

# UTAH STATE BOARD OF EDUCATION (USBE) CHARTER SCHOOL REVOLVING LOAN APPLICATION

**DUE: \_\_\_\_\_ December 1, 2025 \_\_\_\_\_ no later than 12:00 A.M.**

Save your completed application as a PDF document (<10 MB) and your Detailed Use of Funds and Pro-Forma Budgets in Excel format. Send to [schoolfinance@schools.utah.gov](mailto:schoolfinance@schools.utah.gov) before the deadline noted above.

## OVERVIEW

The legislature has created, within the Uniform School Fund, a restricted account known as the "Charter School Revolving Account" ([UCA §53F-9-203](#)) to provide assistance to charter schools to meet school building construction and renovation needs and to pay for expenses related to the start-up of a new charter school or the expansion of an existing charter school.

The statute also provides that loans to new charter schools or charter schools with urgent facility needs may be given priority. An "Urgent facility need" means an unexpected exigency at a charter school that is entitled to priority under Subsection 53F-9-203(5) because it affects the health and safety of students. It may include:

- an unforeseen condition that precludes a school's qualification for an occupancy permit; or
- an unforeseen circumstance that keeps the school from satisfying provisions of public safety, public health, or public school laws or Board rules.

[Board Rule R277-480](#) provides additional information for the Charter School Revolving Account.

Applications for loans are accepted subject to eligibility criteria and availability of funding. Repayment of Loan award will be facilitated by an automatic draft of funds directly from recipient accounts. This will occur subsequent to receipt of regular per pupil funding through an ACH Program which involves automatic drafting of payments from a recipient's bank account on a monthly basis. These drafts are set up and handled through the Office of the Utah State Treasurer subsequent to receipt of revenues on a regular monthly basis. They do not constitute a withholding of revenue.

USBE will review all applications to ensure completeness, correctness, and adherence to state law and board administrative rule. Only applications meeting minimum criteria set out herein will be recommended to the Committee for review. Incomplete applications will not be considered. Staff is available for technical assistance.

Applicants must be aware that subsequent to an award, funds must be placed in a depository which complies with the Utah Money Management Act (UCA §51-7) such that it is listed as a "qualified depository." A list of these is available at: <http://treasurer.utah.gov/money-management-council/qualified-depository-list/>

# **REQUIRED ELEMENTS**

## **Loan Application Sequence**

1. General information
2. Resolution
3. Repayment provisions
4. Summary of problematic features in governing board background checks (new schools only)
5. Summary of problematic features in governing board credit report (new schools only)
6. Business risk score (operational schools only)
7. Charter Agreement (if authorized by local district or higher ed)
8. Purpose of loan request
9. Basis of need narrative
10. Detailed Use of Funds
11. Budgetary plan for 3 years
12. Statement of governing board member qualifying experience
13. Market analysis (new schools or schools below capacity only)
14. Interim financials
15. Liability listing and documentation
16. Outstanding accounts payable or accrued liabilities
17. Liens, judgments, pending litigation, or other unresolved financial issues
18. Debt instruments
19. Current ratio
20. Debt ratio
21. Articles of Incorporation
22. Governing board By-laws
23. Other pertinent materials
24. USBE pre-construction checklist (if applicable)
25. Copy of LEA's W-9

