

\$25,000,000*
CALIFORNIA SCHOOL FINANCE AUTHORITY
EDUCATIONAL FACILITIES LOAN
(KIPP SOCAL PUBLIC SCHOOLS)
ITEM #4 - RESOLUTION 26-31
STAFF SUMMARY

Issuer:	California School Finance Authority
Applicant/Borrower:	KLARE Holdings
Par Amount Requested:	Not-to-Exceed \$25,000,000 (Preliminary, subject to change)
Financing Term:	Fixed rate, up to 40-year financing, likely 30 with a 10-year call
Projected Interest Rate:	5.5% (Preliminary, subject to change)
Applicant Description:	KIPP SoCal Public Schools 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. KLARE Holdings, a California nonprofit public benefit corporation and organization described in Section 501(c)(3) of the Code, will be the borrower (Borrower). The Borrower was formed for the specific purposes of supporting KIPP SoCal Public Schools. KLARE Holdings will be the Lessor pursuant to leases entered into between KSD Facilities LLC and Gratitude RE LLC (as Lessors) and KIPP SoCal Public Schools (as Lessee).
Type of Financing:	Educational Facilities Taxable Loan
Project User:	KIPP Adelante Prep & KIPP Comienza Prep
County Served:	San Diego County & Los Angeles County
District in Which Project is Located:	San Diego Unified School District & Los Angeles Unified School District
Charter Authorizer:	San Diego Unified School District & Los Angeles Unified School District
Financing Description:	Proceeds will be used to finance and/or refinance the cost of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in San Diego & Los Angeles Counties, including the reimbursement of certain expenditures previously incurred by the Borrower in connection with the project; and pay certain costs of issuance.
Project Site:	426 Euclid Ave., San Diego, 92114 7825 Santa Fe Ave., Huntington Park, 90255
Financing Details:	Type of Issue: Educational Facility Taxable Loan Tax Status: Taxable Maturity: Not to exceed 2066 Credit Enhancement: No Credit Rating: BBB (Borrower, Loan unrated) Fees: See Costs of Issuance Table
Financing Team:	Lender: Equitable Facilities Fund, Inc. ("EFF") Lender's Counsel: Orrick, Herrington & Sutcliffe LLP Borrower's Counsel: Musick, Peeler & Garrett LLP Issuer's Counsel: Office of the Attorney General Trustee: Zions Bancorp
CSFA Analyst:	Robby Biegler
Date of CSFA Board Meeting:	October 29, 2026
Resolution Number:	26-31

Staff Recommendation: Staff recommends the Authority Board approve Resolution Number 26-31 authorizing a conduit loan financing in an amount not to exceed \$25,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of

certain educational facilities located in San Diego and Los Angeles Counties for use by KIPP SoCal Public Schools, including the reimbursement of certain expenditures previously incurred by the Borrower in connection with the project.

Background and History: KIPP SoCal Public Schools (KSCPS) is the Southern California-specific network of the broader KIPP network of schools that operate in 21 states. There are two KIPP networks in California, KIPP NorCal Public Schools and KSCPS. While both networks are part of the broader national organization, they are otherwise unaffiliated. As of 2026, KSCPS operates 17 schools, with 16 in the combined bond and loan CSFA obligated group. KSCPS serves approximately 9,850 elementary and middle students in Los Angeles and San Diego Counties. The two schools whose existing facility loans are being refinanced with this EFF loan are KIPP Adelante Preparatory Academy (KAPA) and KIPP Comienza Community Prep (KCCP). With this financing, KAPA will become the 17th school in the combined bond and loan CSFA obligated group.

KLARE Holdings (KLARE or the Borrower) is a California nonprofit public benefit corporation. KLARE operates exclusively for the benefit of, to perform the functions of, or to carry out the purposes of KSCPS. KLARE is the sole member of the individual limited liability companies (“LLCs”) in each KSCPS issuance, including KSD Facilities LLC and Gratitude RE LLC. These LLCs are special purpose entities that were formed for the purpose of holding the property and leasing the facilities back to KSCPS campuses. This is the seventh KSCPS CSFA issuance, split between five bonds and now two EFF loans. Four of those bonds are still outstanding.

