

**\$23,000,000\***  
**CALIFORNIA SCHOOL FINANCE AUTHORITY (CSFA)**  
**EDUCATIONAL FACILITY TAXABLE LOAN**  
**(KIPP PUBLIC SCHOOLS NORTHERN CALIFORNIA)**  
**SERIES 2024**  
**ITEM # 9 - RESOLUTION 24-30**  
**STAFF SUMMARY**

**EXECUTIVE SUMMARY**

<b>Applicant/Borrower:</b>	KIPP Bay Area Real Estate (KBARE)	<b>Par Amount Requested:</b>	Not-to-Exceed * \$23,000,000
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<b>Financing Term:</b> Up to 35 years	<b>Interest Rate:</b> Not to exceed 5%
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**Applicant Description:** KBARE, a California nonprofit public benefit corporation described under section 501(c)(3) of the Internal Revenue Code. KBARE was formed as a support corporation for KIPP Bay Area Schools (doing business as KIPP Public Schools Northern California), also a California nonprofit public benefit corporation and an organization described under section 501(c)(3).

**Type of Financing:** Educational Facility Taxable Loan

<b>Project User:</b>	<b>KIPP Stockton TK-8 and KIPP Stockton TK-12</b>	<b>County Served:</b>	San Joaquin
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<b>District in Which Project is Located:</b>	Stockton Unified School District	<b>Charter Authorizer:</b>	Stockton Unified School District
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**Project Description:** Fund acquisition, new construction and installation for two KIPP Public Schools Northern California schools, KIPP Stockton TK-12 (located at Conway Homes site) and KIPP Stockton TK-8 (located at University Park site).

**Project Sites:** 820 N. American Street, Stockton, CA 95202 & 742 Dallas Avenue, Stockton, CA 95206

<b>Financing Team:</b>		<b>Financing Details:</b>	
Lender:	Equitable Facilities Fund, Inc.	<b>Type of Issue:</b>	Educational Facility Taxable Loan (Private Placement)
Lender's Counsel:	Orrick, Herrington & Sutcliffe LLP	<b>Tax Status:</b>	Taxable
Borrower's Counsel:	Akin Gump	<b>Maturity:</b>	Up to 35 years
Issuer's Counsel:	Attorney General's Office	<b>Credit Enhancement:</b>	No
Issuer:	California School Finance Authority	<b>Credit Rating:</b>	BBB
Trustee:	Zions Bancorporation	<b>Fees:</b>	See Costs of Issuance Table

**CSFA Analyst:** Robby Biegler

<b>Date of CSFA Board Meeting:</b> July 25, 2024	<b>Resolution Number:</b> 24-30
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**Staff Recommendation:** Staff recommends the California School Finance Authority Board approve Resolution Number 24-30 authorizing an Educational Facility Taxable Loan in an amount not to exceed \$23,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of certain educational facilities located in San Joaquin County for use by KIPP Stockton TK-12 and KIPP Stockton TK-8.

## BACKGROUND AND HISTORY

KIPP Public Schools Northern California (KIPP NorCal) is the parent organization for all KIPP schools located in Northern California. While both KIPP SoCal and KIPP NorCal are part of the national KIPP organization, they operate as completely independent legal and financial entities. KIPP NorCal currently operates 21 schools across the Bay Area, educating over 6,500 students, of which approximately 82% qualify for free or reduced lunch. Specific to the current and proposed obligated group, 78% of students qualify for free or reduced lunch. KBARE is a separate nonprofit public benefit corporation that develops school facilities for the benefit of KIPP Norcal.

While this is the eighth KIPP issuance through CSFA, it is the fourth KBARE issuance, as the other four issuances were for KIPP SoCal. This is also the third loan through Equitable Facilities Fund, Inc. (EFF) issued on behalf of KBARE. The first loan was issued in 2019 to refinance KIPP Bridge Academy and KIPP Heritage Academy debt, by the Charter Impact Fund, which is now known as EFF. That financing was for \$16,000,000. The second loan was issued in 2021 for a total of \$11,733,266.48, for the acquisition of a new school facility for KIPP Esperanza High School. The third loan was issued in 2022, totaling \$32,226,266.31, for the acquisition and construction of new school facilities for KIPP Stockton K-12 at Conway Homes (KSCH) and KIPP Stockton K-8 at University Park (KSUP). The 2024 issuance will also be for KSCH and KSUP, enabling each school to expand and improve current facilities.

