupil, which would amount to \$120,000, with likely dispersal in March of 2022, and

Whereas, the procurement of business and/or private loans is therefore necessary to procure the cash on hand required for operation in FY22 and the successful launch of Battle Born Academy.

Therefore, the Board of Directors resolves that

1. On behalf of the Board of Directors and at their express command, Kathy Rudd, Principal, is hereby authorized to procure a business or private loan in the name of Battle Born Academy in an amount deemed necessary by Ms. Rudd, acting in her capacity as Executive, provided that the loan shall be reasonable, acceptable, and aligned with Battle Born Academy's board-approved financial policies, and meet the following conditions. The loan:
 - a. shall not exceed \$250,000 at any point without further approval of the board,
 - b. shall include parameters on the length of the loan that protect the long-term best interests of Battle Born Academy and shall not exceed a period of two years, without further approval of the board, and
 - c. shall be co-signed on behalf of Battle Born Academy by either the Board Chair or the Board Treasurer.
2. On behalf of the Board of Directors and at their express command, Kathy Rudd, Principal, or the designee that she deems fit, acting in her capacity as Executive, is hereby directed to apply for the SPCSA Revolving Loan when the application becomes available.

Executive Summary

Exhibit 1.2, Exhibit 1.5

Battle Born Academy

Battle Born Academy intends to borrow \$124,000 on a 3-year repayment term to assist with initial cash flow entering the first year of operation in 2022-23. Battle Born Academy intends to utilize the first year of operations to establish a solid financial position and build a healthy cash reserve for operational purposes. Subsequently, in Year 2 and 3 (fiscal years 2023-24 and 2024-25 respectively), Battle Born Academy will make 24 equal monthly installment payments (or quarterly payments via deduction from PCFP payment) to repay the principal plus interest of the Revolving Loan Fund loan. For detailed figures, please see the 3-year cashflow projections on page XX.

As the Board Chair, I hereby acknowledge that the school board voted and approved the revolving loan request and the responsibility for repayment of the loan even in the event of the closure of the charter school.

Chantae Readye

Chantae Readye, Board President

10/15/2021

Date



Business and Development Specialists
for Charter Schools

October 2, 2021

Danny Peltier
State Public Charter School Authority
2080 East Flamingo Road, Suite 230
Las Vegas, NV 89119

Re: Battle Born Academy Loan Application – Fall 2021

Dear Mr. Peltier,

This letter is in response to Section 1.6 of the 2021 Charter School Loan Application as it relates to Battle Born Academy's Fall 2021 submission.

EdTec Inc. is not an independent public accounting firm and therefore cannot make CPA attestations regarding the soundness of internal controls as itemized in the instructions to the loan application.

However, in our capacity as a business services provider to numerous public charter schools, this email confirms that in EdTec's experience the internal financial controls and procedure controls in Battle Born Academy's fiscal policies are in form and substance similar to others adopted by the school boards of other charter school clients of ours and, in that respect, are not unreasonable.

Please let me know if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristin Dietz".

Kristin Dietz
VP of Client Management and Financial Compliance
Kristin.dietz@edtec.com

Battle Born Academy

Budget Narrative, prepared by EdTec
Fiscal Years 2023-2025

The attached budget and cash flow projections are based on conservative estimates of actual costs to implement Battle Born Academy's program. Assumptions used to create the analysis are based on the school's projected enrollment, program plan, and historical financial data from similar charter schools. The narrative outlines all major revenue and expense assumptions in the development of the three-year operating budget. The projections demonstrate a healthy and fiscally sound plan.

REVENUES

Enrollment Assumptions

Battle Born Academy's projected enrollment in its first three years of operation is as follows: 248, 360 and 480 students, respectively. The grade levels span K-8 starting with Kinder, 1st, 5th and 6th Grade in Year 1, and adding 2nd and 7th Grade in Year 2 and 3rd and 8th Grade in Year 3. The school expects to reach full capacity by Year 4

Demographics

Demographic information for Battle Born Academy is estimated based on student population characteristics of schools in the surrounding neighborhood:

Free and Reduced Lunch: 93%
Special Education: 11%
English Language Learner: 37%

Local Revenue

This conservative budget does not include any fundraising revenues in Years 1 - 3, though actual fundraising is likely to exist in all years.

