

\$70,000,000*
CALIFORNIA SCHOOL FINANCE AUTHORITY (AUTHORITY)
CHARTER SCHOOL REVENUE BONDS
(FORTUNE SCHOOL OF EDUCATION OBLIGATED GROUP)
SERIES 2024A \$69,000,000 (TAX-EXEMPT) AND 2024B \$1,000,000 (TAXABLE)
ITEM #6 RESOLUTION #24-36
STAFF SUMMARY

EXECUTIVE SUMMARY

Applicant/Borrower:	Rex and Margaret Fortune School of Education/Fortune Facilities LLC	Par Amount Requested:	Not-to-Exceed * \$70,000,000
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Financing Term: Fixed rate, up to 40-year financing, 10-year par call, with taxable bonds amortized first	Projected Interest Rate: % <u>5.25</u>
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Applicant Description: Rex and Margaret Fortune School of Education is a California nonprofit public benefit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 that operates charter schools. Fortune Facilities LLC, a California limited liability company, will be the borrower (Borrower). The Borrower was formed for the specific purposes of supporting Rex and Margaret Fortune School of Education, which will be the Lessee.

Type of Financing: Tax-Exempt and Taxable Revenue Bonds

Project User:	Tecoy Porter College Prep; Stephon A. Clark College Prep Middle School; Fortune Middle School; Rex and Margaret Fortune Early College High School; Alan Rowe College Prep	County Served:	Sacramento County
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District in Which Project is Located:	Sacramento City Unified School District & Elk Grove Unified School District	Charter Authorizer:	Sacramento County Office of Education
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Financing Description: Proceeds will be used to finance and/or refinance the cost of acquisition, construction, expansion, remodeling, improvement, installation, furnishing and/or equipping of educational facilities located in Sacramento County, CA; pay capitalized interest; fund a debt service reserve fund, and a repair and replacement fund; and pay certain costs of issuance.

Project Site: 1) 2801 Meadowview Road, Sacramento 95832; 2) 10420 Big Horn Blvd., Elk Grove 95757; and 3) 9424 Big Horn Blvd., Elk Grove, 95758.

Financing Team:		Financing Details:	
Bond Counsel:	Orrick Herrington & Sutcliffe	Type of Issue:	Charter School Revenue Bonds
Underwriter:	Stifel Nicolaus & Co.	Tax Status:	Tax-Exempt & Taxable
Borrower's Counsel:	Musick Peeler	Maturity:	Not to exceed 2064
Underwriter's Counsel:	Stradling	Credit Enhancement:	Yes
Issuer's Counsel:	Office of the Attorney General	Credit Rating:	BBB-/BB+ (projected)
Financial Advisor:	First Tryon Advisors	Fees:	See Costs of Issuance Table
Bond Trustee:	Wilmington Trust, National Association		

CSFA Analyst: Robby Biegler	Date of Staff Report: August 22, 2024
Date of CSFA Board Meeting: August 29, 2024	Resolution Number: 24-36

Staff Recommendation: Staff recommends the Authority Board approve Resolution Number 24-36 authorizing the issuance of Revenue Bonds in an amount not to exceed \$70,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, improvement, installation, furnishing, and/or equipping of certain educational facilities located in Sacramento County for use by Rex and Margaret Fortune School of Education.

BACKGROUND AND HISTORY

Rex and Margaret Fortune School of Education (FSE) is a charter network serving Sacramento County and the city of San Bernardino. FSE’s San Bernardino school is authorized by San Bernardino City Unified. FSE’s nine Sacramento County campuses are part of a countywide benefit charter authorized by the Sacramento County Office of Education (SCOE). All nine of their Sacramento County campuses are under a single CDS code. FSE opened its first campus, Hardy Brown College Prep (HBCP), San Bernardino in 2010. The first Sacramento based FSE campus, Fortune School, opened in 2011.