The 2019 transaction also established a Master Trust Indenture (Indenture) for future KBARE-EFF transactions. The 2024 issuance will be completed pursuant to that Indenture, and the landlord entities, Houston Avenue LLC for KSCH and 820 North American LLC for KSUP, will become members of the obligated group created thereby. The KSCH and KSUP loan payments will be cross-collateralized with the lease payments for KIPP Bridge, KIPP Heritage and KIPP Esperanza, as the 2022 obligation will be on parity with the 2019 and 2021 obligations.

### ***KIPP NorCal Financing Obligations***

<b>School Full Name</b>	<b>EFF Loan</b>
1. KIPP Bridge Academy (KBA)	2019 Loan
2. KIPP Heritage Academy (KHA)	2019 Loan
3. KIPP Esperanza High School (KEHS)	2021 Loan
4. KIPP Stockton K-12 at Conway Homes (KSCH)	2022 & 2024 Loan
5. KIPP Stockton K-8 at University Park (KSUP)	2022 & 2024 Loan

Both KSCH and KSUP are KIPP NorCal campuses intended to serve growing enrollment needs in greater suburban Stockton, which has seen major population growth as Bay Area suburbs move farther east. San Joaquin Valley is poised for growth, with projected population growth in Stockton of 6.6% over the next 5 years.

KIPP NorCal was invited to expand into the Central Valley by former Stockton Mayor Tubbs in 2018. Since then, the KIPP NorCal team has been in the community making connections with families, community leaders and local politicians, gathering support for its program. Both charters were unanimously authorized by the Stockton Unified School District in 2019 and the Mayor's office and city officials have been supportive of KIPP's construction plans. KSCH's term runs July 1, 2021-June 30, 2026 and KSUP's term is July 1, 2022-June 30, 2027.

Owed to both the continuing population growth in the San Joaquin Valley, their working relationship with the city of Stockton, ongoing grade matriculation, and the above-mentioned ongoing community outreach KIPP NorCal is comfortable meeting current enrollment projections.

## KSCH Enrollment

ENROLLMENT					
	FY24	FY25	FY26	FY27	FY28
Pre-K	20	36	40	40	40
K	52	75	84	84	84
1st	23	72	84	84	84
2nd	30	28	72	84	90
3rd	24	28	28	72	90
4th	23	28	28	28	72
5th	28	46	84	84	84
6th	30	46	50	84	84
7th	41	26	56	50	84
8th	0	30	30	56	50
9th	0	0	0	0	0
10th	0	0	0	0	0
11th	0	0	0	0	0
12th	0	0	0	0	0
<b>Total</b>	<b>271</b>	<b>415</b>	<b>556</b>	<b>666</b>	<b>762</b>

## KSUP Enrollment

ENROLLMENT					
	FY24	FY25	FY26	FY27	FY28
Pre-K	0	6	20	40	40
K	0	34	56	78	84
1st	0	26	56	56	82
2nd	0	26	28	60	60
3rd	0	26	28	28	60
4th	12	26	28	28	28
5th	14	30	50	84	93
6th	33	30	40	60	93
7th	42	30	30	40	60
8th	0	40	30	30	40
9th	0	0	100	105	125
10th	0	0	0	100	105
11th	0	0	0	0	95
12th	0	0	0	0	0
<b>Total</b>	<b>101</b>	<b>274</b>	<b>466</b>	<b>709</b>	<b>965</b>

Financial projections for this loan are included as Appendix A. KBARE/KSCH/KSUP leadership are included as Appendix B.

## PROJECT DESCRIPTION

The proceeds of the loan will be used to (i) finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain educational facilities and office space located at 742 Dallas Ave, Stockton, CA and 820 North American Ave, Stockton, CA; and (ii) pay certain costs of delivery of the loan.

