THE EFFECT OF DEBT FINANCING ON FINANCIAL PERFORMANCE OF PRIVATE SECONDARY SCHOOLS IN KAJIADO COUNTY

BY

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DECLARATION

I declare that this is my original work and has not been presented for a degree in any other university.

Signature …… Date …….

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This research project has been submitted for examination with my approval as the university supervisor

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I thank my supervisor Dr. Cyrus Iraya, for his unabridged attention, guidance and patience throughout the study.

DEDICATION

I dedicate this project to my parents Mr. and Mrs. Ng'ang'a and my brother Kevin Ng'ang'a for their encouragement and support throughout the study period and in this project.

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ABBREVIATIONS

ANOVA - Analysis of Variance

DR - Debt Ratio

EPS - Earnings Per Share

KPIs - Key Performance Indicators

K.Shs - Kenya Shillings

MM Modigliani & Miller

ROA - Return on Assets

ROE - Return on Equity

SMEs - Small and Medium-sized Enterprises

VIF - Variance Inflation Factors

ABSTRACT

Debt financing decision is among the key financial decisions that are taken by firms since debt financing has an effect on the financial performance. Leverage financing provides the borrower with an opportunity to finance an investment on a short term source at the same time spreading the cost of capital over time so as to meet the affordability and budgetary constraints. This study set out to determine effect of debt financing on the financial performance of private secondary schools in Kajiado County. The study applied a descriptive research design and carried out a census of the 61 private secondary schools in Kajiado County. The study used secondary data which was collected using a data collection form. The data collection form obtained data for a period of three years from 2014 to 2016. Multiple linear regression was employed to ascertain the association linking dependent variables and independent variables. The results found that the relationship between debt financing and financial performance of private secondary schools in Kajiado County was positive and insignificant and that the relationship between revenue growth and financial performance of private secondary schools in Kajiado County was positive and insignificant. The study also found that the relationship between administrative efficiency and financial performance of private secondary schools in Kajiado County was negative and significant while the relationship between operational efficiency and financial performance of private secondary schools in Kajiado County was negative and significant. The study concluded that debt financing does not affect the financial performance of private secondary schools in Kajiado County. The study also concluded that administrative efficiency and operational efficiency significantly affect the financial performance of private secondary schools in Kajiado County.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Financing decision acts as a basis of investment decision and a company's financial performance is extensively influenced by the proposition of mix financing. The choice of the appropriate mix of different sources of short and long term funds is one of the critical decision needs that have to be taken by central body of an organization (Liaqat et al., 2017). Debt financing has been used as an instrument of filling the budget deficits both in the private and public sector (Onchong'a, Muturi & Atambo, 2016). Debt financing is a key source of capital in many growing firms since their retained earnings may not be sufficient enough or may be unavailable (Githaigo & Kabiru, 2015). By generating incomes that may not have been gained with no extra financing, external sourcing in form of equity or debt fund allows firms to improve the firm's value which is traditionally considered the vital goal of many businesses (Davydov, 2014).

The Modigliani and Miller (1958) irrelevancy theory under limiting assumptions of no taxes and costs associated with transactions suggest that cost of capital have no effect on the capital structure, in particular leverage; therefore, no impact on the firm's value (Liaqat et al., 2017). The pecking order theory states that a firm will finance their needs in a hierarchical manner by the use of internal funds, leverage and external equity in that order. Thus, this theory implies a negative correlation between profitability of firms and external borrowing; that is, a firm that generates enough profits has reduced need to borrow because it can finance its operations with the profits gained (Saad et al., 2015). The trade-off theory presupposes that the firm's value will increase as long as the

marginal tax benefits will be higher than marginal bankruptcy costs, this yields the optimal debt to equity ratio at a point where these two factors have the same value (Adesina, Nwidobie & Adesina, 2015)

Private schools require funds to finance their daily costs of operation such as athletic and academic programs, teacher and administrator salaries and benefits, repair and maintenance, utilities, office and IT provisions, student transportation and others (Kajirwa, 2015). Traditionally, private institutions had avoided leverage financing, electing to reschedule facility acquisition or even improvements up to a point when the necessary resources were acquired by a means of gifts and capital campaigns. Recently, there has been a divergence of events as well as trends which has contributed to an increased and a more aggressive borrowing activity by private schools in Kenya. Though, private schools are encountered with a number of considerations when deciding to borrow and determining the type and amount of leverage financing that best fulfills their needs and the constraints they encounter (Saad et al., 2015).

1.1.1 Debt Financing

Borrowing of loans from other banks, companies or financial institutions so as to support the operations of a business is referred to as debt financing. An interest expense is paid before the maturity period of the debt, with the loan principal being repaid at a future time (Harelimana, 2017). Debt financing is a financing option that is structured to improve the owners' rate of return on investments by producing a rate of return that is higher than the overall cost of the borrowed funds (Saad et al., 2015). Leverage financing entails the purchase of interest bearing instruments that are protected by the asset-based

security and they have term structures (Githaigo & Kabiru, 2015). Debt financing comprises of the main sources of external funding for most business firms. It provides a mechanism of filling financing deficits for firms that have insufficient financial resources (Onchong'a, Muturi & Atambo, 2016).

The core of debt is that the borrower will have to repay the borrowed funds which are accompanied with service charges such as loan origination fees and interest charges (Harelimana, 2017). Debt financing offers a means of satisfying financing deficits of businesses that have insufficient internal resources to finance their operational activities and investments (Onchong'a, Muturi & Atambo, 2016). In the capital structure of a company, debt capital entails the long-term bond that the company uses during the financing of its investment decisions since the company has a period of repaying the loan amount, whereas the payment interest is only limited with the present time. The healthiness of a firm's balance sheet is a key determinant of the cost of debt capital in the structure of capital of a firm (Lambe, 2014). Leverage financing can lower the firm's costs of financing due to the availability of liabilities tax shields task and thus improving the value of the firm (Xu, Ou & Chen, 2016).

