



**California School Finance Authority Presentation**  
**September 28, 2023**

# Presentation Participants

<b>Yu Ming Charter School</b>	Stacey Wang, Chief Executive Officer
	Sue Park, Chief Transition Officer
<b>Equitable Facilities Fund</b>	Marc Wancer, Investment Principal
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# I. The Loan

## Educational Facility Taxable Loan Not to Exceed Amount of \$7,100,000

- **Purpose:** EFF proceeds will be used to 1) finance the acquisition and minor improvements of an existing school facility at 2501 Chestnut Street, Oakland, California 94607; 2) pay a refundable security deposit to Lender; and 3) cover costs of issuance associated with this transaction.
- **Closing Date:** ~October 4, 2023
- **Rating:** “BB/BB+”, Expected (S&P)

## II. Overview: Background & Recognition

Mission: “As a leader in Mandarin Immersion education, we nurture our inclusive and diverse community to become empowered, engaged, and outstanding global citizens.”

### Background:

- Yu Ming was founded in 2011 as a K-8 Mandarin immersion charter school
- Yu Ming operates two schools (YM 1 and YM 2) under one charter agreement, across three sites
- Yu Ming serves 767 students in grades K-8 (FY 23)
- At full enrollment, Yu Ming will serve 1,453 students in grades TK-8 (FY30)
- Yu Ming is a diverse-by-design school
- Yu Ming serves a 26% FRL and 65% student of color population. Its goal is to continue increasing its FRL population, supported by a charter revision with a 30% admission preference. It will seek a future revision asking for an 80% FRL admission preference for TK.

### Recognition:

- Yu Ming was ranked #2 Charter Elementary School and #7 Elementary School in California (CA) by US News in 2021
- Yu Ming was recognized as a CA Distinguished School in 2020 and 2023
- Yu Ming was the recipient of the National Blue-Ribbon School of Excellence from the Department of Education in 2019
- Yu Ming was graded A+ by Niche and ranked #2 in Best Charter Elementary School and #3 in Best Charter Middle School in California

## II. Overview: Academic Program

The four key pillars of Yu Ming's academic program are:

- **Academic Excellence:** Emphasizes a data-driven, rigorous approach, delivering measurable impact in educational outcomes for students. Yu Ming meets each student where they are and creates a curriculum that develops them in a community as individuals with unique interests, personalities, and learning styles. Yu Ming encourages personal expression, independent exploration, and academic excellence. Yu Ming helps their students own their learning, define their goals, and design their growth path.
- **Mandarin Immersion Leadership:** Focuses on building skills to contribute and succeed in the global community. Through Yu Ming's Mandarin Immersion instruction, students learn to bridge borders on a daily basis and learn how to communicate and build relationships across languages, cultures, and geographies.
- **Whole Child Education:** The school balances rigorous academics with social-emotional learning. As the world becomes increasingly interdependent, Yu Ming aims to develop future-ready global leaders who use their education to make a positive difference in the world. Guided by the school's core values of integrity, perseverance, empathy, and wisdom, students are challenged to lead with humility, collaborate with empathy, think with independence, and problem-solve with creativity.
- **Diverse, Equitable & Inclusive Community:** Emphasizes the diversity of Yu Ming's communities and the world at large, bolstering Yu Ming's success in educating culturally empathetic global citizens. Yu Ming students come from many different countries and home languages, and multiple Bay Area zip codes.

## II. Overview: Academic Results

- Yu Ming has consistently outperformed the district (Oakland Unified School District) and state (CA) in both ELA and Math across all grades.
- When reviewing subgroup performance, including FRL, Asian, African American, Hispanic/Latinx, ELL, and students with disabilities, Yu Ming also outperforms the district and the state.
- Notably the performance of FRL vs. non-FRL students at the school is within 15 percentage points.

*Based on the review of the California Assessment of Student Performance and Progress (CAASPP) for 2019, 2021, and 2022.*

# II. Overview: Charter Authorizer Information

School	Opened	Current (Future) Grades	Authorizer	Previous Renewals	Charter Expiration Date
Yu Ming Charter Schools	2011	K-8	Alameda County Board of Education	2	June 30, 2028

- Yu Ming holds one charter authorized by the Alameda County Board of Education
- Yu Ming has had its charter renewed twice
- As per, the authorizer’s last review, the school has been designated “high-performing”





## II. Overview: Project Description

- EFF financing will be used to purchase a ~21,888 sq. ft. building located at 2501 Chestnut Street, Oakland, CA. 94607 that sits on a ~54,000 sq. ft. parcel of land.
- The proposed facility holds seventeen classrooms, an administrative office, an arts and crafts room, a library, kitchen, multi-purpose room, reception area, teachers' lounge, and parking.
- The facility will also undergo minor improvements including security upgrades, visual equipment upgrades, wireless access points, and repainting of various areas.

