

GENERAL INFORMATION

Name of charter school: John Hancock Charter School

Current enrollment:159 Authorized enrollment: 200

Grades served: K-6 currently (authorized K-9) District: Alpine School District

Dollar amount of loan being requested: \$39,000

Contact person: Craig Frank

Address: 125 North 100 East

City, State, Zip: Pleasant Grove, UT 84062

Telephone number: 801-796-5646

Email address: craigfrank@johnhancocks.org

For USBE use only:

Date application received: _____

Date Committee approved / denied: _____

Date SCSB approved / denied: _____

Date USBE approved / denied: _____

Fiscal Year of USBE approval: _____

Dollar amount of approved loan: _____

Percentage of total amount requested: _____

Amortization completed: _____ Promissory Note signed: _____

Trust Indentures or other liability document verified for restrictions on additional debt; permission received if applicable (Date): _____


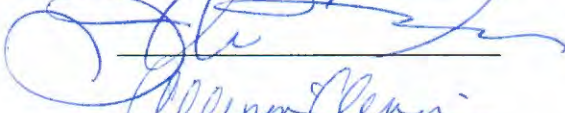
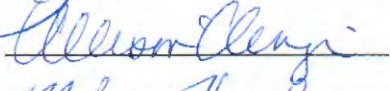

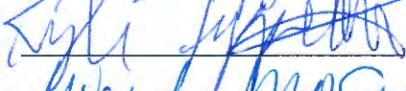
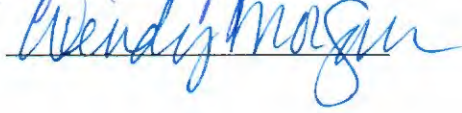
Committee restrictions on funding to be reflected in Promissory Note:

R277-480-4(D)(1)	Yes / No (Circle)
R277-480-4(D)(2)	Yes / No (Circle)
Other:	

RESOLUTION: We, the governing board of Click or tap here to enter text., agree to the following:

- We enter into the loan as provided in the application materials.
- The interest rate established by the Committee (i.e., the higher of one half of the Triple A Bond Rate available on the date of loan recommendation by the Committee, or 2%) and the repayment schedule of the loan designated by the Superintendent.
- The loan funds shall only be used for purposes consistent with §53F-9-203, R277-480, and the approved charter agreement, and shall be tracked and accounted for accordingly.
- Any and all audits of financial information ordered by the Committee or the Board;
- Any and all inspections or reviews ordered by the Committee or the Board;
- The loan repayment period will be: 5 years from SY2020 to SY2025; and
- We understand that repayment, including interest, shall be deducted automatically from the charter school's designated bank account through an automatic clearinghouse withdrawal of funds in accordance with the schedule specified in the applicable statement of amortization and shall continue until loan balance is fully repaid.
- We agree to any additional terms communicated to us by the Committee at the time of application consideration by such Committee, and included in our Promissory note.

GOVERNING BOARD MEMBERS:

Name	Signature	Date
Kim Frank		4/2/2020
Joseph Spencer		4/2/2020
Allison Clinger		4/2/2020
Melissa Heppler		4/2/2020
Kyle Tippetts		4/2/2020
Wendy Morgan		4/2/2020

Are these all serving Board Members? X Yes No

If all members of governing board did not or could not sign this Resolution, please explain why:

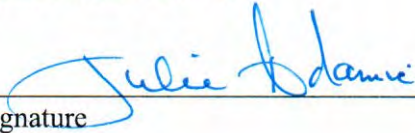
REPAYMENT PROVISIONS

The loan shall be repaid within five years. Payments shall be conducted through an ACH debit of the school's designated bank account. Authorization is hereby given to initiate this process, and assurance is provided that the school will provide lender (USBE) with appropriate permissions and account documentation prior to receipt of funds, and will update this information as necessary to facilitate automatic withdrawal of funds on a monthly basis in consonance with the repayment schedule decided upon by the Committee and agreed to in appropriate loan documentation.