In 2021, Educational Facilities Fund (EFF) made a loan to FSE in the aggregate principal amount of \$6,764,111.47 through CSFA, to finance the acquisition of two of its campuses, William Lee College Prep (WLCP) and Ephraim Williams College Prep (EWCP). WLCP and EWCP were the initial Schools in the Obligated Group, which was established to secure the loan repayment obligations of FSE. Four of the schools that are operated at the three campuses to be acquired through the 2024 Bonds, Alan Rowe College Prep (ARC), Fortune Middle School (FMS), Rex and Margaret Fortune Early College High School (FECHS), and Tecoy Porter College Prep (TPCP), will be added as Obligated Group Schools with this issuance. Stephon A. Clark College Prep Middle School (SCCP) is being incubated at the TPCP site, but will not be included in the Obligated Group. FSE’s two other Sacramento campuses, Fortune School and Hazel Mahone College Prep (HMCP), and FSE’s charter school in San Bernardino, HBCP, will also be excluded from the financing. Charter terms and demographic information are provided below:

<u>School</u>	<u>Grades Served</u>	<u>2022-23 Enrollment</u>	<u>2023-24 Enrollment</u>	<u>1st School Year</u>	<u>Charter Expiration</u>	<u>Charter Authorizer</u>
Fortune School	TK-12	2,183	2,076	2011-12	6/30/2026	SCOE

Ethnicity / Subgroups (%)	Fortune	Hardy Brown
African American	61.5%	66.0%
American Indian/Alaska Native	0.6	0.9
Asian	1.7	0.3
Hispanic/Latino	20.3	23.7
Pacific Islander	0.8	0.0
White	1.0	0.0
Two or More Races	10.0	6.1
Not Reported	4.1	3.0
English Learners	5.7	4.9
Economically-Disadvantaged	74.3	76.3

FSE's obligated and non-obligated group schools include:

Site	Schools/Projects	Authorizer	Obligated Group	Facility Notes	Financing
3300 Stockton Blvd, Sacramento, CA 95820	William Lee College Prep (TK-5)	Sacramento COE	Yes	Owned by Fortune Facilities LLC	2021 Acquisition
4545 9th Ave, Sacramento, CA 95820	Ephraim Williams College Prep MS (6-8)	Sacramento COE	Yes	Owned by Fortune Facilities LLC	2021 Acquisition
9424 Big Horn Blvd, Elk Grove, CA 95758	Alan Rowe College Prep (TK-4)	Sacramento COE	Yes	Owned by Turner; to be acquired by Fortune Facilities LLC	2024 (CSFA) Acquisition (\$7.925M)
10420 Big Horn Blvd, Elk Grove, CA 95757	Fortune Middle School (5-8) and Rex Margaret Fortune Early College HS (9-12)	Sacramento COE	Yes	Owned by Turner; to be acquired by Fortune Facilities LLC	2024 (CSFA) Acquisition (\$33.37M)
2801 Meadowview Rd., Sacramento, CA 95832	Tecoy Porter College Prep (TK-5) and Stephon A. Clark College Prep (6-8)	Sacramento COE	Yes	Owned by Turner; to be acquired by Fortune Facilities LLC	2024 (CSFA) Acquisition (\$12.26M)
6829 Stockton Blvd, Suite 380, Sacramento, CA 95823	Fortune School (TK-5)	Sacramento COE	No	Other private landlord	None
3750 Rosin Court, Suite 120, Sacramento, CA 95834	Hazel Mahone College Prep (TK-5)	Sacramento COE	No	Other private landlord	None
655 West 2nd Street, San Bernardino, CA 92410	Hardy Brown College Prep(TK-8)	San Bernardino City USD	No	Other private landlord	None
2890 Gateway Oaks Dr., Sacramento, CA 95833	Home Office	N/A	Yes	Other private landlord; to be acquired by Fortune Facilities LLC	2024 (IBank) Acquisition (\$8.63M)

The historical, current, and projected enrollment for FSE is below:

Grade Level	Projected										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
TK	-	-	-	-	75	108	84	84	84	84	84
K	256	284	254	321	221	220	258	254	254	230	230
1st	198	256	242	228	203	203	252	250	254	254	254
2nd	194	207	220	215	189	205	250	250	250	250	250
3rd	154	217	180	190	187	200	227	250	250	250	250
4th	146	164	167	173	169	180	250	227	250	250	250
5th	120	165	138	155	143	173	211	250	252	275	275
6th	122	152	135	146	136	150	180	210	210	210	210
7th	89	159	138	120	120	125	200	180	210	210	210
8th	85	101	139	104	96	120	92	190	180	210	210
9th	47	87	88	76	54	75	90	90	90	90	90
10th	29	48	60	68	70	70	75	90	90	90	90
11th	23	29	32	47	46	70	70	75	90	90	90
12th	-	21	24	23	38	50	70	70	70	70	70
Totals	1,463	1,890	1,817	1,866	1,747	1,949	2,309	2,470	2,534	2,563	2,563

As referenced above, in 2021, EFF made a loan to FSE in the aggregate principal amount of \$6,764,111.47 through CSFA to acquire facilities for WLCP and EWCP. ARC, FMS, FECHS, and TPCP will be added as Obligated Group Schools, and the 2024 Bonds will be secured by an Obligation of the Obligated Group created under the 2021 Master Indenture of Trust.

In addition to the proposed CSFA financing, FSE, through the I-BANK, will concurrently incur approximately \$10,000,000 in aggregate principal amount of bonded indebtedness to fund the acquisition of their home office building. The FSE home office serves as the central office for FSE’s charter school and higher education administration as well as housing the classrooms for their higher education program (specifically teacher and administrator credentialing). When FSE acquires the home office facility, the majority of the facility will be utilized by its higher education program. Given the expanded purpose of the office beyond solely charter school operations, CSFA’s statute does not allow CSFA to issue bonds for the acquisition of such facility.

The EFF loan will be on parity with the 2024 CSFA bonds and the 2024 I-BANK bonds.

PROJECT DESCRIPTION

The proceeds of the bonds will be used to: (1) finance and/or refinance the acquisition, construction, expansion, remodeling, improvement, installation, furnishing and/or equipping of certain charter school educational facilities for FSE, located at 2801 Meadowview Road, Sacramento; 10420 Big Horn Blvd., Elk Grove; and 9424 Big Horn Blvd., Elk Grove; (2) to pay certain expenses incurred in connection with the issuance of the Bonds, and (3) to fund all or a portion of a debt service reserve fund, capitalized interest, and a repair and replacement fund in connection with the Bonds.

A deposit to the Reserve Account for the Series 2024 Bonds in an amount of the Reserve Account Requirement is expected to be funded in whole or in part by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority, if approved by the Authority.

Facilities Information				
Site	Landlord	Location	Purpose	Amount
Tecoy Porter College Prep	Fortune Facilities LLC	2801 Meadowview Road, Sacramento, 95832	Purchase	\$12,255,000
Fortune Educational Complex	Fortune Facilities LLC	10420 Big Horn Blvd, Elk Grove, 95757	Purchase	\$33,370,000
Alan Rowe College Prep	Fortune Facilities LLC	9424 Big Horn Blvd., Elk Grove, 95758	Purchase	\$7,925,000
Total Estimated Project Costs				\$53,550,000

Turner-Agassi Charter School Facilities Fund (TACSFF) currently owns the three FSE facilities in this transaction and leases them with escalating lease payments and a purchase option. Given current lease costs relative to the acquisition costs FSE has decided to exercise their purchase options for the three facilities.

The TPCP campus has 37,276 square feet and can serve a maximum capacity of 400 students. TACSFF built the TPCP campus by expanding an existing church facility. The original building is 12,370 square feet and includes a gymnasium and office space. The new classroom wing built by TACSFF is

23,033 square feet and includes 12 classrooms, several activity rooms, a dining hall, warming kitchen, staff lounges, and administrative offices. The shared FMS and FECHS campus is made up of three buildings totaling 59,874 square feet and will serve a maximum capacity of 800 students. Building A is a 9,708 square foot one-story building which consists of a lobby, dining hall, kitchen, administrative offices, and nurse room. Building B is a 18,556 square foot two-story building with three classrooms, a gymnasium, weight room, and locker rooms. Building C is a 31,610 square foot two-story building with 24 classrooms. The campus was ground up construction. The ARC campus is 25,533 square feet and a maximum capacity of 328 students. The building consists of 13 classrooms, a multipurpose room, and teacher/administration offices.