Bond Proceeds				
Site	Landlord	Location	Purpose	Amount
KSCH	Houston Avenue LLC	742 Dallas Ave, Stockton	New Construction	\$27,000,000
KSUP	820 North American LLC	820 North American Street, Stockton	New Construction	\$14,750,000
<b>Total Estimated Project Costs (Including KIPP NorCal Equity Contribution)</b>				<b>\$41,750,000</b>

With the 2022 financing, KBARE, on behalf of KIPP NorCal, started construction on two school facilities projects on separate long-term ground leased properties. The KSCH site, located at 742 Dallas Avenue, is a K-8 facility serving as many as 822 students. As enrollment is being built out over time the KSCH 9-12 facility will eventually be located at a separate site and will not be part of the Dallas Ave. location. Similarly, the North American Street KSUP site will serve as many as 1,027 students in grades K-8.

KBARE has historically built out campuses as grade needs dictate, therefore this is the next development phase for both projects.

The new KSCH elementary school complex will be designed to serve 478 students. The campus will cover approximately three acres, situated within the boundaries of Colorado, Flint, Houston, and Arizona Avenues. The facility will encompass around 30,258 square feet of enclosed space, featuring a blend of modular classroom units and traditional wood-framed buildings for administration and multipurpose use. To further improve the site, developments will include a parking area with 40 spaces, dual outdoor playgrounds, and a shade structure.

Construction of the project will be undertaken by two primary contractors: one specializing in modular construction for the 18,268 gross square feet of modular buildings and their foundations, and another focusing on the 12,684 gross square feet of wood-framed structures for administrative and multipurpose purposes as well as entire site improvements.

The KSUP site is approximately 16,110 square feet and is located on around one-acre adjacent to 820 North American Avenue in Stockton. The KSUP middle school will be directly behind the recently built KIPP elementary school, which was financed by the 2022 EFF loan, and is scheduled for completion and opening by October 2025. The project will also include enhancements to outdoor facilities.

The construction will be carried out by two main contractors: one focusing on the modular construction of the 16,110 gross square feet of buildings and their foundations, and the other dedicated to the necessary site improvements and utilities.

### **EFF / Orrick, Herrington & Sutcliffe LLP Relationship**

EFF is a Delaware-based nonstock nonprofit corporation that has 501(c)(3) tax-exempt status as a public charity. EFF was initially funded by philanthropic contributions from the Walton Family Foundation, and is organized to make low-cost, long-term, fixed-rate loans to charter schools for facilities. The EFF program is set up as a revolving loan fund, so that as existing school loans are repaid, the loan repayment revenues can be used to make new loans. In addition, EFF has obtained and will continue to seek capital market financing in the form of tax-exempt bonds to leverage the revenue streams from their pool of school loans. Depending on the locations of the projects financed by the loans over time, EFF will issue bonds using various conduit issuers in various jurisdictions, and, as it did in connection with its first issuance of bonds in 2019 and its second issuance of bonds in 2020, possibly use a national conduit issuer that has authority to finance projects in multiple jurisdictions. EFF will use the proceeds of such bonds to reimburse itself for loans it previously originated, in order to make additional loans.

Orrick, Herrington & Sutcliffe LLP (Orrick) represents EFF, and acts as its primary outside counsel on all lending and financing transactions nationally. Orrick's relationship with EFF is managed by Eugene Clark-Herrera.

In the proposed loan to KBARE, structured as a conduit loan through CSFA, Orrick would act as EFF's counsel. Although Orrick would not have an attorney-client relationship with CSFA on the KBARE transaction, Orrick would perform most, if not all, of the tasks ordinarily performed in other transactions when acting as bond counsel to CSFA. While these tasks are associated with the role of "bond counsel", there is no legal or ethical requirement that the firm performing these tasks be retained by

the conduit issuer. In the KSCH/KSUP transaction, EFF and KBARE have agreed that Orrick should perform these tasks because of its prior experience in doing so on similar transactions. The only difference on this transaction would be that Orrick's client relationship is not with CSFA, but instead with EFF. Therefore, in this transaction, the Attorney General's Office will represent CSFA (as issuer's counsel), without need for an additional law firm to act as CSFA's outside bond counsel.