## FINAL CHECKLIST

- ☐ Is your Detailed Use of Funds and Pro-Forma Budgets saved in Excel format and is your completed application saved as a PDF document (<10 MB)?
- ☐ Is the general information page completed?
- ☐ Have you completed, with appropriate signatures, the repayment provisions page?
- ☐ New schools: Did you summarize any problematic features of governing board/key administrator background checks?
- ☐ New schools: Did you include a one-page statement of average score, score range, and any problematic features of governing board/key administrator credit scores?
- ☐ Operational schools: Did you include your business credit score and credit report summary?
- ☐ Did you “check” your chartering entity type and provide a copy of your signed charter agreement (if applicable)?
- ☐ Have you written a narrative statement outlining the purpose of your loan request and verified that it complies with [UCA 53F-9-203](#)?
- ☐ Have you written a narrative of need describing why the school does not have funds available from other sources and why the project is important in carrying out your educational program?
- ☐ Have you checked your requested budget to make sure all items are fundable under this loan request and it contains the appropriate level of detail?
- ☐ Did you submit a 3-year pro-forma budget or pro-forma financial statement in Excel format?
- ☐ Did you provide a summary on governing board members not-for-profit, board, managerial, financial, and professional qualifications? (limited to one page in total, all members combined)
- ☐ New schools or schools below enrollment capacity (specifically 75% of enrollment): Did you include a summary of the school’s market analysis and outreach plan to show how the school will attract its projected enrollment? (limited to 2 pages)
- ☐ Did you include your Interim Financials (i.e., year to date income statement and balance sheet)?
- ☐ Did you provide liability listing and documentation?
- ☐ Did you provide any outstanding accounts payable or accrued liabilities over \$5,000 in excess of 90 days (including an action plan) OR a statement that no such accounts exist?
- ☐ Did you provide any liens, judgments, pending litigation, or unresolved financial issues (including an action plan) OR a statement that no such accounts exist?
- ☐ Is a copy of your facility capital lease agreement(s), trust indentures, note payable, and/or mortgage agreement included?
- ☐ Did you calculate your Current Ratio and Debt Ratio using the most recent Audited Financial Statement?
- ☐ Are copies of your Articles of Incorporation and By-laws included?
- ☐ If your project includes construction, have you included the pre-construction checklist and USBE project number?
- ☐ Have you included the LEA’s W-9? The application address must match the information on the W4, which is recorded with the state in FINET. All future financial correspondence will be sent to that location.

## GENERAL INFORMATION

Name of charter school: Virtual Horizons Charter School

Current enrollment: 150; Authorized enrollment: 350

Grades served: 4-12 Grades District: State Run Charter School

Dollar amount of loan being requested: 200,000

Contact person: Kristin Elinkowski

Address: 3676 West Hwy 138

City, State, Zip: Erda, Utah 84029

Telephone number: 801-941-1789

Email address: kristinelinkowski@vhcsut.org

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### **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:

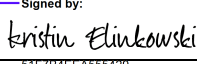

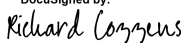
|                  |     |   |    |          |
|------------------|-----|---|----|----------|
| R277-480-4(D)(1) | Yes | / | No | (Circle) |
| R277-480-4(D)(2) | Yes | / | No | (Circle) |

|        |  |
|--------|--|
| 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 FY2025 to FY2030; 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       |
|--------------------|---|------------|
| Kristin Elinkowski | <div style="border-bottom: 1px solid black; padding-bottom: 5px;"> <small>Signed by:</small><br/> <br/> <small>51F7B4EEA555429...</small> </div> | 12/10/2025 |
| Kim Tafari         | <div style="border-bottom: 1px solid black; padding-bottom: 5px;"> <small>Signed by:</small><br/> <br/> <small>5D78EE14E3DD4F4...</small> </div> | 12/10/2025 |
| Richard Cozzens    | <div style="border-bottom: 1px solid black; padding-bottom: 5px;"> <small>Signed by:</small><br/> <br/> <small>9D7D19B9C21444D...</small> </div> | 12/10/2025 |

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 (USBEL) 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: Virtual Horizons Charter School

Authorized Agent: Kim Tafari

A handwritten signature in black ink, appearing to read "Kim Tafari", is written over a horizontal line. The signature is fluid and cursive.

Authorizing Signature

December 1, 2025

Date

# APPLICATION

1. Background checks (new schools only): Include statement assuring that every governing board member and key administrator has completed a background check that is on file at the school, along with a written summary of any problematic features found in board member / key administrator reports.
2. Credit report (new schools only): Include a one-page statement of average score, score range, and any problematic features such as bankruptcy, for governing board member's / key administrators. Note that individual Board Members' credit scores are not required to be listed. An average or range of Board credit scores, as well as any reported problematic incidents is sufficient.
3. Business Risk Score (operational schools only): Include a copy of your business credit score and credit report summary. **N/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 (*attach signed copy of the Charter Agreement*)
5. Purpose of Loan Request: Provide statement of statutory purpose for requesting funds from the Charter School Revolving Account.
6. Basis of need narrative: Outline the "basis of need" for requested funds. Describe why the school does not have funds available from other sources (reserves), and why the project accomplished with revolving loan funds is important in carrying out the educational program of the charter school.

If you want your application to be given an "urgent facility need" priority, please explain why your application should be considered as such.
7. Detailed Use of Funds: Please complete all pages of the Excel template found at: Please see Budget Detail document attached in the email.

**NOTE: New schools and expansion requests are limited to expenditures that have not been covered through other funding sources.**

8. 3-year Budgetary Plan: For established schools, submit a budget using the AFR format found in the [UPEFS](#) system supplied by USBE School Finance, with loan funds included and appropriately budgeted as per project plans. In addition, provide your projected enrollment for the three fiscal years at the top of each fiscal year column.