**KIPP SoCal Obligated Group
Student Demographics 2025-26**

	KIPP SoCal Network
Demographics	FY26
SED	90%
Hispanic	74%
African American	18%
White, <u>Non-Hispanic</u>	1%
Other	6%
Special Education	19%
ELL	20%

**KIPP Comienza & KIPP Adelante
Charter Authorizers and Terms**

School	Authorizer	Current Charter Expiration Date
Comienza	LAUSD	June 30 th , 2028
Adelante	San Diego USD	June 30 th , 2031

KIPP SoCal Debt Summary

Debt Source	FY26 Outstanding Balance
2015 Bonds	22,615,000
2017 Bonds	35,340,000
2019 Bonds	45,150,000
2020 Bonds	32,385,000
2024 EFF Loan	32,884,841
CSGF Loan (Comienza)	\$15,000,000
Adelante NMTC	\$12,504,375
Network Total	\$195,879,216

KIPP SOCIAL ENROLLMENT PROJECTIONS

		FY2026*	FY2027**	FY2028	FY2029	FY2030	FY2031
KLAP	LA Prep	532	530	525	525	525	525
KAO	Opportunity	483	450	475	485	485	485
KRA	Raíces	600	598	598	598	598	598
KEA	Empower	609	588	578	578	578	578
KCCP	Comienza	1063	1092	1065	1065	1065	1065
KPA	Philosophers	371	305	320	350	375	385
KSA	Scholar	438	436	450	450	450	450
KSol	Sol	444	452	450	450	450	450
KIA	Iluminar	617	624	608	608	608	608
KAI	Innovation	441	442	450	450	450	450
KVP	Vida	558	535	558	558	558	558
KPP	Promesa	470	464	470	485	485	485
Klg	Ignite	518	537	558	578	570	570
KCA	Corazón	1071	1055	1063	1063	1063	1063
KCom	Compton	846	879	898	898	898	898
KAPA	Adelante	306	302	315	315	315	315
KECP	Endeavor	540	521	530	530	530	530
TOTAL		9,907	9,810	9,911	9,986	10,003	10,013

*Actuals; **Projected 26-27 Actuals

The lender, EFF, is a Delaware 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 prior bond issuances from 2019 through 2024, EFF will use the proceeds of such bonds to reimburse itself for loans it previously originated, in order to make additional loans.

Prior to submitting an application, EFF's internal credit committee reviewed and approved this transaction.

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.

Project Description: Briefly stated, the proceeds of the loan will be used to: (1) Refinance existing New Market Tax Credits (NMTC) and Charter School Growth Fund (CSGF) loans related to the KAPA and KCCP campuses located at 426 Euclid Ave. San Diego, 92114 and 7825 Santa Fe Ave. Huntington Park, 90255; (2) Fund accrued interest on NMTC and CSGF loans; (3) Fund NMTC and CSGF Exit Put Price and Fees; and (4) Pay the cost of issuance.

Facilities Information

Site	Landlord/School Loan Lender	Location	Purpose	Amount
KIPP Adelante Prep	KSD Facilities LLC	426 Euclid Ave. San Diego, 92114	NMTC Refinancing	\$9,161,916.00
KIPP Comienza Prep	Gratitude RE LLC	7825 Santa Fe Ave. Huntington Park, 90255	CSGF Refinancing	\$15,000,000.00
Total Estimated Project Costs				\$24,161,916.00

KAPA will unwind a \$9,100,000 JP Morgan Chase New Market Tax Credit (NMTC) that financed construction of a 27,100 square foot facility that serves 300 students in grades 5-8 in greater San Diego County. The unwind will occur on November 12, 2026. Additionally, around \$3,300,000 in other NMTC loans to KSD Facilities will be forgiven. With this loan, KSD Facilities will be added to the existing CSFA KSCPS obligated group.

KCCP will refinance/repay a \$15,000,000 loan from the Charter School Growth Fund (CSGF). That loan was used to finance a 35,900 square foot facility in Huntington Park that serves 500 students in grades 5-8.

Financing: In the proposed loan to the Borrower, 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 KSCPS 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" to CSFA, there is no legal or ethical requirement that the firm performing these tasks be retained by the conduit issuer. In this transaction, EFF and Orrick 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 (the "Loan"), with EFF as the lender, CSFA as the conduit borrower, and the Borrower as the obligor responsible for all payments under the Loan. EFF reports that the intercept will lower the costs for KSCPS vs. a conventionally-structured loan. The Loan will be executed and delivered pursuant to a loan agreement among CSFA, EFF, and the Borrower.

A deposit to the Reserve Account for the 2026 Loan 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.