Leverage financing choice carry the form of trade credit from bank loans and other financial institutions, suppliers, loans from individuals and the governments (Obuya, 2017). Though debt financing is less costly because of the tax exemption, it subjects firms to some constraints as well as default risk of repaying the principle and interest amount (Liaqat et al., 2017). The measure of debt in this study was done using debt ratios that compare the firm's total debt to its total asset. A low percentage will mean that the firm is less reliant on debt i.e., funds obtained from others or that is owed to others. The

lesser the percentage of debt ratio, the lower the firm is using debt finance and the stronger its equity state is (Makanga, 2015). Debt ratio (DR) indicates the fraction of money that financed the total assets by use of an outside source of funds. A higher ratio shows that most of the firm’s assets are offered by creditors relative to the owners (Harelimana, 2017).

1.1.2 Financial Performance

This implies the level in which the financial goals of a firm are being or have been attained. Financial performance is a method of ascertaining impacts of company's policies and the operations in a monetary language (Harelimana, 2017). This shows the situation of an organization at a moment in time as presented in the balance sheet or it may show a series of actions over a stipulated time period as it is revealed by the statement of comprehensive income (Makanga, 2015). Financial performance is an indicator of the firm's general financial condition in a stipulated time period and can also be employed to contrast related companies in the same business or to contrast sectors or businesses in aggregate (Harelimana, 2017).

Financial performance gives a proper gauge on the use of a firms’ resources for maximization of wealth and profits. The fiscal financial functions are conducted occasionally from the accounts office, balance sheets or the profit and loss statements of the firms so as to evaluate the degree of success in the business (Obuya, 2017). Financial performance is a biased gauge of how effectively a firm can make good exploitation of its assets from its key business objective conduct and the successive revenue generation (Ikapel & Kajirwa, 2017). To appraise a firm’s performance, business entities normally

apply financial ratios since they provide a simplified description of the entities current financial state in contrast to previous accounting period and they provides clues on how a firm's management can improve performance (Tauseef, Lohano & Khan, 2013).

Financial performance can be measured in many different ways, but all these ways should be aggregated. The traditional accounting Key Performance Indicators (KPIs) that include Operating Profit margin, Sales growth, Return on Assets, Economic Value Added or Earnings before Interest and Tax are often used in the calculation of financial performance (Abshir & Nigib, 2016). However, the traditional performance measurement approach by objective rational model may not ably serve the measurement of performance in secondary schools. Performance measurement in schools should be by the feature of academic performance and performance of the management based on sub-dimensions, which include quality of education, finance and human resources. To determine the financial performance of public schools this study will use the Surplus or Deficit as % of total income ratio.

1.1.3 Debt Financing and Financial Performance

Debts financing choice is directed to improving earnings of the business, for the recovery of debt cost and then the gains of proprietors, and then retain the excess of the gains (Obuya, 2017). The Modigliani and Miller (1958) proposition suggest that the gains from a cheaper leverage are exactly off-set by the increase in equity cost, making a firm's financing choices irrelevant to the value of the firm in a perfect market postulation (Davydov, 2014). The trade-off theory supports that the structure of capital is a determinant of the trade-off that exists between the benefits of a borrowed fund and the

costs associated with the debt and these benefits and costs can be achieved through a number of means (Saad et al., 2015). As accorded by pecking order theory, financing through debt is superior to financing through equity, that is equity funding is less preferred in a firm that is profitable. The agency theory states that debt providers are to be served with detailed investment information to aid in the monitoring process (Onchong'a, Muturi & Atambo, 2016).

In their study, Tauseef, Lohano and Khan (2013) examined the effects of leverage financing on the financial performance of a firm and ascertained that there exists a non-linear connection between Return on Equity and Debt-to-Asset ratio and concluded that while the debt-to-asset ratio increases, the return on equity initially raises up to an optimal debt level, after which it begins to decline. Harelimana (2017) explored the effect of leverage financing on business performance and established a strong positive connection between debt level and the profitability level.

A study by Ikapel and Kajirwa (2017) on the effects of long term debt on the financial performance of firms, revealed that a considerable negative association between long term borrowed funds and the financial performance. Xu, Ou and Chen (2016) explored the impact of diversification on financing through debts and the performance of operations and revealed a considerably negative effect on the operating performance of firms, and that diversification contributes a limited mediator function linking leverage financing and the operating performance.

1.1.4 Private Secondary Schools in Kajiado County

Private schools are those educational institutions that are entirely owned and operated by individuals and not by the government; the students attending such schools are charged with school fees which is collected by cash on hand or through deposits made to the school's bank accounts (Abshir & Nigib, 2016). Private schools are also referred to as non-governmental, non-state or independent schools are not governed by the state, national government or the locals therefore they maintain full rights of selecting their students and are financed with whole or part of the students tuition fee, instead relying on obligatory taxation of the government or public financing (Mosharraf, 2011).

In Kenya, private schools in need of expansion will have an option of either using their capital reserves if any, or leverage. Schools which employ leverage in their capital structure will have access to funds for their expansion needs which if undertaken will increase revenues and extension of profits. This will also mean reduced tax due to tax benefit associated with use of leverage. Further on, it is expected that schools which employ long overhaul debt will report higher financial performance compared with those which employ near term leverage, this is because long overhaul is a cheaper source and may lead to better financial results. In Kajiado County, there are 123 secondary schools of which 61 are privately owned.

