

**\$55,000,000\***  
**CALIFORNIA SCHOOL FINANCE AUTHORITY (CSFA)**  
**REVENUE BONDS**  
**(VISTA PUBLIC CHARTER SCHOOLS OBLIGATED GROUP)**  
**SERIES 2021A \$53,000,000 (TAX-EXEMPT) AND 2021B \$2,000,000 (TAXABLE)**  
**ITEM # 4 RESOLUTION 21-38**

**STAFF SUMMARY**

EXECUTIVE SUMMARY			
<b>Applicant/Borrower:</b>	2609 W. 5 <sup>th</sup> Street LLC	<b>Par Amount Requested:</b>	Not-to-Exceed * \$55,000,000
<b>Financing Term:</b> 40-year tax-exempt bonds, maturing in 2061(10-year call provision); 4-year taxable bonds, maturing in 2025		<b>Projected Interest Rate:</b> 4.50% on the Tax-Exempt; 5.00% on the Taxable	
<b>Applicant Description:</b> 2609 W. 5 <sup>th</sup> Street LLC is a limited liability company formed for the single purpose of supporting its sole member, Vista Public Charter Schools, a 501(c)(3) nonprofit public benefit corporation.			
<b>Type of Financing:</b> Tax-Exempt and Taxable Revenue Bonds			
<b>Project User:</b>	Vista Condor Global Academy & Vista Heritage Global Academy	<b>County Served:</b>	Orange County
<b>District in Which Project is Located:</b>	Santa Ana Unified School District	<b>Charter Authorizer:</b>	Orange County Office of Education
<b>Project Description:</b> Bond proceeds will be used to finance the acquisition, construction, improvement, installation, furnishing, and equipping of school facilities for Vista Condor Global Academy & Vista Heritage Global Academy.			
<b>Project Site:</b> 2609 W. 5 <sup>th</sup> Street, Santa Ana 92703 and 601-659 Fairview Street, Santa Ana, 92703			
<b>Financing Team:</b>		<b>Financing Details:</b>	
Bond Counsel:	Kutak Rock	<b>Type of Issue:</b>	Charter School Revenue Bonds
Underwriter:	Stifel, Nicolaus & Company, Incorporated	<b>Tax Status:</b>	Tax-Exempt & Taxable
Borrower's Counsel:	Hansberger & Klein PLC	<b>Maturity:</b>	2025 (Taxable) & 2061 (Tax-Exempt)
Issuer's Counsel:	Attorney General's Office	<b>Credit Enhancement:</b>	Yes
Issuer:	California School Finance Authority	<b>Credit Rating:</b>	BB/BB+
Bond/ Trustee:	U.S. Bank, NA	<b>Fees:</b>	See Costs of Issuance Table
<b>CSFA Analyst:</b> Robby Biegler		<b>Date of Staff Report:</b> November 24, 2021	
<b>Date of CSFA Board Meeting:</b> November 29, 2021		<b>Resolution Number:</b> 21-38	
<b>Staff Recommendation:</b> Staff recommends the California School Finance Authority Board approve Resolution Number 21-38 authorizing the issuance of Revenue Bonds in an amount not to exceed \$55,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, furnishing, and/or equipping of certain educational facilities located in Orange County for Vista Public Charter Schools.			

## BACKGROUND AND HISTORY

Vista Public Charter Schools (VPCS) started as an organization in 2007, and currently operates five schools, two in Orange County and three in Los Angeles County, serving approximately 1,100 students in the 2021-22 school year. Vista Heritage Global Academy (VHGA) and Vista Condor Global Academy (VCGA) opened in the 2015-16 and 2018-19 school years, respectively, and operate out of a shared facility located at 2609 W. 5<sup>th</sup> Street, Santa Ana (5<sup>th</sup> Street Facility). VCGA serves students in grades TK-5 and VHGA serves students in grades 6-8. Vista Meridian Global Academy (VMGA) currently shares a charter and facility with VHGA. However, VMGA will move off the 5<sup>th</sup> Street Facility site by 2023-24 and intends to apply for its own charter. As such it is not included in the obligated group. The charters for VHGA and VCGA, were approved by the Orange County Office of Education (OCOE). Charter terms and authorizers for all VPCS schools include:

School	Authorizer	Grades Served	School Year Established	Original Petition Approved	Most Recent Renewal	Charter Expiration
<b>Obligated Group Schools</b>						
Vista Heritage	OCBE	6-8	2015-16	2/5/2015	10/16/2019	6/30/2027
Vista Condor	OCBE	TK-5	2018-19	12/13/2017	--	6/30/2025
<b>Non-Obligated Group Schools</b>						
Vista Charter Middle	LAUSD	6-8	2010-11	5/18/2010	10/15/2019	6/30/2027
Vista Horizon	LAUSD	TK-5	2019-20	11/27/2018	--	6/30/2026
Vista Meridian <sup>(1)</sup>	OCBE	9 (growing to 9-12)	2021-22	-- <sup>(1)</sup>	--	6/30/2027

(1) Operated pursuant to the same charter petition as Vista Heritage. OCBE granted a material revision to the charter for Vista Heritage on July 1, 2020 to expand to serve grades 9-12, operating under the name Vista Meridian Global Academy.

The combined demographics for the schools include:

	<i>Obligated Group</i>		<i>Other Network Schools</i>	
	Vista Condor Global Academy	Vista Heritage Global Academy	Vista Horizon Global Academy	Vista Charter Middle School
<b>2020-21 Demographics</b>				
Free-Reduced Lunch	95.5%	100.0%	61.1%	94.5%
English Language Learner	40.4%	48.7%	29.2%	24.7%
Students with Disabilities	11.7%	12.8%	8.3%	7.5%
African American	0.0%	0.0%	1.4%	2.3%
Latino/Hispanic	99.6%	100.0%	52.8%	90.5%
Asian/Filipino/Pacific Islander	0.4%	0.0%	38.9%	4.9%
White	0.0%	0.0%	2.8%	0.9%

Enrollment projections for VCGA and VHGA include:

Vista Condor									
Grade Level	Historical Enrollment					Projected Enrollment			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
TK/K	--	26	33	35	55	65	85	100	105
1 <sup>st</sup> Grade	--	17	29	41	44	50	70	75	75
2 <sup>nd</sup> Grade	--	22	26	33	60	60	75	75	75
3 <sup>rd</sup> Grade	--	20	29	35	59	75	75	75	75
4 <sup>th</sup> Grade	--	22	30	45	57	75	75	75	75
5 <sup>th</sup> Grade	--	25	30	34	60	75	75	75	75
<b>Totals</b>	--	<b>132</b>	<b>177</b>	<b>223</b>	<b>335</b>	<b>400</b>	<b>455</b>	<b>475</b>	<b>480</b>
<b>% Change</b>		<b>N/A</b>	<b>34.09%</b>	<b>25.99%</b>	<b>50.22%</b>	<b>19.40%</b>	<b>13.75%</b>	<b>4.40%</b>	<b>1.05%</b>

Vista Heritage									
Grade Level	Historical Enrollment					Projected Enrollment			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
6 <sup>th</sup> Grade	81	86	94	71	90	105	125	140	150
7 <sup>th</sup> Grade	83	98	92	108	90	100	125	135	150
8 <sup>th</sup> Grade	102	91	95	94	120	95	125	125	150
<b>Totals</b>	<b>266</b>	<b>275</b>	<b>281</b>	<b>273</b>	<b>300</b>	<b>300</b>	<b>375</b>	<b>400</b>	<b>450</b>
<b>% Change</b>	<b>N/A</b>	<b>3.38%</b>	<b>2.18%</b>	<b>-2.85%</b>	<b>9.89%</b>	<b>0.00%</b>	<b>25.00%</b>	<b>6.67%</b>	<b>12.50%</b>

<b>Obligated Group Total</b>	266	405	458	469	635	700	830	875	930
<b>% Change</b>	<b>N/A</b>	<b>52.26%</b>	<b>13.09%</b>	<b>2.40%</b>	<b>35.39%</b>	<b>10.24%</b>	<b>18.57%</b>	<b>5.42%</b>	<b>6.29%</b>

According to information provided by the financing team, VPCS attributes projected growth to enrollment patterns that have been in line with VPCS's previous five-year projections. VPCS currently has over 700 students enrolled in Orange County (including 65 9<sup>th</sup> graders at Vista Meridian) and expects natural growth from current students to keep their projections on track. VPCS has matured from a school that historically recruited at all grade levels, to one that will rely on mainly recruiting in grades TK, K, and 1 to maintain stable enrollment. The opening of the Orange County trolley and a station behind the school site will continue to make the site visible to the public and easily accessible. In addition to the locally available public transportation, VPCS maintains three busses and two vans, which allows VPCS to recruit outside its local neighborhood.