Name of Charter School: John Hancock Charter School

Authorized Agent: Julie D Adamic

Authorizing Signature



Date

4-1-2020

APPLICATION

1. Background checks (new schools only)

Does Not Apply

2. Credit report (new schools only)

Does Not Apply

3. Business Risk Score (operational schools only)

SEE ATTACHMENT "A"

4. Chartering entity (check one)

- Institution of Higher Education (*attach signed copy of the Charter Agreement*)
- Local board of education (*attach signed copy of the Charter Agreement*)
- State Charter School Board (*Charter Agreement is on file – no need to submit*)

5. Purpose of Loan Request

Purpose of Loan Request. John Hancock Charter School is requesting a revolving loan based on an "urgent facility need," as cited in UCA 53F-9-203(5). There are two (2) major projects requiring urgent attention. The membrane roof over the top of the main "classroom" building/trailer has failed in multiple locations, and after years of "free" patching by a contractor/parent at the school, "free" patching is no longer a viable option. The repairs needed for the roof assumes a three (3) year occupancy until we build a new facility or move to another location. Next, the school's drop-off and pick-up area on the north side of the school (200 North, west of 100 East) although "improved" by Pleasant Grove City during 100 East (Canyon Road) reconstruction, was left unfinished and possess a health/safety issue for students during inclement weather conditions, where students are being dropped-off and picked-up before and after school hours.

Additional projects:

- Concrete slab on north side of building in carpool pick-up area (on school property). Area near drop-off and pick-up areas gets "marshy" when wet
- Add barriers to north side drop-off and pick-up area to inhibit cars drifting onto sidewalk. Stops vehicles from sliding into the drop-off and pick-up areas during icy conditions
- Remove chimney(ies) on Red Brick Building per Utah Dept of Risk Management's suggestion

6. Basis of need narrative

John Hancock Charter School is a "small" public charter school relative to other larger charters with larger margins of cash flow. JHCS's K-6 model elicits a reduced Weighted Pupil Unit (WPU), and therefore the cash flow margin for capital improvement project is much smaller. Although JHCS appears to have significant cash reserves, the requirement to keep 60-days Cash on Hand encumbers most of those reserves. In order to spread the burden of these important projects over a manageable period of time, JHCS is making application for the revolving loan funds. The "urgent" fixes are the five (5) major priorities previously mentioned (i.e. roof repair, drop-off and pick-up lane area). Each represents

significant impact on the students and the delivery of public education at JHCS because of health/safety concerns.

7. Detailed Use of Funds

(See attached spreadsheet for explanation)

8. 3-year Budgetary Plan

(See attached spreadsheet(s) for explanation)

9. Statement of governing board member qualifying experience

JOHN HANCOCK CHARTER SCHOOL BOARD of DIRECTORS' EXPERIENCE

JOSEPH SPENCER | Joe has 15 years experience as a member of the board of JHCS. He served as the chairman of the board for Hideout Local District for seven years. He has run his own real estate development company for 15 years, and has developed a self-storage facility and served on the board of Utah Self Storage Association for multiple years. He has also served on the board of Fresh Start Ventures (a non-profit) for 5 years. Joe has a Bachelor's of Science Degree in Computer Science from Weber State University.

WENDY MORGAN | Wendy has utilized her college degree as a controller of a business with \$100,000,000+ in annual revenue, with employees in over 40 states. She currently owns a small business that provides web-based business intelligence software that allows partners to analyze and improve sales lines. She is currently a consultant acting as a Special Projects Manager improving processes in recently merged companies. Wendy holds a Bachelor's Degree in Business, with an accounting emphasis.

KIMBERLY FRANK | Kim has served on the JHCS Board of Directors since 2002, including many years as its Board Chair. Kim is the Executive Director of the Utah Charter Network (UCN), a non-profit, statewide charter school organization. She was the former Executive Director, and Policy Director, of Utah Association of Public Charter Schools (UAPCS) between 2004-2011. She has managed non-profit volunteer organizations for over 40 years. Se attended Brigham Young University in Provo, UT between 1978-1982, where she studied business.

MELISSA HEPLER | Melissa serves as the Parent Advocate of the JHCS Board. He professional background is in Utah's tech industry working for Bluehost, a web hosting and services company. She has worked as a Billing Level I/II, Billing Trainer and a Billing Development Operations Analyst, while at Bluehost. Melissa attended Salt Lake Community College between 2003-2004. She has worked as an HR manager in the private sector.