1.2 Research Problem

Debt financing decision is among the key financial decisions that are taken by firms since debt financing has an effect on the financial performance (Tauseef, Lohano & Khan, 2013). Leverage financing provides the borrower with an opportunity to finance an

investment on a short term source at the same time spreading the cost of capital over time so as to meet the affordability and budgetary constraints (Gabrijelcic, Herman, & Lenarcic, 2016). However, the irrelevancy theory by Modigliani and Miller (MM) postulates that the value of a firm is not affected by a debt in its capital structure (Adesina, Nwidobie & Adesina, 2015). Contrary, the trade off theory provides that there are costs associated with debt financing which include costs of financial distress among which includes non-bankruptcy and bankruptcy costs of debt, and in turn a benefit of funding using a leverage which can include tax gains from debt (Makanga, 2015).

In Kenya, private schools are faced with the need to expand more commonly due to rising demand for the need of services by independent schools. According to Chedet (2013) private secondary schools struggle to remain at the top in performance and thus invest huge amounts of financial resources as strategic plans to achieve competitive edge in the academic field. Other factors such as increased population and positive perception of services offered by independent schools also explain the growing demand. More often than not, such schools lack capital reserves to wholly finance their expansion needs. Independent schools will more likely turn to debt financing of their expansion needs in which case they will either take up near term or long-haul debts or a mix of both. This decision to take up debt financing will have either positive, negative or a combination of both impacts on financial performance of the school.

A series of studies have been carried on the concepts of leverage financing and financial performance of entities. Abshir and Nigib (2016) studied the impact of management of cash on the financial performance of private secondary schools in Mogadishu-Somalia and revealed that management of cash has a considerable effect on the financial

performance of Private secondary schools in Mogadishu. The study however focused on cash management in private secondary schools. A study by Davydov (2014) looked on the sources of debt funds and their effects on the performance of companies in the emerging markets and established that leverage may have a positive impact on accounting returns and that high degree of bank financing will reduce the negative impact of debt on estimation of the market. His study nevertheless focused on debt financing among business enterprises.

In Kenya, Chetambe (2013) assessed the effect of financial education on the financial performance of schools in the country and noted that financial education had minimal effect on financial performance in the public schools. This study however focused on financial training and not financial debt in private secondary schools. Githaigo and Kabiru (2015) examined the impacts of short and long term loans on the financial performance of SMEs and concluded that these loans reduce the financial performance of SMEs. But the context of the paper was SMEs and not private schools. The connection between leverage financing and financial performance of organizations has been widely studied however, most studies concentrate on business entities leaving out private schools despite the fact that they are also profit making entities which finance their operations using debt. This leads to the question; what effect does debt financing have on the financial performance of the private secondary schools in Kajiado County of Kenya?

1.3 Research Objective

To find the effect of debt financing on the financial performance of private secondary schools in Kajiado County.

1.4 Value of the Study

The study will be of importance to the management of private secondary schools in that it will provide insights into how debt financing affects the financial performance of private secondary school. This will ultimately help them make appropriate decisions on whether or not to use debt financing, what type of debt to use, and the most optimal capital mix between equity and debt. The study will also provide financial institutions with information on how to create attractive financing packages that address the immediate and long-term financing needs of private schools.

The study will also provide insights to the Ministry of Education on any emerging regulatory frameworks on borrowing by non-public secondary schools. If the study proves a negative association involving leverage financing and financial performance, then the study will provide a decision-making base for both regulatory bodies as well as other stakeholders e.g. financial institutions. At the end of the study, other researchers will have an anchorage when conducting similar studies.

CHAPTRER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature relating to impacts of debt financing and how it affects financial performance. Section 2.2 discusses important theories which show the effect of debts on firm's financial performance. Section 2.3 discusses the determinants of financial performance. Empirical literature in section 2.4 discusses both international and local studies that have been done on effect of debt financing; this section will also bring out the research gap that exists. Lastly the chapter's summary is provided in section 2.5.

2.2 Theoretical Review

Theoretical literature provides a framework upon which the theories relevant to the study were based on. The critical theories which show the impact of leverage on firm profitability are:

2.2.1 Trade-off Theory

Myers (1984) noted trade off theory as when firms strike equilibrium between tax gains from use of leverage against deadweight insolvency costs. As indicated by Myers (1984) the vital inferences of this theory are that debt shows goal modifications such that any deviations are gradually expelled. (Frank & Goyal, 2007) noted that there are in fact pros and cons of utilizing leverage. The pros being tax reduction while cons being the insolvency costs, expenses associated with leverage and loss of expected financing flexibility.

Modigliani and Miller, MM (1963), suggest that the importance of leverage financing diminishes with an individual's tax obligation on their earnings. The Trade-off hypothesis expresses that there are pros and cons of using leverage, the pros being the tax breaks associated with leverage and the cons being the cost of financing, for example, the expenses of money related trouble incorporating liquidation costs related with the obligation and non-liquidation costs (e.g. disadvantageous payout demands by sellers, debt holder/investor clashes, and so on). Makanga (2015) noted that for a firm to achieve optimization in its value, it should pay attention on this trade-off when determining the financing mix between debt and equity as debt increases there's a decrease in the marginal benefit of additional increases in debt, while the marginal cost increases. (Makanga, 2015)

According to Kraus and Litzenberger (1973) as cited to by Frank and Goyal (2007), a more classical explanation of the Trade-off hypothesis is that ideal use of debt mirrors as an exchange off between tax gain of a debt and the dead weight insolvency expenses. As per Myers (1984), for a firm to take into consideration the trade off hypothesis it sets an objective debt-to-value proportion and afterwards continuously moves towards accomplishing the objective. The objective is attained by striking an equilibrium between the tax gain from debt and the dead weight insolvency expenses. (Frank & Goyal, 2007)

A firm which has employed debt will experience financial distress when it is not able to meet the requirements of its debt holders. When the levered firm continually fails in meeting the debt holders' obligations the firm can end up being insolvent. Financial distress costs or bankruptcy costs (direct or indirect) usually considered as the cost of debt is the primary portion of the Trade-off theory of the firm's composition of capital.