FINANCING

Borrower: Fortune Facilities LLC, a California limited liability company whose sole member at the time of the issuance of the Bonds will be Rex and Margaret Fortune School of Education, is the Borrower. The Borrower was formed for the specific purpose of holding real property for the benefit of its members. Fortune Facilities LLC acts as representative of an Obligated Group of which the Borrower is a member.

The FSE governing board will meet to approve this financing, and its corresponding documents and credit enhancement award, at a meeting to be held the evening of August 29th, after the CSFA Board meeting. Approval of this financing is contingent upon approval by the FSE Board.

Security and Source of Payment: The Series 2024 Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement. Fortune Facilities LLC will enter into a Deed of Trust encumbering its fee simple interest in the ARC, FMC, FECHS, and TPCP campuses, and a Reserve Account will be established under the Indenture. Fortune Facilities LLC will enter into a Security Agreement encumbering its interest in the buildings on the ARC, FMC, FECHS, and TPCP campuses. Rex and Margaret Fortune School of Education, as the lessee, is required to maintain certain financial covenants under its lease agreements with the Borrower. As additional security and in connection with the issuance of the bonds, Rex and Margaret Fortune School of Education will provide instructions to the State Controller's Office to make an apportionment in the amounts, and on the dates provided, in a written notice sufficient in the aggregate to repay the bonds and pay necessary and incidental costs (the "Intercept").

Funds received by the Trustee pursuant to the Intercept will be applied solely for the uses and purposes set forth in the Indenture, including the payment of debt service on the Bonds. Under the laws of the State of California, no party, including Rex and Margaret Fortune School of Education, the Borrower, 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.

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 are further subject to final pricing. Members will be provided updated figures should significant changes occur before the board meeting date.

Sources and Uses

Sources:	Series 2024A (Tax-Exempt)	Series 2024B (Taxable)	Enhancement Grant	Total
Bond Proceeds				
Par Amount:	\$63,915,000	\$380,000		\$64,295,000
Other Sources:				
Enhancement Grant	\$0.00	\$0.00	\$2,000,000	\$2,000,000
Total:	\$63,915,000	\$380,000	\$2,000,000	\$66,295,000
Uses:	Series 2024A (Tax-Exempt)	Series 202B (Taxable)	Enhancement Grant	Total
Project Fund Deposit				
Fortune Complex Acquisition	\$33,370,000	\$0		\$33,370,000
Tecoy Acquisition	\$12,255,000	\$0		\$12,255,000
Alan Rowe Acquisition	\$7,925,000	\$0		\$7,925,000
Cost of Issuance	\$655,987	\$377,150		\$1,033,137
Underwriter Discount	\$479,363	\$2,850		\$482,213
Capitalized Interest Fund	\$7,168,000	\$0		\$7,168,000
Debt Service Reserve Fund	\$2,061,650		\$2,000,000	\$4,061,650
Total	\$63,915,000	\$380,000	\$2,000,000	\$66,295,000

Total Costs of Issuance*

Expense	Amount
Issuer Fee	\$42,148
Annual Admin Fee	9,644
Agent-for-Sale Fee	7,500
CDLAC Fee	5,000
Issuer's Counsel Fee	25,000
Bond Counsel Fee	160,000
Borrower's Counsel Fee	150,000
Financial Advisor Fee	321,475
S&P Rating Fee	75,000
Underwriters/Disclosure Counsel Fee	150,000
Trustee/Trustee Counsel Fee	13,500
Financial Printer Fee	5,000
Underwriter's Discount	482,213
Appraisal Fee	24,500
Title Insurance Fee	50,000
Contingency Budget	370
Total	\$1,515,350