## II. Overview: Borrower and Structure

- Yu Ming Charter Facilities, LLC ("YMCF") was formed in 2023 and serves as the borrower. YMCF was formed for the sole purpose of owning and operating properties for Yu Ming. Yu Ming is the sole member of YMCF.
- The facilities acquired with the proceeds of the Loan will be leased by YMCF(Landlord) to Yu Ming(Lessee), pursuant to a lease by and between the Lessee and the Landlord.
- The loan will be secured by an obligation issued pursuant to a Master Trust Indenture, including a pledge of rental revenues of the Borrower, mortgage on the financed property naming Master Trustee as mortgagee and a refundable security deposit. The lease with Yu Ming will be subject to Intercept. All payments subject to the Intercept shall only be transferred to EFF for loan issued by the California School Finance Authority.

# III. Financials: Historic and Projected

Fiscal Year End	06/30/2020	06/30/2021	06/30/2022	04/30/2023	06/30/2024	06/30/2025	06/30/2026	06/30/2027	07/01/2027
Statement Basis	Audited	Audited	Audited	Annual	Projected	Projected	Projected	Projected	Projected
<b>Student Demand and Enrollment</b>									
Grades Offered	K-8	K-8	K-8	K-8	K-8	K-8	K-8	K-8	K-9
Total FTE Enrollment (Daily Avg Attendance)	488	555	671	767	871	1016	1124	1208	1279
<b>Revenues</b>									
Local Funding	4,083,419	4,529,855	5,960,199	5,604,412	9,440,149	11,610,759	13,133,606	14,504,473	15,613,338
State Funding	1,063,030	1,092,938	1,298,716	1,743,793	2,026,621	2,712,273	2,599,325	2,771,985	2,981,261
Federal Funding	123,640	229,410	623,732	143,355	326,150	364,845	403,595	433,031	456,840
Other Local Revenue	549,937	22,949	535,861	798,608	1,060,651	1,199,795	1,284,813	1,350,938	1,406,829
PPP Loan Forgiveness	-	530,400	-	-	-	-	-	-	-
ESSER and Covid Relief	-	-	353,500	252,787	273,164	196,246	196,246	77,393	77,393
General Fundraising & Field Trip Funds	819,715	618,760	953,474	740,750	767,590	794,640	825,960	850,320	870,910
Grants	591,856	672,008	610,286	904,983	360,000	-	-	-	-
<b>Total Revenue</b>	<b>7,231,597</b>	<b>7,696,320</b>	<b>10,335,768</b>	<b>10,188,688</b>	<b>14,254,325</b>	<b>16,878,558</b>	<b>18,443,545</b>	<b>19,988,140</b>	<b>21,406,571</b>
<b>Expenses</b>									
Program Services	5,430,337	5,604,484	7,803,716	7,709,581	9,673,471	10,126,909	10,762,043	11,647,469	12,523,791
Management and General	1,243,785	1,583,476	1,842,295	2,234,786	3,450,579	4,313,924	4,874,930	5,187,370	5,543,545
Fundraising and Community Service	10,306	5,904	8,705	-	-	-	-	-	-
MLK Lease Expense	-	-	-	-	405,610	425,891	447,185	469,544	493,021
CAR Lease Expense	-	-	-	-	255,636	255,636	255,636	255,636	255,636
Chestnut Purchase	-	-	-	-	360,174	432,208	432,208	432,208	432,208
Future Purchase	-	-	-	-	0	700,000	875,000	1,008,250	1,116,000
<b>Total Expenses</b>	<b>6,684,428</b>	<b>7,193,864</b>	<b>9,654,716</b>	<b>9,944,367</b>	<b>14,145,470</b>	<b>16,254,568</b>	<b>17,647,002</b>	<b>19,000,477</b>	<b>20,364,201</b>
<b>Excess of Revenue Over Expense</b>	<b>547,169</b>	<b>502,456</b>	<b>681,052</b>	<b>244,321</b>	<b>108,855</b>	<b>623,990</b>	<b>796,543</b>	<b>987,663</b>	<b>1,042,370</b>