As the term trade-off would mean, decision makers need to evaluate between the pros and cons of debt and make choice that best suits the firm. Debt would therefore have both good and bad effects on the financial performance of firms. Trade-off theory therefore preludes that a firm would consider debt if the tax benefit is higher than the costs associated with debt financing. This may not necessarily be the case. Researches on trade-off theory however, conclude mixed results. Titman and Wessels (1988), Rajan and Zingales (1995), and Fama and French (2002) affirm that organizations with higher productivity have a tendency to acquire less leverage which is conflicting with the trade off proposal that better performing firms ought to get more leverage to lower tax obligations. Graham (2000) while assessing pros and cons of debt observed that the considerably large organizations with minimal financial strain expectations employ leverage moderately.

2.2.2 Pecking Order Theory

Myers (1984) calls the hypothesis that, when determining the capital structure, firms employ a pecking order due to adverse selection, in which case, the firm initially looks at the retained profits, afterwards to leverage, and just in extraordinary conditions to equity when financing their operations. As pointed out by Myers (1984) main implications of the pecking order hypothesis is the strict arrangement of financing. Frank and Goyal, (2007) noticed that firms have a set order of sources of capital used to fund their operations. Accordingly, the pecking order hypothesis proposes that organizations are inclined to employ in house resources compared to outsourced resources, thus will favor retained earnings to obligation, near term obligation to long term obligation and

obligation to equity. Firms prefer leverage over equity as they have a more conservative view with regards to dividends and utilize obligation financing to fully realize firm value.

Firms are said to have used pecking order when they have a partial of inner financing to obtaining outside financing and where leverage is utilized, leverage to equity. This preference was driven with regards to the advanced assortment by Myers and Majluf (1984). Company's financial results are one of the significant items influencing the choice of a company's capital structure. Firstly, Myers and Majluf (1984) contend that, organizations with higher profitability can majorly fund cash flow needs from held back profits, this would lessen the need to acquire outside financing. This consequently predicts a reverse relationship between firm's performance and use of debt.

This theory also presupposes that external stakeholders will attempt to establish the firm's value or financial performance, which they are not able to fully monitor from the financing decisions made by the firm. Consequently, a company's capital structure decision will act as flagging factor, whereby the decision makers employ more leverage as a pointer of company's high quality. This is a dependable pointer since well performing firms can secure more leverage, since they are viewed as less prone to default risk on leverage overhauling expenses that grow after leverage issuance (Leland and Pyle, 1977; Ross, 1977; Myers and Majluf, 1984). We will in this way anticipate a positive relationship between the company's outputs on the measure of use. In this manner, the pecking order hypothesis is uncertain about the direction of the correlation between firm's financial output and capital structure.

2.2.3 Modigliani and Miller Irrelevance Theory

Modigliani and Miller (1958) developed this theory which asserts when the market conditions are perfect, the value of firm's stocks is not determined by financial structure decisions. The MM financial structure irrelevance theory presupposes that the capital mix is unrelated to the value of the firm (Frank & Goyal, 2007). The theory makes an assumption that both the investors and the individual companies have the same information regarding the market conditions. The assumption made in the model is there exists perfect information concerning the performance of the firm (Liaqat et al., 2017).

The assumption in the MM model is that there exists perfect information concerning the performance of the firm. When there exists insider information in a company, the market is no longer perfect hence the model cannot be applicable (Frank & Goyal, 2007). The MM theory is however against the notion of relating the valuation of a firm with financing structure. The model further reveals profitability as the only factor that can be used in determining the valuation of a firm as well as the risks associated with it and not the proportion of its financing (Liaqat et al., 2017).

2.3 Determinants of Financial Performance in Private Schools

2.3.1 Debt Financing

Leverage financing has both merits and demerits on the growth and the strategic investments of corporations. The advantages of leverage financing may include the tax deductibility of interest charge and the reduction of problems associated with free cash flows. The costs of leverage financing will entail the agency conflicts between the stock-holders and the debt-holders and also the potential bankruptcy costs (Lambe, 2014).

The use of leverage in a companies' capital structure has its portion of merits such as the benefits accrued from debt tax shield effect and financial debt. The firm pays interest amounts to the creditors of the funds; which is an exemption from the corporate income tax, whereas the dividends paid to the share-holders are deducted from the earnings after corporate income tax (Kajirwa, 2015). Businesses use borrowed funds in their operations, since it provides them with the potential of increasing the volume of operations and improve the average returns on equity capital. The use of leverage shall have this impact if only when the rate of return on the investment remains higher than the rate of return on the leverage (Githaigo & Kabiru, 2015).

2.3.2 Administrative Efficiency

Administrative competence is a gauge that is achieved by communicating the resulting impacts to the efforts applied. Administrative competence implies the optimization of resources, the ways and instruments accessible with the aim of reaching a desired outcome. Administrative efficiency also refers to the capability of a firm to produce or attain the preferred end results with the minimum expenditure of time, energy, money, materiel, personnel among others (Mihaiu, Opreana & Cristescu, 2010).

Administrative efficiency may be attained under the situations of maximizing the outcome of a doing in connection to the resources consumed, and this is measured by comparing the impacts achieved to their efforts. When measuring the effectiveness of a firm, one requires estimation of costs, resources and efforts used and comparing to estimates of outputs. The efficiency of an entity is given by the input output ratios (Mihaiu, Opreana & Cristescu, 2010).

2.3.3 Management Efficiency

Management efficiency shows the management healthiness of an institution. Management act as a safeguard of operating the institution in a manner that is decent and smooth and this is known as skillful management, when it regulates the costs and increases the overall productivity, eventually attaining higher returns (Ahsan, 2016). Management efficiency is the ability of a firm to restrain the undesirable traits and maximize on resource capabilities with an aim of delivering products and services of quality to their customers (Ikapel & Kajirwa, 2017).