The financing will be structured as a tri-party loan, with EFF as the lender, CSFA as the conduit loan facilitator, and KBARE as the borrower. As with the previous loans through EFF, the intercept will lower the costs for KBARE vs. a conventionally structured loan.

## FINANCING

The facilities constructed with the proceeds of the Loan will be leased by Houston Avenue LLC and 820 North American LLC (Landlords) to KIPP NorCal (Lessee), a nonprofit public benefit corporation, pursuant to certain leases by and between the Lessee and the Landlords. The Facilities will be used by the Lessee to operate KSCH and KSUP.

### **Security and Source of Payment**

The Loan will be secured by an obligation issued under an Indenture that established an Obligated Group, including a pledge of rental revenues and mortgages on all related property interests naming the Master Trustee as mortgagee. The lease with Lessee will be subject to Intercept. Lessee is required under the lease to maintain certain financial covenants. As additional security, and in connection with the issuance of the Loan, KBARE will provide instructions to the State Controller's Office to make an apportionment to Zions Bancorporation, National Association (Trustee) with respect to KSCH, and KCUP in the amounts, and on the dates provided, in a written notice sufficient in the aggregate to repay the Loan and pay necessary and incidental costs (Intercept). Funds received by the Trustee pursuant to such Intercept will be held in trust and will be disbursed, allocated and applied solely for the uses and purposes outlined in the Indenture, including, if necessary, the payment of debt service on the Loan. Under the laws of the State of California, no party, including KBARE, the Lessee, or any of their respective creditors will have any claim to the money apportioned or to be apportioned to the Trustee by the State Controller's Office pursuant to the Intercept.

### **Rating Information**

KIPP NorCal, as a network, has a credit rating of BBB. The current rating for the completed 2019 and 2021 KBARE-EFF loans is BBB. As such, the existing rating only reflects the security of the Indenture under which the 2024 obligation is being issued on parity. This will not, however, impact sales restriction-dictated denominations as it is a single loan from EFF to KBARE.

### **Preliminary Sources and Uses and Preliminary Costs of Issuance**

Below are the preliminary estimated sources and uses, and detailed information about the expected costs of issuance for board consideration. Please note these figures are subject to change between the time the Board packets are distributed and the time the Board meets and are further subject to final pricing. Members will be provided updated figures should significant changes occur before the Board meeting date.

Also as referenced above KIPP NorCal will be making a substantial equity contribution to the projects being financed and that is reflected in the financials below.

**Sources and Uses**

<b>Sources:</b>			
	<b>2024 Taxable Loan</b>	<b>Total</b>	
<b>Loan Proceeds:</b>			
Par Amount	\$23,000,000.00	\$23,000,000.00	
Equity Contribution	\$20,499,530.00	\$20,499,530.00	
<b>Total:</b>	<b>\$43,499,530.00</b>	<b>\$43,499,530.00</b>	
<b>Uses:</b>			
	<b>2024 Taxable Loan</b>	<b>Total</b>	
<b>Project Fund Deposits:</b>			
Conway Homes	\$27,000,000.00	\$27,000,000.00	
University Park	\$14,750,000.00	\$14,750,000.00	
<b>Total</b>	<b>\$41,750,000.00</b>	<b>\$41,750,000.00</b>	
<b>Delivery Date Expenses:</b>			
Cost of Issuance	\$350,000.00*	\$350,000.00*	
Debt Service Reserve Fund	\$1,399,530.00	\$1,399,530.00	
<b>Total</b>	<b>\$1,749,530.00</b>	<b>\$1,749,530.00</b>	
<b>Total:</b>	<b>\$43,499,530.00</b>	<b>\$43,499,530.00</b>	

**Total Costs of Issuance\***

<b>Expense</b>	<b>Amount</b>
Lender's Counsel	\$150,000
Financial Advisor Fee	\$57,500
CSFA Issuance Fee	\$20,063
CSFA 1st Admin Fee	\$1,500
CSFA Issuer Fee - PFD Fee	\$6,500
Issuer's Counsel (AG)	\$10,000
Trustee & Trustee's Counsel Fee	\$2,250
Title Insurance/Escrow	\$50,000
Appraiser Fee	\$10,000
Contingency	\$41,887
Misc Attorney Fees	\$2,000
<b>Total</b>	<b>\$350,000</b>