VPCS anticipates a dip in total expected enrollment between 2022-23 and 2023-24 because Meridian will be moving to its new site during that period and the current site will revert to grades TK-8.

VPCS finances, including a breakeven analysis that projects no enrollment growth while still maintaining a 1x ratio of debt service coverage, are included as Appendix B. VPCS is currently led by its superintendent, Dr. Donald Wilson, who joined the network in 2016. Before joining VPCS, Dr. Wilson spent nearly 30 years working with the Los Angeles Unified School District (LAUSD), 17 of which were spent in the classroom as an elementary school teacher. Throughout his career, Dr. Wilson has also served as a Principal and in additional administrative capacities. He holds a double Bachelor's degrees in English and Spanish Literature, as well as a

Masters in Educational Leadership and Curriculum Design and a Doctorate. VPCS’s Board of Directors are included in Appendix A.

**PROJECT DESCRIPTION**

The proceeds of the bonds will be used to: (i) acquire the existing 5<sup>th</sup> Street property and an adjacent parcel; (ii) fund any reserve funds, capitalized interest and/or related working capital in connection with such bonds, as necessary; (iii) pay certain costs of issuance of the bonds; and (iv) pay for additional facility improvements and renovation costs at the 5<sup>th</sup> Street property.

Estimated Project Breakdown				
Site	Landlord	Location	Purpose	Amount
VCGA & VHGA	2609 W. 5 <sup>th</sup> Street LLC	2609 W. 5 <sup>th</sup> Street, Santa Ana & 601-659 Fairview Street, Santa Ana	Acquisition of Existing Campus	\$29,750,000
			Acquisition of Adjacent Parcel	\$4,400,000
			Tenant Improvements	\$10,000,000
<b>Total Estimated Project Costs</b>				<b>\$44,150,000</b>

VCGA and VHGA currently lease the 5<sup>th</sup> Street Facility and have an option to purchase, which they are exercising. Additionally they intend to acquire a parcel adjacent to the 5<sup>th</sup> Street Facility for construction of a parking lot. Tenant improvements include the parking lot and addition of a recreational play space.

The 5<sup>th</sup> Street Facility is currently owned and leased from Red Hook Capital Partners, which develops charter school facilities, primarily on a lease-purchase basis, and primarily in California. Facility construction was completed in August of 2021 and has 66,181 square feet. The additional parcel at Fairview Street is approximately 0.88 acres.

**FINANCING**

The bonds will be issued in two series – Series 2021A Bonds (tax-exempt) that will be approximately \$53,000,000, and Series 2021B Bonds (taxable) that will be approximately \$2,000,000. The tax-exempt series will be issued to finance items eligible for use of tax-exempt bond proceeds. The taxable series will be used to finance the costs of issuance in excess of 2% of the tax-exempt series. The tax-exempt series is expected to consist of three term bonds maturing on July 1, 2041, July 1, 2051, and July 1, 2061. The taxable series is expected to be issued as one term bond, maturing on July 1, 2025.

The facility that will be funded with Bond proceeds will be leased to VPCS, a nonprofit public benefit corporation, pursuant to a lease with 2609 W. 5<sup>th</sup> Street LLC (2609 LLC). The facility will be used by the lessee to operate VHGA and VCGA. This is the first issuance for 2609 LLC, any future issuances will be issued as additional obligations under a Master Trust Indenture.

**Borrower:** 2609 W. 5<sup>th</sup> Street LLC, is a limited liability company formed for the single purpose of supporting its sole member, Vista Charter Public Schools, a 501(c)(3) nonprofit public benefit corporation that operates both Vista Heritage Global Academy and Vista Condor Global Academy.

## Security and Source of Payment

The Bonds will be secured by lease payments made by lessee (i.e. VCPS) to 2609 LLC, and a deed of trust on the property. The lease payments will be paid directly to the Bond Trustee via the intercept mechanism set forth in Education Code 17199.4. As additional security and in connection with the issuance of the Bonds, the lessee will provide instructions to the State Controller's Office (SCO) to make an apportionment to the Trustee with respect to VPCS 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. 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 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 the lessee, 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 SCO 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 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.