Comparatively, more competent organizations will have tendency of maintaining more levels of stability in terms of operating performance and outputs as compared to other firms. The presence of a sound management is among the vital factors laid behind most firms' improved performance. The determinants of an efficient management, though they are mainly suitable to individual firms, cannot be simply aggregated across the segment. The efficiency of management is a key factor of corporate financial management; this is due to the fact that it directly influences the firm's profitability (Ikapel & Kajirwa, 2017).

2.3.4 Revenue Growth

Revenue growth is measure of monetary execution increase in a firm's revenues which speaks to an expansion in the firm's incomes over a given timeframe. Delmar, Davidson and Gartner (2003) as cited by Akinyi, indicated that if there is one measure of firm execution that could be put into use then it must be income expansion (Akinyi, 2012). A growth over a given time in the monetary gains of a firm is a good measure of performance as it signifies that a firm is constantly making improvements.

The main goal of firms is to maximize their revenues and that improvement in sales volume will entirely continue to grow, even at times of low profits, in both the short term and long term. The growth and profitability dynamics of a firm are based upon the theory of the growth of the firm. Revenue and income increase is anticipated to have effect on the market value and the rate of return measures and in both the actual and simulated industries (Gabrijelcic, Herman & Lenarcic, 2016).

2.4 Empirical Review

In Pakistan, Liaqat et al., (2017) examined the impacts of the composition of capital on the financial performance of firms in the energy and fuel sector of within the country by use of secondary data from the year of 2006 up to 2014. The study adopted the multiple regression model which established that there was a considerable negative effect of structure of capital on the return on equity and return on assets of firms in the sector of fuel & energy in Pakistan, whereas EPS was merely determined by the capital structure indicators, the size only has considerable positive behavior on EPS.

Koskei (2017) examined the association between long-term debt ratio, debt to asset ratio, debt to equity ratio and the financial performance of the private sugar manufacturing companies in Kenya. The study carried out a survey of all six private sugar companies in Kenya and relied on secondary data. The study revealed that debt to equity ratio has considerable effects on the financial performance, debt asset ratio has no considerable impact on financial performance and long-term debt equity ratio has considerable effects on financial performance and the moderating factor of a firm's size have no impact on the financial performance of firms.

Adesina, Nwidobie and Adesina (2015) studied the effect of capital composition on the financial performance of the quoted banks in Nigeria. The authors sampled 10 Nigerian commercial banks and collected data for time period of eight years from year 2005 up to 2012. Using the ordinary least square regression examination of the secondary data collected, the study found that the structure of capital had a considerable positive connection with the financial performance of the quoted banks in Nigeria. This study suggested that the management of quoted banks in that country should from time to time make use of equity and debt funds when financing their operations so as to improve their earnings.

Saad et al. (2015) studied the association between the source of funds via equity and leverage, and the performance of SMEs in Malaysia. The study sampled 177 Malaysian SMEs involving manufacturing and agriculture sectors. Using the ordinary least squares method, the study revealed that equity financing has considerably positive connection with the performance of businesses, while debt financing was insignificant. The study concluded that SMEs in Malaysia employ equity financing as a source of business capital, dur to its potential in affecting the performance of business.

Makanga (2015) studied the impacts of debt financing on financial performance of the firms listed at the NSE. The study used a quantitative research design with analysis being done using linear regression models using SPSS. The study revealed that short-term debt was negatively connected to return on assets but not significantly. The study also found that long-term debt was also negatively correlated to return on assets but less significantly than short term debt and found a weak negative connection between return on assets and total debt.

In Kenya, Onchong'a, Muturi and Atambo (2016) examined the effects of leverage financing in financial performance of selected firms in the country. The study targeted a population of 60 firms with debt in their capital structure in Nairobi Security Exchange, and utilized secondary data from audited financial reports of these firms between periods of 2009-2012. Using regression analysis coefficient on the debt effects on return on asset the study revealed that a unit increase of short term debt reduces return on asset. However, the study found a unit increase in short term debt however will reduce the profit margin ratio.

In Nigeria, Lambe (2014) examined the functions of debt fund, the effects of capital mix and parameters that affected a company's capital selection and the general impact of the company's value in the market. This study used both primary data which was obtained through the use questionnaires and secondary data collected from the periodic publications and the fact book of the Nigerian Stock Exchange. Findings of the study established that the value in the market for a company is positive and considerably affected by its selection of financial debt.

Dube (2013) completed a research study on the effect of debt on the profitability of SMEs in Zimbabwe, and noted that productivity in a firm had a positive connection to the level of leverage use as well as variations in investments. The study further established that investment expenditure was a vital deciding factor of efficiency in SMEs operations. The level of leverage must be reasonable to evade high costs of leverage which can deter SMEs from employing retained earnings.

In Kenya, Kajirwa (2015) studied if the use of debt funds in a firms' capital composition had an effect on performance of firms. This study carried out an assessment of the commercial banks listed on NSE in the country and a targeted population that comprised of 11 commercial banks was put into consideration. The study employed correlation and regression models. The study revealed that leverage negatively affected the firms' performance although not statistically considerable. The study concluded that the use of leverage in a firms' capital composition has negative impacts on the performance of commercial banks which is not statistically considerable.

Gabrijelcic, Herman and Lenarcic (2016) studied the impacts of financial debts and the foreign funding on a firms' performance prior to and in times of the current crisis. The study used a large panel of firms in Slovenia. The study found a considerable negative effect of debt on the firms' performance and also that firms with some foreign leverage performed healthier averagely than those firms that rely entirely on domestic financing. Concurrently, these firms suffered a huge decline in their performance if the total debt was raised.