*\*Estimates based on a not-to-exceed Par Amount of \$23,000,000*

**SALES RESTRICTIONS**

The following sales restrictions will apply. The Authority's sales restrictions can be viewed at: <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

The Loan will be non-transferable except between EFF and its affiliated entity, Equitable School Revolving Fund, LLC (ESRF), and in the case of default, to QIBs. The following restrictions will apply:

1. The Note will not be broken into smaller denominations;
2. The Note will be privately-placed with EFF and/or ESRF;
3. EFF and ESRF will each be required to execute an Investor Letter;
4. Subsequent transfers of the Note will be limited to transfers between EFF and ESRF or to Qualified Institutional Buyers in the case of a default;
5. Sales restrictions will be conspicuously noted on the Note and described in detail in offering materials, if any, as well as included in the Loan documents; and
6. Loan repayments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code.

## OTHER PROJECT DATA

**Tax Equity and Fiscal Responsibility Act (TEFRA):** Not applicable as this is a taxable loan.

**Due Diligence Undertaken to Date:** The financial, operating, and other information concerning the Borrower, the Project, and related matters presented in this Staff Summary were provided by the Borrower, KBARE, and their financing team. The analysis contained herein was prepared by Authority Staff for the limited purpose of determining financial feasibility pursuant to Education Code section 17183.5 and providing the Authority Board with information concerning certain aspects of the Project. The review undertaken by Authority staff, the recommendation of Authority Staff to the Authority Board to approve the financing, or any approval by the Authority Board are not intended to and did not, include all of the due diligence activities and other investigations necessary or desirable for the purpose of making an investment decision relating to the making of the financing by the Lender, and should not be relied on by any party for such purpose.

**Borrower Financial Data:** KBARE was formed and is operated exclusively to support KIPP Bay Area Public Schools (KBAS) (now KIPP NorCal). The primary mission of KBARE is (i) to acquire, develop, construct and/or renovate charter school facilities and to lease or sublease such facilities to KBAS for charter school purposes on terms favorable to KBAS, all directly or through one or more wholly owned limited liability companies, and (ii) to otherwise provide philanthropic and operational support to KBAS. KBARE has received a determination letter from the Internal Revenue Service recognizing it as an entity described in Section 501(c)(3) of the Code.

## STAFF RECOMMENDATION

Staff recommends the California School Finance Authority's (CSFA) Board approve Resolution Number 24-30 authorizing the Educational Facility Taxable Loan in an amount not to exceed \$23,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, furnishing, and/or equipping of certain educational facilities located in San Joaquin County, California for use by KIPP NorCal.

1. **Applicant / Borrower:** KBARE
2. **Project:** New Construction & Acquisition
3. **Amount of Financing:** Not-to-exceed \$23,000,000
4. **Maturity:** Up to 35 years
5. **Repayment/Security:** Lease Payments and Deed of Trust on Real Property
6. **Interest Rate:** Not to exceed 5%
7. **Fees:** \$350,000 is the total Costs of Issuance
8. **Not an Unconditional Commitment:** The CSFA resolution shall not be construed as unconditional commitment to finance the Project, but rather CSFA's approval pursuant to the resolution conditioned upon entry by CSFA and the Borrower into a loan agreement, in form and substance satisfactory to CSFA and its counsel.
9. **Limited Time:** The Board's approval expires 12 months from the date of its adoption. Thus, CSFA must enter into the loan agreement no later than 12 months from such date. Once the approval has expired, the item must return to the Board for new approval.