Sources:	Series 2021A (Tax-Exempt)	Series 2021B (Taxable)	CSFA Grant	Total
<b>Bond Proceeds:</b>				
Par Amount	\$43,385,000	\$670,000	\$0	\$44,055,000
Premium	\$2,772,533	\$0	\$0	\$2,772,533
CSFA Grant	\$0	\$0	\$2,000,000	\$2,000,000
<b>Total:</b>	<b>\$46,157,533</b>	<b>\$670,000</b>	<b>\$2,000,000</b>	<b>\$48,827,533</b>
Uses:	Series 2021A (Tax-Exempt)	Series 2021B (Taxable)	CSFA Grant	Total
<b>Project Fund Deposits:</b>				
2609 W 5 <sup>th</sup> Street	\$29,750,000	\$0.00	\$0.00	\$29,750,000
Fairview Acquisition	\$4,416,000	\$0.00	\$0.00	\$4,416,000
Facility Improvements	\$10,000,000	\$0.00	\$0.00	\$10,000,000
	<b>\$44,166,000</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$44,166,000</b>
<b>Other Fund Deposits:</b>				
Capitalized Interest Fund	\$867,700	\$15,075	\$0	\$882,775
Debt Service Reserve Fund	\$257,816	\$3,982	\$2,000,000	\$2,261,800
	<b>\$1,125,518</b>	<b>\$19,057</b>	<b>\$2,000,000</b>	<b>\$3,144,575</b>
<b>Delivery Date Expenses:</b>				
Cost of Issuance	\$359,884	\$270,752	\$0	\$630,636
Underwriter's Discount	\$502,816	\$378,284	\$0	\$881,100
	<b>\$862,700</b>	<b>\$649,036</b>	<b>\$0</b>	<b>\$1,511,736</b>
<b>Other Uses of Funds:</b>				
Contingency	\$3,314	\$1,908	\$0	\$5,222
<b>Total:</b>	<b>\$46,157,533</b>	<b>\$670,000</b>	<b>\$2,000,000</b>	<b>\$48,827,533</b>

**Total Costs of Issuance\***

Expense	Amount
Bond Counsel	\$150,000
Borrower's Counsel	\$150,000
Underwriter's Counsel	\$125,000
CSFA Issuance Fee	\$32,028
CSFA Issuer Fee - 1st Admin Fee	\$6,608
CSFA Issuer Fee - PFD Fee	\$6,000
Issuer's Counsel	\$8,000
US Bank (Trustee & Counsel)	\$10,000
Title Fees & Charges, Endorsements	\$50,000
Rating Agency (S&P)	\$50,000
Appraisal	\$13,000
Printer & Roadshow	\$5,000
Contingency	\$25,000
Underwriter's Discount	\$881,100
<b>Total</b>	<b>\$1,511,736</b>

*\*Estimates based on a not-to-exceed of \$55,000,000*

**Credit Enhancement** - There will be two not-to-exceed \$1,000,000 credit enhancement award applications for VHGA and VCGA, respectively, for this financing that will be before the CSFA Board as subsequent agenda items at the November 29, 2021, meeting. If approved, the enhancement awards will fund \$2,000,000 of the financing's debt service reserve fund, reducing the overall borrowing cost for VHGA and VCGA.

**SALES RESTRICTIONS**

The following sales restrictions will apply to the financing given the expected below-investment grade rating. The Authority's sales restrictions may be viewed at:

<http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

1. Bonds will be in minimum denominations of \$100,000;
2. Bonds will be privately placed or publicly offered initially to Qualified Institutional Buyers (QIBs) and Accredited Investors (AIs).
3. Initial Bond purchasers will be required to execute an Investor Letter;
4. Subsequent transfers of Bonds will be limited to QIBs and AIs;
5. Sales restrictions will be conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents;
6. 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
7. Bond payments 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):** The TEFRA Notice was published on the CSFA Webpage on November 22, 2021. The TEFRA hearing will take place on Monday, November 29, 2021. Staff does not anticipate any comments but will provide an update to the Board if any are received.