Security and Source of Payment: The Borrower's obligations under the Loan will be secured by an Obligation issued by the Obligated Group under the Master Trust Indenture, including a pledge of rental revenues of the Obligated Group Schools and mortgages on all related real property interests naming Master Trustee as mortgagee. The rent KSCPS will pay under its lease with the Borrower will be subject to intercept. All payments subject to the Intercept shall only be transferred to EFF or the Master Trustee to repay the Loan

or for payment of ground rent, if any. The Loan will be evidenced by a Promissory Note, executed by the Borrower in favor of California School Finance Authority.

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 2026 (Taxable)	Total
Proceeds		
Par Amount:	\$25,000,000.00	\$25,000,000.00
Other Sources:		
Enhancement Grant	\$0.00	\$0.00
Total:	\$25,000,000.00	\$25,000,000.00
Uses:	Series 2025 (Taxable)	Total
Project Fund Deposit		
KIPP Adelante NMTC Loan	\$9,161,916.00	\$9,161,916.00
KIPP Comienza CSGF Loan	\$15,000,000.00	\$15,000,000.00
Cost of Issuance	\$375,000.00	\$375,000.00
Contingency	\$463,084.00	\$463,084.00
Total	\$25,000,000.00	\$25,000,000.00

Total Costs of Issuance*	
Expense	Amount
Issuer Fee	\$22,300
Annual Admin Fee	3,690
Agent-for-Sale Fee	3,500
Issuer's Counsel Fee	20,000
Bond Counsel Fee	130,000
Borrower's Counsel Fee	100,000
Trustee/Trustee Counsel Fee	5,250
Title Insurance Fee	35,050
Estimated Appraisal Fee	8,000
Contingency Budget	7,310
NMTC Wind Down Fee	39,900
Total	\$375,000.00

**Estimates based on principal amount of \$25,000,000.*

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 (note, EFF/ESRF qualify as 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 Qualified Institutional Buyers;
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;
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, KIPP SoCal Public Schools and the Lender. 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: KSD Facilities LLC and Gratitude RE LLC will operate as single purpose entities of which KLARE Holdings will be the sole member at the time of issuance of the Loan, with no assets other than pledged campuses and the leases between the LLCs and KSCPS and its rights under the lease agreements, which will be assigned to the Master Trustee. KLARE Holdings was formed for the purpose of supporting KSCPS, including by owning facilities, and is not expected to have any other assets or revenue available to make payments due under the Loan Agreement. KIPP SoCal Public Schools is a California nonprofit public benefit corporation and organization described in Section 501(c)(3) of the Code.

Staff Recommendation: Staff recommend the board adopt Resolution Number 26-32 authorizing the Loan in an amount not to exceed \$25,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of certain educational facilities located in San Diego and Los Angeles Counties for use by KIPP SoCal Public Schools.

1. **Applicant / Borrower:** KLARE Holdings
2. **Project:** Refinancing acquisition and construction
3. **Amount of Financing:** Not to exceed \$25,000,000
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:** 5.5%
7. **Preliminary Cost of Issuance:** The preliminary Cost of Issuance is \$375,000
8. **Not an Unconditional Commitment:** The Authority resolution shall not be construed as an 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.

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 that date. Once the approval has expired, the item must return to the Board for new approval.

**APPENDIX A:
School Governance**

Officers

Chief Executive Officer	Angela Martinez
Chief Academics Officer	Kevika Amar
Chief External Impact Officer	Lynnzi Brianza
Chief Operating Officer	Jenn Miranda
Chief Schools Officer	Kevin Newman
Chief Talent & Equity Officer	Michelle Rojas-Soto
Chief Financial Officer	Kyle Salyer
Chief of Staff	Belen Sanchez

Board of Directors

Board Chair	Luis Rodriguez
Vice Chair	Heather Lord
Secretary	Randy Bishop
Board Member	Naeem Arastu
Board Member	Jon Berg
Board Member	Carlos Bermudez
Board Member	Phil Feder
Board Member	Efrain Ibarra
Board Member	Julie Miller
Board Member	Danielle Poli
Board Member	Ryne Posey