State Funding

The school's largest source of funding is the state's PCFP Base and weighted funding. The funding rate of \$7,197 (PCFP Base) per student for Year 1 was calculated using actual rates being funded for FY21-22 for similar schools in this county. The formula factors in average student enrollment and location of school. Years 2 & 3 assume a small COLA increase (1-2%) and addition of weighted factors based on prior year unduplicated student counts with rates estimated per similar schools.

For special education, the budget assumes \$2,755 per prior year special education student. With a population of 11%, this totals \$74,393 beginning in Year 2.

Federal Funding

Battle Born Academy is a recipient of the Charter School Program grant, and this budget includes approved CSP funds and expenditures in Year 1 only, in alignment with the grant period.

Expecting over 90% of its students eligible for free and reduced lunch, the school will also apply for Title funding. The budget assumes \$350 per eligible student for Title I, \$65 per eligible student Title II, \$100 per EL student in Title III funds, and \$15 per eligible student for Title IV. The rates remain flat in future years with uncertainty around guidelines for Every Student Succeeds Act and potential changes to the funding formula.

The school also expects to receive Federal Special Education IDEA funding estimated at \$1,025 per SpEd student.

The school will participate in the National School Lunch Program, as well as breakfast and snack programs. The reimbursement rates for each meal are estimated based on current USDA rates for contiguous states including Nevada and schools with FRL greater than 60%, with overall rates averaging \$3.50/eligible meal per day.

EXPENSES

Expenses have been estimated by school leadership based on their research, program needs, and the comparable quotes for similar charter schools. The majority of expenses assume a 2.0% increase per year for inflation unless otherwise noted. Below is a summary of the expense categories and the underlying assumptions.

Staffing and Benefits

Given the enrollment assumptions, the school plans to hire 11 teachers in Year 1, another 3 teachers in Year 2, and another 3 teachers in Year 3. For Special Education, the school will start with 1 teacher then add a coordinator in Year 3. Battle Born Academy will also have instructional aides with 2 in Year 1, add 1 in Year 3. The school will open with 2 administrators in Year 1.

	FTE		
Position	2022/23	2023/24	2024/25
Administrators	2	3	3
Licensed Teachers	10	17	24
SPED Teachers	1	2	2
Support Staff	2	2	4
Total	15	24	33

The average classroom and SPED teacher base salary in 2022-23 is \$57,000 with 2% COLA increases each year. Support staff, administrators and instructional aide pay increases at 2% per year.

Battle Born Academy will participate in PERS for all eligible staff. The PERS employer contribution rate is set at 29.75% (Employer only) or 15.50% (Employee/Employer shared plan). Battle Born Academy will also offer health benefits to full-time employees. The estimated cost in 2022-23 is \$6,000 per participating employee, growing at 5% each year.

Professional and Technical Services (300)

For professional educational services, Battle Born Academy has budgeted \$54,000, or \$2,000 per SpEd student for contracted special education services in Year 1 in addition to the SPED teacher on staff. Contracted SPED services increases to \$78,000 in Year 2 and \$104,000 in year 3.

In 2022-23, the anticipated cost for other professional services includes fees for audit (\$14,000), legal (\$5,000) and back-office business services (\$55,000).

Marketing for student recruiting and community outreach is included at \$4,480 in Year 1, \$3,120 in Year 2 and \$3,200 in Year 3.

Payroll processing fees, bank charges, background checks are also budgeted in this category at \$450 per FTE.

Also included are assessment costs at \$30 per ADE and IT support services at \$1,600 per month.

Property Services (400)

Facility related expenses include utilities at \$2 per square foot, janitorial services at \$1 per square foot and other building maintenance costs of \$11,000 in Year 1. Rent is estimated at \$37,523 per month based on recent facility searches.

The school also expects to incur copier usage costs of a cost of \$10 per ADE.