**Due Diligence Undertaken to Date:** The financial, operating and other information concerning the Borrower, the Project and related matters presented in this Staff Summary was provided by the Borrower, Lessee, and Underwriter. The analysis contained herein was prepared by Authority Staff for the limited purpose of determining financial feasibility pursuant to Section 17183.5 of the CSFA Act 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:** The Borrower is a California Limited Liability Company (LLC) formed as a support organization for charter schools formed and controlled by VPCS, its sole member (the Sole Member). The Sole Member has received a determination letter from the Internal Revenue Service recognizing it as an entity described in Section 501(c)(3) of the Code. For federal tax purposes, the Borrower is treated as a “disregarded entity” of the Sole Member.

The LLC is a single purpose entity with no assets other than the applicable Facility and its rights under the Lease, which will be assigned to the Trustee. The LLC was formed for the purpose of owning facilities and is not expected to have any other assets or revenue available to it to make payments due under the Loan Agreement.

## STAFF RECOMMENDATION

Staff recommends the California School Finance Authority’s (CSFA) Board approve Resolution Number 21-38 authorizing the issuance of Revenue Bonds in an amount not to exceed \$55,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, furnishing, and/or equipping of certain educational facilities located in Santa Ana, California for use by Vista Heritage Global Academy and Vista Condor Global Academy.

1. **Applicant / Borrower:** 2609 W. 5<sup>th</sup> Street LLC
2. **Project:** Acquisition and Construction
3. **Amount of Financing:** Not to exceed \$55,000,000
4. **Maturity:** July 1, 2061
5. **Repayment/Security:** Intercept of Lease Payments and Deed of Trust on Real Property
6. **Preliminary Interest Rate:** 4.5% on tax-exempt bonds and 5% on taxable bonds
7. **Preliminary Cost of Issuance:** \$1,511,736 is the total estimated 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 issue the bonds no later than 12 months from such date. Once the approval has expired, the item must return to the Board for new approval.
10. **Loan Agreement Covenants:** N/A

**APPENDIX A:  
SCHOOL GOVERNANCE**

***Board of Directors***

Paul Vieyra	President
Michelle Bauer-Bean	Secretary
Mimi Kim	Treasurer
Jose Rubio	Board Member
Jody Molodow	Board Member
Suzie Oh, Ed.D.	Board Member