For schools with no prior fiscal information, submit pro-forma financial statements of your planning year and two operational years with loan funds included and appropriately budgeted as per project plans and loan repayment included. Pro-forma financial statements must include one planning and two operational years. Please use the Excel template found at:

*(Revolving Loan Pro Forma Budget Worksheets for New Schools)*

Please see Pro Forma Financial and Budgetary Worksheets document attached in the email.

9. Statement of governing board member qualifying experience: Not-for-profit, board, managerial,

financial, and professional experience which you believe qualifies this charter school governing board to act as the agent managing the project(s) associated with loan funds (limited to one page in total, all members combined).

10. Summary of school's Market Analysis and Outreach Plan: Summary of school's market analysis and outreach plan showing how the school will meet its authorized enrollment (limited to two pages in total).
11. Interim Financials: Include your year-to-date income statement and balance sheet.

**Attached**

12. Liability Listing and Documentation: List all existing loans and credit accounts by holder and type. Include information regarding Related Party loans (e.g., board members, employees, family, friends, etc.) if any, and showing the amount owed, interest rate, loan terms and conditions, and any other relevant information.

USBE Revolving Loan, \$300,000, Loan Date 6/7/2024, Maturity Date 9/1/2029, 2.68% Interest Rate, Monthly payments began Oct 1, 2025, at the rate of \$6,713.21.

American Development Company Line of Credit, \$150,000, Loan Date 2/7/2025, Maturity Date 2/7/2030, 11% Interest Rate, Monthly payments begin 1/1/2026 at the rate of \$3,468.75.

13. Outstanding Accounts Payable or Accrued Liabilities over \$5,000 in excess of 90 days: Provide the school's plan of action for resolving items on this list or provide a statement that no such accounts exist.  
**The School has no existing outstanding liabilities.**

14. Liens, Judgments, Pending Litigation, or other Unresolved Financial Issues: Provide the school's plan of action for resolving items on this list or provide a statement that no such accounts exist.  
**VHCS has no liens, judgments, pending litigation or unresolved financial issues.**

15. Debt Instruments: Electronic copies of your facility long-term debt agreement(s) which includes capital lease agreements, trust indentures, note payables, mortgages or bond agreements.  
**VHCS has no lease agreements, trust indentures, notes payables, mortgages or bond agreements.**

16. Current Ratio: List your school's Current Ratio ("CR") in the space provided below using its most recent Audited Financial Statements or Statement of Financial Position.

|                                |            |                     |
|--------------------------------|------------|---------------------|
| Sum of all Current Assets      | 213,747.61 | Current Ratio = .49 |
| ÷                              | ÷          |                     |
| Sum of all Current Liabilities | 429,520.37 |                     |

17. Debt Ratio: List your school's Debt Ratio ("DR") in the spaces below using its most recent Audited Financial Statement or Statement of Financial Position.



|  |                 |                   |
|--|-----------------|-------------------|
| Sum of all Current and Long-Term Liabilities | 429,520.37      | Debt Ratio = 2.00 |
| ÷<br>Sum of all Current and Long-term Assets | ÷<br>213,746.61 |                   |

18. Articles of Incorporation: Submit a copy of your most current Articles of Incorporation.

See Accompanying Documentation

19. Governing board By-laws: Submit a copy of your most current bylaws.

See Accompanying Documentation

20. Other: Additional circumstances that could have a material effect on the applicant school's ability to service this loan must be revealed at time of loan application. *The Committee reserves the right to consider a loan in default and subject to immediate recall if loan statements, materials included with application or made verbally at time of Committee consideration are later found to be materially false in a manner which would affect Committee understanding of the school's ability to service a loan.*
21. USBE Pre-construction checklist: If your loan is for new construction or a renovation project, you must obtain a USBE project number and complete the "Pre-Construction Checklist" located at: <https://www.schools.utah.gov/file/60ca107f-9882-4d40-b280-a77a1546dca7>. For additional assistance, please contact: **Dean Dykstra**, Construction and Facility Specialist at (801) 538-7939 or [Dean.Dykstra@schools.utah.gov](mailto:Dean.Dykstra@schools.utah.gov)