## APPENDIX A: ESTIMATED BUDGET AND ENROLLMENT (PROJECTED)

KIPP NORTHERN CALIFORNIA SCHOOLS  
KIPP Stockton K-12 and KIPP University Park

	Adopted Budget	Forecast	Forecast	Forecast	Forecast
<b>INCOME STATEMENT</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
	2024-25	2025-26	2026-27	2027-28	2028-29
<b>REVENUE</b>					
<b>State Revenue</b>					
General Purpose	12,827,811	19,790,757	25,535,330	31,190,567	35,531,788
Lottery	221,059	328,057	474,649	575,997	653,247
SB740 Facility Grant	1,110,154	1,877,208	2,383,677	2,892,647	3,280,594
Other State Block Grant(s)	188,855	196,395	211,546	224,194	236,172
<b>Total State Revenue</b>	<b>14,347,679</b>	<b>22,190,417</b>	<b>28,605,202</b>	<b>34,883,405</b>	<b>39,701,801</b>
<b>Federal Revenue</b>					
Title I/II/III/IV	470,363	695,850	871,001	1,047,114	1,180,762
<b>Total Federal Revenue</b>	<b>470,363</b>	<b>695,850</b>	<b>871,001</b>	<b>1,047,114</b>	<b>1,180,762</b>
<b>Total Local Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Local/Private Revenue</b>					
Grants and Philanthropy	4,814,013	6,164,952	2,015,112	806,377	0
School Based Revenue	106,985	163,349	207,593	251,552	287,984
<b>Total Other Local/Private Revenue</b>	<b>4,920,997</b>	<b>6,328,300</b>	<b>2,222,706</b>	<b>1,057,929</b>	<b>287,984</b>
<b>TOTAL REVENUE</b>	<b>19,739,040</b>	<b>29,214,568</b>	<b>31,698,909</b>	<b>36,988,447</b>	<b>41,170,547</b>
<b>EXPENSES</b>					
<b>Personnel</b>					
Teacher Salaries	3,616,254	5,525,722	7,293,900	9,112,836	10,340,020
Administrative Salaries	2,766,424	3,625,005	4,176,546	4,956,505	5,821,773
Employee Benefits	1,559,568	2,270,289	2,913,192	3,569,468	4,143,191
<b>Total Personnel Expenses</b>	<b>7,942,247</b>	<b>11,421,016</b>	<b>14,383,638</b>	<b>17,638,809</b>	<b>20,304,984</b>
<b>Supplies and Materials</b>					
Curriculum, Materials, and Books	626,618	1,038,713	1,350,961	1,570,340	1,713,417
Student Tech	349,015	478,927	497,734	571,117	583,343
Staff Tech and Tech Infrastructure	365,008	452,273	554,088	517,936	505,148
Furniture	82,826	78,270	84,886	84,630	74,389
Food Services	20,060	23,384	23,852	24,329	24,816
<b>Total Supplies and Materials Expenses</b>	<b>1,443,526</b>	<b>2,071,568</b>	<b>2,511,522</b>	<b>2,768,352</b>	<b>2,901,113</b>

Net Income	1,800,000	2,580,000	0	0	(0)
<b>Ending Fund Balance</b>	<b>6,600,000</b>	<b>9,180,000</b>	<b>9,180,000</b>	<b>9,180,000</b>	<b>9,180,000</b>

**ENROLLMENT**

	FY25	FY26	FY27	FY28	FY29
Pre-K	50	50	50	50	50
K	224	224	224	224	224
1st	112	224	224	224	224
2nd	0	112	224	224	224
3rd	0	0	112	224	224
4th	0	0	0	112	224
5th	228	228	228	228	228
6th	228	228	228	228	228
7th	228	228	228	228	228
8th	114	228	228	228	228
9th	0	220	220	220	220
10th	0	0	205	205	205
11th	0	0	0	190	190
12th	0	0	0	0	177
<b>Total</b>	<b>1,184</b>	<b>1,742</b>	<b>2,171</b>	<b>2,585</b>	<b>2,874</b>

**CASH ON HAND**

Days of Cash on Hand	69	83	71	64	62
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**COVERAGE RATIO FOR THE OBLIGATED GROUP**

Total Revenue	19,739,040	29,214,568	31,698,909	36,988,447	41,170,547
Operating Expenses	17,939,040	26,634,568	31,698,909	36,988,447	41,170,547
Depreciation	0	0	0	0	0
Debt Service	1,569,525	1,569,525	1,569,525	1,569,525	1,569,525
Ground Lease Payments	119,027	122,002	122,002	122,002	122,002
Repayment of Loan from KBAS	1,504,551	3,065,002	3,060,648	3,165,608	3,370,724
RSO fees	1,728,949	2,665,478	3,446,322	4,209,070	4,794,517
Net Income Available for Debt Service	6,722,051	10,002,006	8,198,497	9,066,204	9,856,768
Consolidated Base Rent	3,404,258	5,063,707	5,064,381	5,174,469	5,384,817
<b>Coverage Ratio for the Related Schools</b>	<b>1.92</b>	<b>1.98</b>	<b>1.62</b>	<b>1.75</b>	<b>1.83</b>