Other Services (500)

Other services include general liability and D&O insurance at \$15,443 in 2022-23, postage (\$10/student), phone and internet services (\$800/mo.), and food service management at \$13/ADE.

The school has included charter sponsor fees calculated at 1.25% of PCFP revenue.

Supplies (600)

Food cost is assumed to be approximately \$731 per ADE, calculated at \$181,288 in Year 1.

In supplies, the charter expects to spend \$15/student on office supplies, \$28,848 in Art, PE, Music and theatre supplies (funded by CSP), \$250 per new student on furniture, \$1200/Teacher on teacher project budget, \$440/FTE on classroom supplies, \$30/student on uniforms, \$5/student on awards and incentives, \$25/FTE on staff awards, and \$3,000 per year on family engagement meetings.

Noncapital equipment/Capex are budgeted as follows (all funded by CSP in Year 1): \$6,000 for copiers, \$49,980 for outdoor equipment/supplies, \$15,410 for staff furniture, \$88,920 on classroom furniture, \$122,949 for classroom technology, staff computers, \$126,000 for student computers

Books and Periodicals and Textbooks are estimated at \$32,800, or \$132/student.

IT Software, including Infinite Campus (SIS) and NWEA, and STEP Assessment is included at \$495/student.

Depreciation (700)

The budget does not currently include any capital expenditures and therefore no depreciation.

Other (800)

Dues and fees are included at \$250 for business filing fees and \$875 in membership organization dues. Also included here is the estimated cost of loan interest on the revolving loan, assuming the loan is received and interest begins upon receipt.

CASH FLOW

Included in the budget workbook is a three-year cash flow projection (as well as 1-year budget and cash flow in NDE template format for cross-referencing), which demonstrates healthy cash balances for sustained operations with the aid of the Revolving Loan in Year 1. In Year 2, the school begins monthly repayment of the loan at a 4.50% interest rate over two years. The interest expense is recorded under debt-related expenses in the budget. Each year, the school will manage accounts payables as necessary in order to maintain a positive cash balance, which is reflected in the cash flow. In Years 2 and 3, due to the PCFP payment schedule, the school's enrollment growth, and unknown timing of revenues under reimbursable programs, the charter may need to seek working capital. This would likely occur by working with one of a number of factoring companies that work with charter schools, including Charter Asset Management.

CONTINGENCIES AND RESERVES

Battle Born Academy's budget reflects positive net operating income in all three years. In all future years, the school will operate at a surplus and continue to contribute to its reserves in the event of fluctuating funding levels or other unforeseen risks.

Battle Born Academy

Revolving Loan Application

Attachment 1 – Marketing Plan

Battle Born Academy intends to serve students primarily in the 89101, 89104, and 89106 zip codes, and any age-eligible student in Nevada is eligible to enroll. Marketing is targeted to students residing in the community or attending schools (including K-8 schools and Pre-K Centers) in the area. Marketing will comply with the requirements of all state, federal, and authorizer laws and regulations. In compliance with all state and federal laws regarding nondiscrimination, we will not set any admission criteria that are intended to discriminate or have the effect of discrimination on any basis of identity, ability, or past performance. In accordance with SB208, we will provide notice to parents/guardians within the community when accepting applications in all years through our website, local news, and notices at local venues in accessible languages. Recruitment strategies include, but are not limited to those listed below:

Marketing, Print & Digital	BBA utilizes targeted print and social-media marketing – in the form of flyers, one-pagers, social media posts, and website campaigns to increase awareness within the community. All materials are printed/posted in both English and Spanish.
Canvassing	<p>BBA is leveraging a group of volunteers, including our Board of Directors, advisory groups such as our Design Team, and our parent and community support base, to knock on doors in 89101, 89104, and 89106 to provide families with information about Battle Born Academy and application details. These will be conducted safely and in accordance with up-to-date health code information.</p> <p>Canvassing is also specifically targeted to the apartments, homes, and businesses surrounding our proposed site in 89101. Building community support for both the school project itself (including the development/construction phases of the building) and for local, walking-distance student enrollment is critical to momentum and successful enrollment of the school.</p>
Cold-Calling	<p>Cold-calling has thus far proven Battle Born Academy’s most productive enrollment strategy. We will continue cold-calling through A) working with local organizations to gain access to their constituent list (where appropriate and legal to do so), B) purchasing telemarketing lists through licensed vendors, and C) creating our own lists through events, canvassing, and tabling.</p> <p>BBA is also conducting quarterly call-backs to the families of prospective enrollees – during these calls, we speak again with families that have already solidified that they are interested, answering their questions, learning about how this school year is going, and alerting families to upcoming information sessions and future enrollment/lottery dates. This continuous engagement is crucial for turning prospective students into enrolled students.</p>
Information Sessions	BBA hosts monthly information sessions for parents to hear more about the school, ask questions, and learn about the application process. We intend to partner with organizations such as Leaders in Training, Puentes, and The City of Las Vegas to spread the word about information sessions. These will be conducted virtually or in person, when the Department of Health indicates it is safe to do so.
Tabling Events	We will continue to set up tables at various locations in the community, attending relevant events to raise awareness and spread details and information. These events

	include vaccine clinics, back-to-school events, Halloween and other holiday events, and general community center fairs. We target locations in 89101, 89104, and 89106; BBA has attended an average of 4 of these events per month since authorization and will continue to do so.
Partnerships	<p>Founding team members have begun building relationships with local day care and head start providers, as well as churches and non-profit organizations. This includes the Strong Start Academies run by the City of Las Vegas, the East Las Vegas library, a number of non-profits, and other locations. We leverage these relationships to garner prospective parents by attending parent meetings held at the centers and disseminating information to parents whose children attend local pre-schools and religious centers.</p> <p>We are in the beginning stages of relationships with additional, neighboring charter and district schools to provide enrollment information to families/students in their final year at that institution (Pre-K enrolling in Kinder; fifth grade enrolling in sixth grade). Local schools include Strong Start Academy, Futuro Academy, and a number of CCSD elementary schools (Cambeiro, Lunt, Hewetson, Hollingsworth, Sunrise Acres, Crestwood, Park)</p>
Traditional Media	When application for the lottery formally launches in January, we will create a press release with information about enrolling, printing in newspapers and on websites of local businesses. The press release will be created in multiple languages to ensure access. We intend to work with radio stations and print media.
Parent-to-Parent Advertising	Perhaps the best source of enrollment opportunities is the parents and families of interested students. We have begun leveraging our existing parents to find and enroll more of their neighbors, cousins, friends, etc. This includes incentivizing bringing additional families to the next information session, providing “Refer a Friend” options on our website and newsletter, and other avenues for parents to engage in word-of-mouth advertising to build their own school community.

Enrollment Goals and Projections

Dates

- January 3, 2022 – Application Opens
- March 4, 2022 – Application Closes
- March 10, 2022 – Lottery
- March 11 & Beyond – Open Enrollment

Goals

- February to May, 2021 - 20 additional age-eligible students indicate intent to enroll per month, such that we have a minimum of 170 eligible students by May 31, 2021
- June to August, 2021 - 30 additional age-eligible students indicate intent to enroll per month, such that we have 275 eligible students by August 31, 2021.
- September to December, 2021 - 40 additional age-eligible students indicate intent to enroll per month, such that we have 435 eligible students by December 31, 2021 and prior to the opening of our official application process.

Progress to Goal

- As of October 1, 2021, we have 175 students (and their families) who have indicated a formal intent to enroll by completing the online form. We have an additional 40-60 that have indicated they are interested in learning more and we are actively recruiting.
- In October – December, we are dramatically increasing efforts in this regard, including social media advertising, parent-to-parent advertising, neighborhood canvassing, and tabling at events. We intend to leverage this momentum to be on track/above our enrollment goal of 240 before our lottery opens on January 3. While this is not the 1.5 applications/seat that we set out to achieve, our evidence and projections lead us to believe we are on track to open with full enrollment and a small but meaningful waitlist.