# REVIEW CRITERIA

**For USBE/SCSB use only:**

| Meets standard | Does not meet standard | Not applicable | Standard  | Comments |
|----------------|------------------------|----------------|---|----------|
| €              | €                      | €              | <b>General Information:</b> Applicant completed general information page  |          |
| €              | €                      | €              | <b>Resolution:</b> Signed by all members of the governing board with contact information  |          |
| €              | €                      | €              | <b>Background Checks (new schools):</b> Unproblematic and without felony convictions  |          |
| €              | €                      | €              | <b>Credit Report (new schools):</b> Composite score is acceptable   |          |
| €              | €                      | €              | <b>Credit Report (new schools):</b> Not problematic, especially for key officers  |          |
| €              | €                      | €              | <b>Business Risk Score (operational schools):</b> Business credit score and credit report summary.  |          |
| €              | €                      | €              | <b>Business Risk score (operational schools):</b> Not problematic   |          |
| €              | €                      | €              | <b>Charter Agreement:</b> Applicant is approved and has Charter Agreement on record with USBE   |          |
| €              | €                      | €              | <b>Governing Board Qualifications:</b> Applicant provides information for all governing board members, highlighting not-for-profit managerial and related experience (in areas related to Finance, Management, Education, Law, Real Estate, Facilities, Procurement and Human Resources), and documents such experience appropriately |          |
| €              | €                      | €              | <b>Purpose Statement:</b> Applicant includes how the intended use of funds meets UCA §53A-1a-522  |          |
| €              | €                      | €              | <b>Need:</b> Applicant's narrative of need for requested funds is convincing and compelling   |          |
| €              | €                      | €              | <b>Urgent Facility Need:</b> If claimed, it meets the definition of an unexpected exigency that affects the health and safety of students. Applicant offers documentary evidence of need. Need is unforeseeable, and evidence offered in support of urgent facility need is strong and convincing                                     |          |
| €              | €                      | €              | <b>Detailed Use of Funds:</b> Applicant provides full and appropriate details regarding all project expenditure   |          |

| Meets standard | Does not meet standard | Not applicable | Standard   | Comments |
|----------------|------------------------|----------------|--|----------|
| €              | €                      | €              | <b>Pre-Operational Budget (for new schools):</b> Planning appears to be inclusive of all necessary costs and acceptable levels of reserves are maintained  |          |
| €              | €                      | €              | <b>AFR Budget for established schools:</b> Planning appears to be inclusive of all necessary costs and acceptable levels of reserves are maintained  |          |
| €              | €                      | €              | <b>Audited Financial Statements, AFR Reports and Interim Financial Reports</b> appear to demonstrate long-term financial viability and the ability to meet loan obligations.   |          |
| €              | €                      | €              | <b>Compliance History:</b> The school's compliance record generally indicative of adherence to legally mandated standards  |          |
| €              | €                      | €              | <b>Audited Financial Statements and management letters/response to management letters:</b> Contain information indicative of long-term financial viability.  |          |
| €              | €                      | €              | <b>Liabilities:</b> Untenable liabilities that might compromise repayment do not exist or are manageable and acceptable  |          |
| €              | €                      | €              | <b>Outstanding Accounts Payable:</b> It is desired that an applicant's accounts payable plan of action is easily manageable OR that the applicant includes a statement that no accounts payable exist currently  |          |
| €              | €                      | €              | <b>Liens, judgments, pending litigation, and unresolved financial issues:</b> It is desired that liens plan of action is exemplary and easily manageable OR that a statement of "no outstanding negative credit features" is present   |          |
| €              | €                      | €              | <b>Debt Instruments:</b> Does review indicate that: (a) debt(s) is/are prohibitive of additional debt such that permission from a first trust holder is required for second trust ( <i>must be obtained, if so</i> ); (b) existing repayment requirements might compromise repayment; (c) original source of instrument is to finance operational shortfalls |          |

| Meets standard | Does not meet standard | Not applicable | Standard  | Comments |
|----------------|------------------------|----------------|---|----------|
| €              | €                      | €              | <b>Current Ratio:</b> Minimum standard to qualify for loan funds is 0.6   |          |
| €              | €                      | €              | <b>Debt Ratio:</b> Committee prefers that this ratio is below 1.0   |          |
| €              | €                      | €              | <b>Articles of Incorporation</b> do not contain material prohibiting acceptance of this loan  |          |
| €              | €                      | €              | Have <b>By-laws</b> been altered from their original form and in what way? Do these contain elements that might compromise the ability of this governing board to accept responsibility for this loan or manage this project? |          |
| €              | €                      | €              | <b>Other</b> events or circumstances which might be prohibitive to granting of a loan to this body may also be subject to consideration by this committee   |          |