## APPENDIX B: ESTIMATED BUDGET PROJECTIONS AND ENROLLMENT

	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25	Projected 2025-26
<b>Enrollment</b>					
Grades Served	K-9	K-10	K-8	K-8	K-8
<b>Enrollment</b>	<b>705</b>	<b>900</b>	<b>830</b>	<b>875</b>	<b>930</b>
<i>Condor (TK-5)</i>	335	400	455	475	480
<i>Heritage (6-8)</i>	300	300	375	400	450
<i>Meridian (9-12)<sup>(1)</sup></i>	70	200	n/a	n/a	n/a
ADA %	95%	95%	95%	95%	95%
<b>Average Daily Attendance ("ADA")</b>	<b>669.8</b>	<b>855.0</b>	<b>788.5</b>	<b>831.3</b>	<b>883.5</b>
<b>Revenue</b>					
LCFF Revenue	\$ 7,772,273	\$ 10,394,610	\$ 9,515,890	\$ 10,389,722	\$ 11,037,081
Federal Revenue	1,318,993	1,171,806	1,159,006	1,209,825	1,294,667
Other State Revenue	1,329,980	1,178,762	1,111,576	1,156,583	1,211,345
School Facilities (SB740)	811,068	977,883	933,303	1,006,644	1,069,919
Local Revenue & Other	20,750	14,750	14,750	20,750	16,750
<b>Total Revenue</b>	<b>\$ 11,253,064</b>	<b>\$ 13,737,811</b>	<b>\$ 12,734,525</b>	<b>\$ 13,783,524</b>	<b>\$ 14,629,762</b>
<b>Expenses</b>					
Certificated Salaries	\$ 3,270,835	\$ 4,258,671	\$ 3,864,824	\$ 4,320,906	\$ 4,683,393
Classified Salaries	1,251,891	1,507,025	1,445,842	1,551,834	1,634,246
Benefits	1,446,357	2,118,380	2,025,094	2,187,769	2,263,851
Books & Supplies	1,426,719	1,627,846	1,218,869	1,274,033	1,351,347
Services and Other Operating Expenditures	1,646,698	1,945,215	1,561,911	1,607,233	1,653,043
Leases	1,279,395	-	-	-	-
Depreciation	25,560	25,560	25,560	25,560	25,560
Other Outgo	239	239	239	239	239
2020-21 Bonds Net Debt Service	-	1,826,950	2,089,250	2,281,800	2,284,600
<b>Total Expenses</b>	<b>\$ 10,347,694</b>	<b>\$ 13,309,885</b>	<b>\$ 12,231,589</b>	<b>\$ 13,249,373</b>	<b>\$ 13,896,280</b>
<b>Net Income</b>	<b>\$ 905,370</b>	<b>\$ 427,925</b>	<b>\$ 502,936</b>	<b>\$ 534,151</b>	<b>\$ 733,482</b>
Add Back: Depreciation	25,560	25,560	25,560	25,560	25,560
Add Back: Base Rent	-	1,826,950	2,089,250	2,281,800	2,284,600
<b>Net Operating School Revenue</b>	<b>\$ 930,930</b>	<b>\$ 2,280,435</b>	<b>\$ 2,617,746</b>	<b>\$ 2,841,511</b>	<b>\$ 3,043,642</b>
<b>Base Rent Coverage Ratio</b>	<b>N/A</b>	<b>1.25x</b>	<b>1.25x</b>	<b>1.25x</b>	<b>1.33x</b>
<b>Breakeven Enrollment</b>	<b>623</b>	<b>863</b>	<b>786</b>	<b>830</b>	<b>868</b>
<b>Reduction vs. Projected Enrollment</b>	<b>-82</b>	<b>-37</b>	<b>-44</b>	<b>-45</b>	<b>-62</b>
Revenue (adjusted for breakeven enrollment) <sup>(2)</sup>	\$ 10,347,694	\$ 13,309,885	\$ 12,231,589	\$ 13,249,373	\$ 13,896,280
Expenses	10,347,694	13,309,885	12,231,589	13,249,373	13,896,280
<b>Net Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Add Back: Depreciation	25,560	25,560	25,560	25,560	25,560
Add Back: Base Rent	-	1,826,950	2,089,250	2,281,800	2,284,600
<b>Net Operating School Revenue (breakeven)</b>	<b>\$ 25,560</b>	<b>\$ 1,852,510</b>	<b>\$ 2,114,810</b>	<b>\$ 2,307,360</b>	<b>\$ 2,310,160</b>
<b>Base Rent Coverage Ratio (breakeven)</b>	<b>N/A</b>	<b>1.01x</b>	<b>1.01x</b>	<b>1.01x</b>	<b>1.01x</b>
<b>Operating Expenses</b>					
Beginning Cash Balance	\$ 1,080,096	\$ 2,036,586	\$ 2,490,071	\$ 3,018,567	\$ 3,578,279
Plus: Net Income	930,930	427,925	502,936	534,151	733,482
Plus: Depreciation	25,560	25,560	25,560	25,560	25,560
<b>Ending Cash Balance</b>	<b>\$ 2,036,586</b>	<b>\$ 2,490,071</b>	<b>\$ 3,018,567</b>	<b>\$ 3,578,279</b>	<b>\$ 4,337,321</b>
<b>Total Expenses</b>	<b>\$ 10,347,694</b>	<b>\$ 13,309,885</b>	<b>\$ 12,231,589</b>	<b>\$ 13,249,373</b>	<b>\$ 13,896,280</b>
Less: (Base Rent)	-	(1,826,950)	(2,089,250)	(2,281,800)	(2,284,600)
Add: Maximum Annual Base Rent	-	2,286,400	2,286,400	2,286,400	2,286,400
<b>Operating Expenses</b>	<b>\$ 10,347,694</b>	<b>\$ 13,769,335</b>	<b>\$ 12,428,739</b>	<b>\$ 13,253,973</b>	<b>\$ 13,898,080</b>
<b>Days Cash on Hand</b>	<b>72 days</b>	<b>66 days</b>	<b>89 days</b>	<b>99 days</b>	<b>114 days</b>

- (1) Operated pursuant to the same charter petition as Vista Heritage. OCBE granted a material revision to the charter for Vista Heritage on July 1, 2020 to expand to serve grades 9-12, operating under the name Vista Meridian Global Academy. Vista Meridian currently operates out of the 2609 W 5<sup>th</sup> St Facility, but is expected to operate at its own facility starting in 2023-24.
- (2) For the breakeven analysis, Revenues are adjusted by reducing LCFF revenues per pupil. While there would be cost savings associated with lower enrollment, expense have not been adjusted for the breakeven analysis.