**Estimates based on principal amount of \$70,000,000.*

Credit Enhancement: If funds are available, there will be a not-to-exceed \$2,000,000 credit enhancement award for the Borrowers, for the benefit of Rex and Margaret Fortune School of Education, for this financing that will be before the Authority Board as a subsequent agenda item at the August 29, 2024, meeting. If approved, the enhancement awards will fund up to \$2,000,000 of the financing's debt service reserve fund, reducing the overall borrowing cost for the Borrowers. *The actual award amount will be finalized at the pricing of the bonds.*

SALES RESTRICTIONS

As the rating may be either a BBB- or BB+ sales restrictions include:

The following sales restrictions will apply to the financing if the Bonds are rated BBB-. The Authority's sales restrictions can be viewed at: <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

1. Bonds will be in minimum denominations of \$25,000 (BBB-);
2. Bonds may be publicly offered or privately placed;
3. Bonds will be sold initially only to Qualified Institutional Buyers (QIB) and Accredited Investors (AI);
4. Subsequent transfers of bonds are limited to QIBs and Ais;
5. Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents;

If the rating is BB+ or below or the bonds are unrated, bonds will be in minimum denominations of \$100,000, and one or more of the following will be required depending on the transaction, as requested by the financing team and approved by the Authority:

- a. Traveling Investor Letter; or
- b. Higher minimum denominations of \$250,000; or
- c. Physical Delivery; or
- d. Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or
- e. Other investor protection measures
- f. Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code.

1.

OTHER PROJECT DATA

Tax Equity and Fiscal Responsibility Act (TEFRA): The TEFRA Notice was published on the Authority's Webpage on August 22, 2024. The TEFRA hearing will take place on August 29, 2024, prior to the Board meeting, and no comments are anticipated. If any are received, they will be reported at the meeting.

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, Rex and Margaret Fortune School of Education and the Underwriter. 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: Fortune Facilities LLC will operate as a single purpose entity of which Rex and Margaret Fortune School of Education will be the sole member at the time of issuance of the Bonds, with no assets other than the Facilities owned or leased by it and its rights under the respective lease, which will be assigned to the Trustee. Fortune Facilities LLC was formed for the purpose supporting Rex and Margaret Fortune School of Education, including by owning facilities, and is not expected to have any other assets or revenue available to make payments due under the Loan Agreement. The Lessee, Rex and Margaret Fortune School of Education, is a California nonprofit public benefit corporation and organization described in Section 501(c)(3) of the Code.

STAFF RECOMMENDATION

Staff recommends the board adopt Resolution 24-36 authorizing the issuance of revenue bonds in an amount not to exceed \$70,000,000 to finance and/or refinance the acquisition, construction, expansion, renovation, furnishing, and equipping of certain educational facilities located in Sacramento County for use by Rex and Margaret Fortune School of Education.

1. **Applicant / Borrower:** Fortune Facilities LLC
2. **Project:** Acquisition of Facility and related costs
3. **Amount of Financing:** Not to exceed \$70,000,000
4. **Maturity:** 40 years (Not-to-exceed 40 years)
5. **Repayment/Security:** Intercept of Lease Payments and Deed of Trust on Real Property
6. **Preliminary Interest Rate:** 5.25%
7. **Preliminary Cost of Issuance:** The preliminary Costs of Issuance is \$1,515,350
8. **Not an Unconditional Commitment:** The Authority resolution shall not be construed as unconditional commitment to finance the Project, but rather the Authority's approval pursuant to the resolution conditioned upon entry by the Authority and Borrower into a loan agreement, in form and substance satisfactory to the Authority and its counsel.
9. **Limited Time:** The Board's approval expires 12 months from the date of its adoption. Thus, CSFA must issue the bonds no later than 12 months from that date. Once the approval has expired, the item must return to the Board for new approval.