KYLE TIPPETTS | Kyle has served on the JHCS board since 2005. His professional experience is in the tech industry, where he is a senior software engineer and architect, in cloud systems. He works for Workfront in Lehi, Utah, as well as owns his own computer systems consulting business. Kyle holds a Bachelor of Arts Degree in International Relations/Japanese (BYU '92).

ALLISON CLINGER | Allison has served as secretary for the John Hancock Charter School Board for 17 years. She earned a master's degree in English from Brigham Young University. For three years she

worked as an editor in the Curriculum department of The Church of Jesus Christ of Latter-day Saints. Allison solely manages multiple rental properties around Utah County and also does editing work for Workfront, a Lehi-based software company. In addition, she donates many hours a month to serving her local church community. The majority of her time is spent being a wife and a mom to five (mostly) teenagers.

10. Summary of school's Market Analysis and Outreach Plan

John Hancock Charter School's charter application didn't provide for a formal marketing plan. Since 2001, when JHCS began "marketing" for enrollment for the 2002-03 school year, it hasn't been necessary to use a formal marketing strategy to fill seats. JHCS has had and continues to have waiting lists for every grade (currently K-6).

Word-of-mouth has been John Hancock's strongest method of marketing. It's been easy to get satisfied parents and student to encourage local families and friends to enroll in the school. Unfortunately, every year, JHCS must turn away dozens and dozens of applicants.

Some relatively significant third-party social media systems have been utilized to entice the local community population for "outreach" and minor enrollment.

Because of natural attrition, John Hancock fills empty seats with relative ease through its "waiting list." A "full house" for John Hancock Charter School is 160 students.

11. Interim Financials

SEE ATTACHMENT "B"

12. Liability Listing and Documentation

Existing Loans – None

Credit Accounts – Capital One Credit Card, Julie Adamic, Principal. Paid off every month, Short-term debt used for operating purchases. \$14,000 limit. Current balance \$3806.62 (4/3/2020). SEE ATTACHMENT "C"

Zions Bank Credit Card – Inactive

Related Party Loans -- None

13. Outstanding Accounts Payable or Accrued Liabilities over \$5,000 in excess of 90 days

John Hancock Charter School has no Accounts Payable over \$5000. (4/3/2020)

John Hancock Charter School has no Accrued Liabilities over \$5000.

- Accrued Health benefits liability \$14,370 (as of 4/3/2020) 30 days
- Accrued other liabilities \$6,609 (as of 4/3/2020) not in excess of 90 days

SEE ATTACHMENT "D" (Balance Sheet as of 4/3/2020)

14. Liens, Judgments, Pending Litigation, or other Unresolved Financial Issues

John Hancock Charter School has no Liens, Judgements, or Other Unresolved Financial Issues.

Although it is not involved in litigation, JHCS is considering the potential acquisition of an adjacent piece of property to JHCS campus, which is currently being sold through a trustee of the former property owner. This land will allow JHCS to potentially expand its playground area.

15. Debt Instruments

SEE ATTACHMENT “E”

16. Current Ratio

Sum of all Current Assets ÷ Sum of all Current Liabilities	\$532,243 ÷ \$66,369	Current Ratio = 8.02
--	----------------------------	----------------------

SEE ATTACHMENT “F” (Statement of Financial Position)

17. Debt Ratio

Sum of all Current and Long-Term Liabilities ÷ Sum of all Current and Long-term Assets	\$146,705 ÷ \$1,147,559	Debt Ratio = 0.13
--	-------------------------------	-------------------

SEE ATTACHMENT “F” (Statement of Financial Position)

18. Articles of Incorporation

SEE ATTACHMENT “G”

19. Governing board By-laws

SEE ATTACHMENT “H”

20. Other

John Hancock Charter School's Board of Directors believes there are no material factors or concerns in its ability to service this loan.

21. USB E Pre-construction checklist

Funding requested is for the purpose of repairing existing property, not constructing or renovating new structures.