2.5 Conceptual Framework

A conceptual framework is a tool for research that is aimed at helping the researcher develop knowledge and adequate understanding of the condition under study and to correspond it. The conceptual framework for this study was made up of debt financing as the independent variable while financial performance was the dependent variable. Revenue growth, administrative efficiency and management efficiency were employed as the control variables. Figure 2.1 shows the conceptual model

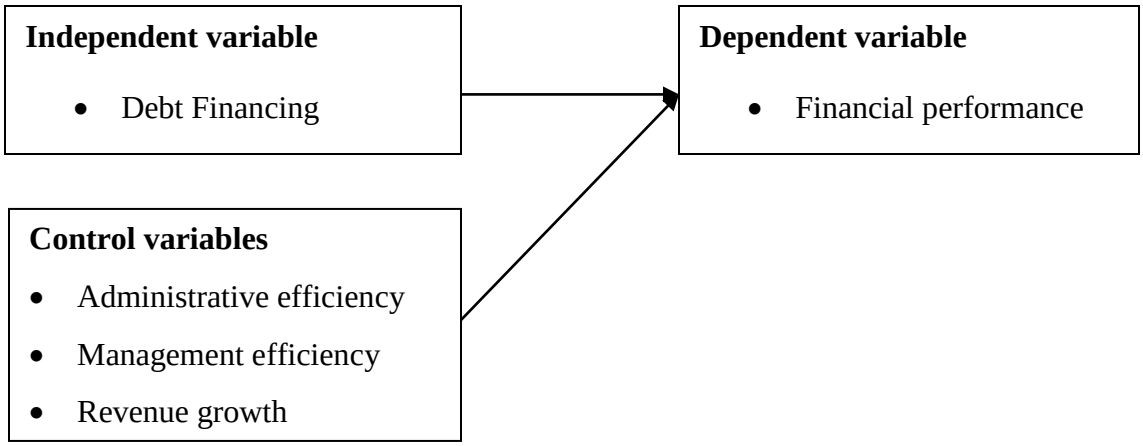

Figure 2.1 Conceptual Model

The control variables were included in the regression equation as additional variables and analysed together with the independent variable.

2.6 Summary of Literature Review

This study adds to the existing empirical literature by presenting proof on the impact of debt financing on financial performance of private secondary schools in Kajiado County. To improve on the already available literature, this study includes detailed analysis of data sets of private secondary schools, and especially those in the SME category. Additionally, to improve the accuracy of estimation, this study looks at the behavior of private secondary schools in line with the years of operation. In this paper, special focus is on the impact debt has on financial performance of private secondary schools in Kajiado County. Two vital theories exist which bring out the impact of leverage on firm's profitability, namely the Pecking order theory and the Trade-off theory and.

A review of some empirical studies revealed the absence of a unified theory. Jensen &Meckling (1976) and Myers (1977) discovered that the financial performance of

leveraged companies may diminish because the conflict of interest that may exist between the equity-holders and debt holders. Conversely, Fama and French (1998) found that no positive impact exists on the financial performance when using debt financing since there would be no tax benefit associated with use of leverage triggered by agency issues after regulating for investment, earning, dividend, research and development. Due to lack of common agreement on what constitutes an optimal debt structure as evidenced in some empirical studies, it is significant to further explore the impacts of leverage composition on the firm's performance level.

In addition, past research in the area of debt financing has focused on studying firms in developed countries and less common study of firms in the developing nations. The study is aimed at exploring further on the existing research and thus advance our knowledge on decision making in debt financing particularly in the case of Kenyan firms.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section shows the methodologies to be employed in this study as follows: Section 3.1 outlines the research methodology of the study. Section 3.2 constitutes the research design and section 3.3 explains the population while Section 3.4 discusses the methods of data collection and research procedures and lastly section 3.5 discusses data analysis.

3.2 Research Design

A research design aids in controlling the exploratory, extraneous and error variables of a specific research issue being explored. Ditsa (2004) cites to Kerlinger (1986), who noted that a research design is a technique and a formation of examination that is used to discover solutions to questions of the research. Research design enables a researcher too validly, objectively, accurately and as economically possible obtain solutions to research questions (Ditsa, 2004). The study applied a descriptive research design that is concerned with determining who, what, where and how much an occurrence, which was the study objective (Babbie, 1998). As per Kothari (2004), a descriptive study incorporates having a plan, organize, collect and analyze data so as to present information being sought.

3.3 Population of the Study

This study was confined to private owned or non-government secondary schools in Kajiado County. As per the webpage www.elimuonline.com Kajiado County has 123 secondary schools of which 61 are privately owned. The target population will therefore

comprise of 61 non-government secondary schools. The study carried out a census of the 61 private secondary schools in Kajiado County.

3.4 Data Collection

The study used secondary data which was collected using a data collection form. Data collection forms was administered to school bursars in all the private secondary schools in Kajiado County. The data collection form obtained data for a period of three years from 2014 to 2016.

3.5 Data Analysis

This is the procedure of looking at, changing, and modeling information with the objective of extracting helpful data, connoting conclusions, and supporting conclusions. The gathered data was analyzed by employing descriptive statistics such as mean and standard deviation. The multiple linear regression was employed to ascertain the association linking dependent variables and independent variables.

3.5.1 Diagnostic Tests

Diagnostic test included normality, multicollinearity, autocorrelation and the homogeneity of variance. Normality was tested using skewness and kurtosis whereas the cut points of normality were -1 and +1. Auto correlation was determined using the Durbin Watson test where the cut points were between 1 and 3. Further, multicollinearity was determined using the variance inflation factors (VIF) and tolerance levels where the cut points of VIF were 1 and 10. Finally, the homogeneity of variance was tested using a residual plot where the pattern of residuals will be observed.