**APPENDIX A:
SCHOOL GOVERNANCE**

School Leadership

Member	Position
Margaret Fortune	President & CEO
Michelle Grace	COO
Bonnie Bensen	CFO
Wesley Pepper	Chief Academic Officer

Board of Directors

Member
Joette Spencer-Campbell
Bertha Gorman
Scott Loehr
Ollie Watson
Eleanor Brown
Carolyn Mullins

APPENDIX B: BUDGET PROJECTIONS¹

PROJECTED BASE RENT COVERAGE RATIO AND DAYS CASH ON HAND

Fiscal Years 2024-25 through 2028-29

CSFA Charter School Revenue Bonds Series 2024AB (Fortune School Obligated Group)

Financial Projections

	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29
Enrollment	1,407	1,635	1,726	1,760	1,759
ADA as % of Enrollment	94.0%	94.0%	94.0%	94.0%	94.0%
Average Daily Attendance ("ADA")	1,322.58	1,536.90	1,622.44	1,654.40	1,653.46
<i>Revenue</i>					
Local Control Funding Formula (LCFF)	\$21,815,425.00	\$23,766,348.00	\$ 24,994,783.00	\$ 25,777,685.00	\$26,625,652.00
Federal Revenue	2,922,055.71	2,619,165.89	3,092,291.74	3,185,060.49	3,280,612.31
Other State Revenue	5,337,304.18	4,784,058.35	5,648,250.16	5,817,697.66	5,992,228.59
Other Local Revenue	1,130,160.11	1,013,011.76	1,196,002.10	1,231,882.17	1,268,838.63
Series 2024 Bond Funded Interest	2,520,000.00	3,705,000.00	625,000.00	-	-
Total Revenue	\$33,724,945.00	\$35,887,584.00	\$35,556,327.00	\$36,012,325.32	\$37,167,331.53
<i>Expenditures</i>					
Certificated Salaries	\$6,676,254.63	\$6,938,691.25	\$ 7,187,712.77	\$ 7,403,344.15	\$ 7,625,444.48
Non-Certificated Salaries	4,259,378.91	4,388,731.70	4,539,726.40	4,675,918.19	4,816,195.74
Employee Benefits	2,179,619.82	2,432,511.38	2,615,008.47	2,693,458.72	2,774,262.49
Books & Materials	3,017,820.55	3,256,302.94	3,402,127.39	3,504,191.21	3,609,316.95
Services & Ops (excluding Rent)	10,109,004.80	10,045,491.15	11,134,319.70	11,468,349.29	11,812,399.77
Depreciation	550,518.00	550,518.00	550,518.00	550,518.00	550,518.00
Other Outgoing	95,000.00	-	-	-	-
Fortune Facilities LLC Base Rent	4,431,900.00	4,431,900.00	4,431,900.00	4,431,900.00	4,431,900.00
Total Expenditures	\$31,319,496.71	\$32,044,146.42	\$33,861,312.73	\$34,727,679.57	\$35,620,037.42
Net Income	\$2,405,448.29	\$3,843,437.58	\$1,695,014.27	\$1,284,645.75	\$1,547,294.11
Add Back: Depreciation	550,518.00	550,518.00	550,518.00	550,518.00	550,518.00
Add Back: Base Rent	4,431,900.00	4,431,900.00	4,431,900.00	4,431,900.00	4,431,900.00
Net Income Available For Base Rent	\$7,387,866.29	\$8,825,855.58	\$6,677,432.27	\$6,267,063.75	\$6,529,712.11
Base Rent					
	\$ 4,431,900.00	\$ 4,431,900.00	\$ 4,431,900.00	\$ 4,431,900.00	\$ 4,431,900.00
Base Rent Coverage Ratio	1.67x	1.99x	1.51x	1.41x	1.47x
Beginning Cash Balance	9,948,379	12,904,345	17,298,301	19,543,833	21,378,997
Plus: Net Income	2,405,448	3,843,438	1,695,014	1,284,646	1,547,294
Plus: Depreciation	550,518	550,518	550,518	550,518	550,518
Ending Cash Balance	12,904,345	17,298,301	19,543,833	21,378,997	23,476,809
Total Expenditures	31,319,497	32,044,146	33,861,313	34,727,680	35,620,037
Less: Depreciation/Amortization	(550,518)	(550,518)	(550,518)	(550,518)	(550,518)
Cash Operating Expenses	30,768,979	31,493,628	33,310,795	34,177,162	35,069,519
Days Cash On Hand	153 days	200 days	214 days	228 days	244 days