**Operating Services**

Professional Development & Travel	187,465	154,538	177,718	203,059	210,957
Consultants and Contractors	32,042	33,068	31,376	32,003	32,643
Staff Recruitment and Retention	349,390	441,625	424,035	402,000	392,823
Software, Systems, and Subscriptions	207,156	279,544	326,413	364,780	390,063
Communications	82,475	103,625	96,298	105,330	112,094
Rent	3,349,824	5,719,620	5,704,813	5,818,909	5,935,287
Occupancy	589,192	860,502	1,074,221	1,283,621	1,445,092
Marketing/Development	5,100	5,264	4,994	5,094	5,196
Special Education	1,304,851	1,926,803	2,425,777	2,936,646	3,328,616
After-School Programming	292,753	317,024	314,600	328,123	338,428
CMO and District Management Fees	1,962,358	3,013,905	3,856,422	4,676,735	5,306,368
Field Lessons	130,899	209,252	265,948	306,975	336,105
Student Recruitment	28,973	14,420	13,682	13,956	14,235
Student Transportation	2,674	17,045	29,008	36,429	41,951
Substitutes	28,114	45,749	58,444	67,625	74,593
<b>Total Operating Services Expenses</b>	<b>8,553,266</b>	<b>13,141,983</b>	<b>14,803,748</b>	<b>16,581,287</b>	<b>17,964,451</b>

**Additional Expenses**

Depreciation and Amortization	0	0	0	0	0
<b>Total Additional Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>17,939,040</b>	<b>26,634,568</b>	<b>31,698,909</b>	<b>36,988,447</b>	<b>41,170,547</b>

<b>Net Income</b>	<b>1,800,000</b>	<b>2,580,000</b>	<b>0</b>	<b>0</b>	<b>(0)</b>
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**Cash Flow**

Beginning Cash	3,604,538	5,007,021	7,187,021	7,187,021	7,187,021
Net Income	1,800,000	2,580,000	0	0	(0)
Depreciation	0	0	0	0	0
Intercompany Loans	0	0	0	0	0
Intracompany Loans	0	0	0	0	0
External Loan	0	0	0	0	0
Capital Expenditures	0	0	0	0	0
Other	(400,000)	(400,000)	0	0	0
<b>Ending Cash</b>	<b>5,007,021</b>	<b>7,187,021</b>	<b>7,187,021</b>	<b>7,187,021</b>	<b>7,187,021</b>

**Fund Balance**

Beginning Fund Balance	4,800,000	6,600,000	9,180,000	9,180,000	9,180,000
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## APPENDIX B: SCHOOL GOVERNANCE

### ***Officers***

Beth Thompson	CEO
Jorge Miranda	Chief of Schools
Cory Vastola	Chief Financial and Operating Officer
Jenny Tan	Superintendent
Hillary Harmssen	Chief Impact Officer
Dr. Savina Woodyard	Chief Equity and Strategy Officer

### ***Board of Directors***

Grace Voorhis, Abe Friedman	Board Chair & Vice Chair
Sumari Barnes	Trustee
Michael Cohen	Trustee
Caretha Coleman	Trustee
D'Lonra Ellis	Trustee
Laura Fisher	Trustee
Jessica Garcia-Kohl	Trustee
Heather Gardley	Trustee
Ron Gonzales	Trustee
Gustavo Gonzales	Trustee
Blake Grossman	Trustee
Haley Lopez	Trustee
Aubrey Merriman	Trustee
Jenny Shimizu Risk	Trustee
Jose Rodriguez	Trustee
Emily Rummo	Trustee
Octavio Sandoval	Trustee
Sohi Sohn	Trustee
David Stinfil	Trustee
Sandra Thompson	Trustee