3.5.2 Analytical Model

The following model was used as the analytical model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_3 + \varepsilon$$

Where:

Y = Financial performance determined using Surplus or Deficit as % of total income i.e. Surplus or Deficit/total income

β_0= Constant

X_1 = Represents debt financing which is the proportion of total borrowing to total assets

X_2 = Administrative efficiency determined using the proportion of administrative expenses to total expenses

X_3 = Operational efficiency determined using the cost to income ratio

X_3 = Revenue growth determined using ($Revenue_t$ – $Revenue_{t-1}$)/ $Revenue_{t-1}$

ε = error term or stochastic term

3.5.3 Test of Significance

ANOVA and F-test showed the fitness of the model used in the study. The coefficients showed how each of the variables influences implementation. The results of significance were interpreted at 5% level of impact. Both the t-tests and the p-values were interpreted.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

In this chapter, the results of the research are presented and discussions made. The chapter thus covers the response rates, correlation, regression and the findings interpretations.

4.2 Response Rate

The study carried out a census of the 61 private secondary schools in Kajiado County and collected data for a period of 3 years from 2014 to 2016. The study however managed to collect data from 43 private secondary leading to a response rate of 70.49%, which was deemed enough to carry out the research.

4.3 Descriptive Statistics

Table 4.1 Descriptive Statistics

	Financial performance	Debt financing	Administrative efficiency	Operational efficiency	Revenue growth
N	169	169	169	169	169
Mean	.10278	.11587	.38005	6.41947	.25539
Std. Deviation	.081823	.091060	.122399	8.194134	1.128609
Skewness	-1.549	.292	1.187	.417	.276
Kurtosis	.980	-.588	.677	1.757	.929
Minimum	-.192	.000	.123	-19.660	-.0819
Maximum	.341	.383	.810	37.500	8.370

Source: Research findings

The results on table 4.1 indicate that the average performance in financial terms is 0.10278 with the minimum and maximum values being -0.192 and 0.341 while the average value of debt financing is 0.11587 with minimum and maximum values of 0.000 and 0.383 respectively. The results further indicate that the average value of administrative efficiency is 0.38005 with the minimum and maximum values being 0.123 and 0.810 respectively while the average value of operational efficiency is 6.41947 with the minimum and maximum values being -19.660 and 37.500 respectively. The mean revenue growth for the schools is 0.25539 with the minimum and maximum values being -.0819 and 8.370 respectively. Based on the calculated kurtosis and skewness which range within -1 and +1 the data is normally distributed and the assumption of normality is not violated.

4.4 Diagnostic Tests

This study will assess multicollinearity through correlation analysis, homogeneity test of variances and variance inflation factors.

4.4.1 Correlation Analysis

Table 4.2 Correlation Analysis

	Financial performance	Debt financing	Administrative efficiency	Operational efficiency	Revenue growth
Financial performance	1				
Debt financing	.104	1			
Administrative efficiency	-.131	-.089	1		
Operational efficiency	-.438**	-.052	-.030	1	
Revenue growth	.135	.146	-.116	.038	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research findings

The results on table 4.2 show that the correlation between debt financing, revenue growth and financial performance of private secondary schools in Kajiado County is weak and positive. The tables further show that the correlation between administrative efficiency, operational efficiency and financial performance of private secondary schools in Kajiado County weak and negative.

4.4.2 Homogeneity Test of Variances

A residual plot was used to explore the assumption of homogeneity of variances. Figure 4.1 shows the results.

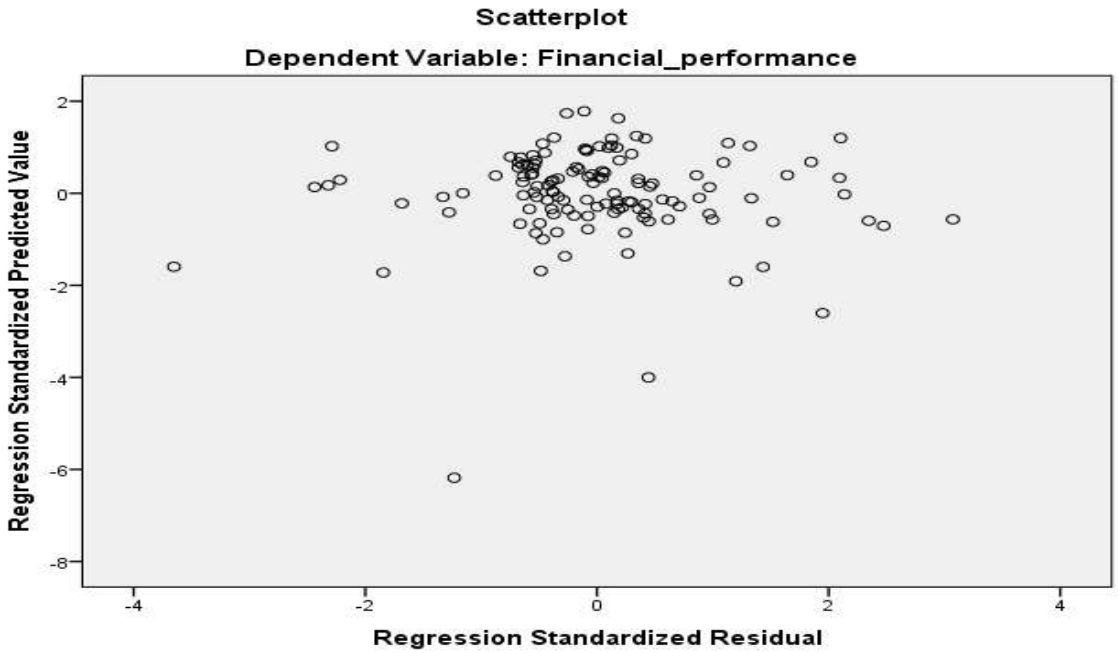

Figure 4.1 Residual Plot

Source: Research findings

Figure 4.1 indicates the residual plots. This indicates that the plotted residuals are not observing a common pattern thus an indication that there is no heteroscedasticity.