APPENDIX B: BUDGET PROJECTIONS

KIPP SoCal Public Schools

Multi-Year Financial Report

As of September 1, 2026

Income Statement	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	Projected	Projected	Projected	Projected	Projected	Projected
REVENUE						
<i>General Purpose Funding</i>						
Revenue Limit State-Aid	85,942,053	94,210,038	98,997,999	103,246,305	106,806,073	110,602,496
Prop 30 - Education Protection Account	12,432,177	8,720,350	8,823,203	8,908,928	8,950,153	8,967,173
In Lieu of Property Tax	40,319,011	40,334,512	42,206,511	43,740,464	44,998,191	46,168,731
<i>Total General Purpose Funding</i>	<i>138,693,241</i>	<i>143,264,900</i>	<i>150,027,713</i>	<i>155,895,697</i>	<i>160,754,417</i>	<i>165,738,400</i>
<i>Federal Revenue</i>						
SPED - IDEA	2,241,878	2,184,505	2,158,380	2,179,415	2,197,040	2,201,035
Federal Nutrition Program	7,563,218	7,621,784	7,954,372	8,262,217	8,533,661	8,798,429
Title I Funding	4,564,034	4,309,080	4,341,540	4,363,310	4,375,770	4,376,080
Other Title Funding	354,110	855,747	696,257	701,548	702,602	703,326
Other Federal	50,406	-	-	-	-	-
<i>Total Federal Revenue</i>	<i>14,773,646</i>	<i>14,971,116</i>	<i>15,150,549</i>	<i>15,506,490</i>	<i>15,809,073</i>	<i>16,078,870</i>
<i>Other State Revenue</i>						
State Lottery	2,874,984	2,482,576	2,462,930	2,500,689	2,520,965	2,525,266
Special Education	9,216,303	14,972,016	15,335,254	15,749,248	16,118,051	16,538,976
Charter School Facility Grants - SB740 State	11,016,323	11,168,000	11,289,024	11,381,272	11,421,439	11,442,808
State Nutrition Reimbursement	2,469,965	1,470,389	1,535,232	1,595,419	1,648,137	1,699,453
Other State Revenue	37,257,117	37,746,640	29,889,983	26,351,456	22,675,481	22,734,456
<i>Total Other State Revenue</i>	<i>62,834,692</i>	<i>67,839,621</i>	<i>60,512,423</i>	<i>57,578,084</i>	<i>54,384,073</i>	<i>54,940,959</i>
<i>Other - Local Revenue</i>						
Donations and Grants	8,623,592	7,853,000	7,000,000	7,000,000	7,000,000	7,000,000
KIPP Foundation-CSP Grant	-	-	-	-	-	-
Other Local Revenue	7,034,658	8,850,942	5,588,483	4,568,483	4,068,483	4,068,483
<i>Total Other Local Revenue</i>	<i>15,658,250</i>	<i>16,703,942</i>	<i>12,588,483</i>	<i>11,568,483</i>	<i>11,068,483</i>	<i>11,068,483</i>
TOTAL REVENUE	231,959,829	242,779,579	238,279,168	240,548,754	242,016,046	247,826,712
EXPENSE						
<i>Certificated Salaries</i>						
Certified Teacher Salaries	53,775,674	55,597,717	56,046,190	56,731,927	58,956,850	59,865,110
Other Certificated Pupil Support	4,267,082	4,792,039	5,098,731	5,180,310	5,387,521	5,473,721
Certificated Administrators	5,750,918	5,960,178	5,892,911	5,998,983	6,268,934	6,381,774
Other Certificated, Non-Supervisory	2,494,948	3,122,816	2,866,439	2,743,374	2,847,504	2,890,855
<i>Total Certificated Salaries</i>	<i>66,288,622</i>	<i>69,472,750</i>	<i>69,904,271</i>	<i>70,654,594</i>	<i>73,460,809</i>	<i>74,611,460</i>
<i>Classified Salaries:</i>						
Non-Certificated Instructional Aides	20,540,583	22,680,099	22,851,071	23,050,047	20,715,643	21,139,417
Technical, Clerical, Office Staff	24,424,351	26,100,109	26,823,794	26,898,581	27,674,721	27,770,322
<i>Total Classified Salaries</i>	<i>44,964,934</i>	<i>48,780,208</i>	<i>49,674,865</i>	<i>49,948,628</i>	<i>48,390,364</i>	<i>48,909,739</i>