# III. Financials: DSCR and DCOH

Fiscal Year End	06/30/2020	06/30/2021	06/30/2022	04/30/2023	06/30/2024	06/30/2025	06/30/2026	06/30/2027	07/01/2027
Statement Basis	Audited	Audited	Audited	Annual	Projected	Projected	Projected	Projected	Projected
Add Back: Depreciation & Amortization	70,165	75,750	82,117	28,593	-	-	-	-	-
Annual Lease Expense	503,418	582,036	578,117	906,072	1,021,420	1,813,735	2,010,029	2,165,638	2,296,865
Annual Interest Expense	-	-	-	-	-	-	-	-	-
<b>Balance Available for Debt Service</b>	<b>1,120,752</b>	<b>1,160,242</b>	<b>1,341,286</b>	<b>1,178,986</b>	<b>1,130,275</b>	<b>2,437,725</b>	<b>2,806,572</b>	<b>3,153,301</b>	<b>3,339,235</b>
Principal Payments on Long-Term Debt	-	-	-	-	-	-	-	-	-
<i>Lease-Adjusted Annual Debt Service (ADS)</i>	503,418	582,036	578,117	906,072	1,021,420	1,813,735	2,010,029	2,165,638	2,296,865
<i>Lease-Adjusted Maximum Annual Debt Service (MADS)</i>	-	-	2,296,865	2,296,865	2,296,865	2,296,865	2,296,865	2,296,865	2,296,865
<b>COVERAGE RATIOS</b>									
Lease-Adjusted ADS Coverage	2.23	1.99	2.32	1.30	1.11	1.34	1.40	1.46	1.45
Lease-Adjusted MADS Coverage	NA	NA	0.58	0.51	0.49	1.06	1.22	1.37	1.45
<b>Total Unrestricted Cash &amp; Investments</b>	<b>2,039,786</b>	<b>1,112,044</b>	<b>2,586,789</b>	<b>3,669,986</b>	<b>3,778,841</b>	<b>4,402,831</b>	<b>5,199,374</b>	<b>6,187,036</b>	<b>7,229,406</b>
<b>Days Cash on Hand</b>	<b>113</b>	<b>57</b>	<b>99</b>	<b>135</b>	<b>98</b>	<b>99</b>	<b>108</b>	<b>119</b>	<b>130</b>

## IV. Plan of Finance

The proceeds of the \$7,100,000 educational facility tax-exempt loan will be used to:

- Purchase and minor improvements to the property located at 2501 Chestnut Street, Oakland, California;
- Pay a refundable security deposit to Lender; and
- Pay costs of issuance

*Timeline: The loan is expected to close around October 4, 2023*

# IV. Plan of Finance: Preliminary Sources and Uses

Sources:	2023 Tax-Exempt Loan	Total
<b>Loan Proceeds:</b>		
Par Amount	- \$7,100,000.00	\$7,100,000
Bond Premium	-	
Equity Contribution	- \$16,537.14	\$16,537.14
<b>Total:</b>	<b>- \$7,116,537.14</b>	<b>\$7,116,537.14</b>
Uses:	2023 Tax-Exempt Loan	Total
<b>Project Fund Deposits:</b>		
Chestnut Acquisition	\$5,675,000.00	\$5,675,000.00
Chestnut Improvements	\$550,000.00	\$550,000.00
<b>Project Total</b>	<b>\$6,225,000.00</b>	<b>\$6,225,000.00</b>
<b>Other Fund Deposits</b>		
EFF Security Deposit	\$452,877.53	\$452,877.53
<b>Total</b>	<b>\$452,877.53</b>	<b>\$452,877.53</b>
<b>Delivery Date Expenses</b>		
Cost of Issuance	\$438,659.61	\$438,659.61
<b>Total</b>	<b>\$438,659.61</b>	<b>\$438,659.61</b>
<b>Total:</b>	<b>- \$7,116,537.14</b>	<b>\$7,116,537.14</b>



# IV. Plan of Finance: Cost of Issuance

Expense	Amount
Issuer Fee	\$10,594.61
Annual Admin Fee	\$1,065
Agent for Sale Fee	\$6,000.00
CDLAC Fee	-
Issuer's Counsel Fee	\$10,000.00
Bond Counsel Fee	\$120,000.00
Borrower's Counsel Fee	\$75,000.00
Underwriter's/Disclosure Counsel Fee	\$5,000.00
Rating Agency Fee	\$20,000.00
Trustee & Trustee's Counsel Fee	\$4,500.00
Title Fees & Taxes	\$100,000.00
Contingency	-
Other: PCSD & School Reimbursement	\$86,500.00
<b>Total</b>	<b>\$438,659.61</b>

*\*Estimates based on a not-to-exceed Par Amount of \$7,100,000.*



## IV. Plan of Finance: Financial Covenants

The documents will contain financial performance covenants customarily found in transactions of this nature, and others appropriate to the transaction, including but not limited to:

- Lease payment coverage ratio -1.1x
- Days cash on hand of – 60 days
- Additional indebtedness test for the Borrower – 1.2x



Questions?