<i>Employee Benefits</i>						
Pension Contributions	1,529,554	1,616,600	1,629,300	1,656,600	1,691,900	1,720,200
FICA	7,828,864	8,474,400	8,585,800	8,657,100	8,734,100	8,854,700
Medical/Insurance/SUI	10,830,030	11,982,535	12,563,411	13,170,433	13,809,476	14,479,987
Workman's Comp	1,390,361	1,743,000	1,765,300	1,780,500	1,798,900	1,823,900
401(k) Contributions	2,540,509	2,808,800	2,853,900	2,875,100	2,930,300	2,964,400
Other Employee Benefits	1,535,637	1,717,145	1,764,345	1,806,145	1,839,645	1,871,445
<i>Total Employee Benefits</i>	<i>25,654,956</i>	<i>28,342,480</i>	<i>29,162,056</i>	<i>29,945,878</i>	<i>30,804,321</i>	<i>31,714,632</i>
<i>Supplies & Materials</i>						
Textbooks/Instructional Resources	1,944,325	1,828,000	1,909,300	1,976,348	2,032,354	2,085,066
Instructional Materials & Supplies	6,208,940	6,084,400	5,726,048	5,846,012	5,808,640	5,976,990
Non-Capitalized Equipment						
Classroom Technology	1,328,125	980,200	964,000	1,020,700	1,096,400	1,195,000
Classroom Software	1,289,200	1,244,175	1,273,000	1,341,000	1,424,000	1,496,000
Classroom Furniture	765,073	935,200	653,850	565,438	366,976	376,154
Staff/Office Technology & Equipment	2,098,080	2,418,901	2,230,690	2,297,027	2,371,108	2,467,021
Food Service	9,784,082	9,313,000	9,669,300	10,044,588	10,357,874	10,696,146
<i>Total Supplies & Materials</i>	<i>23,417,825</i>	<i>22,803,876</i>	<i>22,426,188</i>	<i>23,091,113</i>	<i>23,457,352</i>	<i>24,292,377</i>
<i>Operating Services</i>						
General Liability Insurance	1,005,807	1,166,000	1,208,850	1,248,397	1,280,700	1,313,158
Utilities (Gas, Electric, Water)	2,651,603	2,647,000	2,726,390	2,802,713	2,878,376	2,950,328
Other Operations/Housekeeping Services	8,807,274	8,111,800	7,983,935	8,001,726	8,234,838	8,469,929
Repairs & Maintenance (Non-Cap)	6,161,776	5,725,000	5,796,350	5,958,648	6,119,538	6,272,529
Equipment/Copier Leases	217,361	790,500	814,215	837,018	859,619	881,105
Audit & Legal, Payroll & Banking	1,598,350	1,698,800	1,668,310	1,712,320	1,752,010	1,795,961
Instructional Consulting	9,638,655	7,031,000	6,941,390	5,774,265	5,190,137	5,192,491
License & Authorizer Fees, Other Dues/Fees	3,007,203	2,152,115	2,225,405	2,289,292	2,342,930	2,397,719
Special Education Services	7,556,496	7,039,800	6,931,870	6,896,216	6,974,806	7,042,165
Professional Development & Recruitment	1,644,853	1,657,800	1,680,120	1,725,981	1,660,613	1,710,658
Local Field Lessons	1,825,098	1,761,200	1,121,300	1,160,400	1,194,900	1,224,300
Communications/Internet	507,749	684,000	704,520	724,280	743,823	762,375
Misc. Operating Expenses	5,366,982	6,134,625	6,188,659	6,351,634	6,502,706	6,666,725
Other Outgoing	713,069	1,990,000	-	-	-	-
<i>Total Operating Services</i>	<i>50,702,277</i>	<i>48,589,640</i>	<i>45,991,314</i>	<i>45,482,890</i>	<i>45,734,996</i>	<i>46,679,443</i>
Rent	1,421,383	3,120,159	2,781,832	2,407,309	2,485,496	2,586,197
TOTAL OPERATING EXPENSES	212,449,997	221,109,113	219,940,526	221,530,412	224,333,338	228,793,847
Change in Net Assets for Lease Payments/Debt Service	19,509,832	21,670,467	18,338,642	19,018,342	17,682,708	19,032,865
<i>Coverage Analysis</i>						
Total Debt Service	13,639,909	13,518,338	13,977,463	13,976,258	13,987,687	14,036,225
Coverage Ratio	1.43	1.60	1.31	1.36	1.26	1.36
<i>Cash</i>						
Ending Cash Balance	101,261,606	101,093,846	112,725,130	117,964,192	122,711,717	127,538,398
Days Cash on Hand	147	141	160	168	173	178