4.4.3 Test for Multicollinearity

The variance inflation factors and tolerance levels were used to test for multicollinearity between the dependent and independent variables. Table 4.3 shows the results

Table 4.3 Test for Multicollinearity

Variables	Tolerance	VIF
Debt financing	.943	1.060
Administrative efficiency	.982	1.018
Operational efficiency	.952	1.051
Revenue growth	.977	1.024

a. dependent variable: financial performance

Source: research findings

The collinearity statistics on table 4.3 indicates that there is no multicollinearity since the VIF values are less than recommended value of 10 while the tolerance values are more than the recommended value of 0.2.

4.5 Regression Analysis

The regression analysis section contains the model summary, the analysis of variance (ANOVA) and regression coefficients results.

4.5.1 Model Summary

Table 4.4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.486[a]	.236	.211	.271597	1.961

a. predictors: (constant), revenue growth, operational efficiency, administrative efficiency, debt financing
b. dependent variable: financial performance

Source: Research Findings

The results of the model summary on table 4.3 show that the coefficient of determination value is 0.236. This means that the independent variable (debt financing) and the control variables (operational efficiency, administrative efficiency and revenue growth) account for 23.6% of the variation in the dependent variable (financial performance). The Durbin Watson statistics indicates that there is no autocorrelation as the 1.961 value lies between the recommended range of 1 and 3 respectively.

4.5.2 Analysis of Variance

Table 4.5 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.825	4	.706	9.574	.000[b]
	Residual	9.147	124	.074		
	Total	11.972	128			

a. dependent variable: financial performance

b. predictors: (constant), revenue growth, operational efficiency, administrative efficiency, debt financing

Source: Research findings

The results of ANOVA on table 4.4 show that the P value is 0.000 < 0.05 which is an indication that the model is significant. The findings also indicate that the regression equation is fit to predict the relationship between the study concepts.

4.5.3 Regression Coefficients

Table 4.6 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.661	.070		-9.516	.000
	Debt financing	.047	.052	.074	.912	.364
	Administrative efficiency	-.234	.015	-.124	-15.601	.000
	Operational efficiency	-.016	.003	-.431	-5.357	.000
	Revenue growth	.033	.020	.130	1.641	.103

a. dependent variable: financial performance

Source: Research findings

The coefficient results on table 4.5 indicate that the relationship between debt financing and financial performance of private secondary schools in Kajiado County is positive and insignificant. The results also show that the relationship between administrative efficiency and financial performance of private secondary schools in Kajiado County is negative and significant while the relationship between operational efficiency and financial performance of private secondary schools in Kajiado County is negative and significant. The results finally show that the relationship between revenue growth and financial performance of private secondary schools in Kajiado County is positive and insignificant.

4.6 Discussion of the Findings

The study found a positive and insignificant relationship between debt financing and financial performance of private secondary schools in Kajiado County. This is an

indication that debt financing does not significantly affect the performance of private secondary school in Kajiado County. Similarly, Saad et al (2015) revealed that equity financing has considerably positive connection with the performance of businesses, while debt financing was insignificant. On the contrary, Koskei (2017) revealed that debt to equity ratio has considerable effects on the financial performance, debt asset ratio has no considerable impact on financial performance.

The study also found a negative and significant relationship between administrative efficiency and financial performance of private secondary schools in Kajiado County. This is an indication that administrative efficiency significantly affects the performance of private secondary school in Kajiado County. As such, Mihaiu, Opreana and Cristescu (2010) supports that administrative efficiency may be attained under the situations of maximizing the outcome of performance in connection to the resources consumed, and this is measured by comparing the impacts achieved to their efforts.

The study further found a negative and significant relationship between operational efficiency and financial performance of private secondary schools in Kajiado County. This is an indication that operational efficiency significantly affects the performance of private secondary school in Kajiado County. Ikapel and Kajirwa (2017) study supported this noting that competent organizations will have the tendency of maintaining more levels of stability in terms of operating performance and outputs as compared to other firms. Presence of a sound management is among the vital factors laid behind most firms' improved performance.

The study finally found a positive and insignificant relationship between revenue growth and financial performance of private secondary schools in Kajiado County. This is an indication that revenue growth does not significantly affect the performance of private secondary school in Kajiado County. Gabrijelcic, Herman and Lenarcic (2016) on the contrary supports that growth over a given time in the monetary gains of a firm is a good measure of performance as it signifies that a firm is constantly making improvements.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, section 5.2 provides the summary of the finding, section 5.3 provides the study conclusions while section 5.4 provides the research recommendations. Additionally, section 5.5 outlines the research limitations while section 5.6 recommends areas of further research.

5.2 Summary of Findings

This study aimed at finding out the impact of debt financing on the financial performance of private secondary schools in Kajiado County. The conceptual model for the study constituted debt financing as the independent variable while financial performance was the dependent variable. In addition, revenue growth, administrative efficiency and management efficiency were employed as the control variables. The study conducted a census of the 61 private secondary schools in Kajiado County and collected data for a period of 3 years from 2014 to 2016. The study however managed to collect data from 43 private secondary schools.

The descriptive results found that the average performance in financial terms was 0.10278 while the average value of debt financing was 0.11587 respectively. The results further established that the average value of administrative efficiency was 0.38005 while the average value of operational efficiency was 6.41947 respectively. The mean revenue growth for the schools was 0.25539. The calculated kurtosis and skewness values

established the data was normally distributed and the assumption of normality was not violated.

The results on correlation found that the correlation between debt financing, revenue growth and financial performance was weak and positive while the correlation between administrative efficiency, operational efficiency and financial performance of private secondary schools in Kajiado County weak and negative. The results of the model summary established that the independent variable and control variables accounted for 23.6% of the variation in the dependent variable while the ANOVA findings found that the study model was significant and fit to predict the relationship between the study concepts.

The coefficient results found that the relationship between debt financing and financial performance of private secondary schools in Kajiado County was positive and insignificant. The results also found that the relationship between administrative efficiency and financial performance of private secondary schools in Kajiado County was negative and significant while the relationship between operational efficiency and financial performance of private secondary schools in Kajiado County was negative and significant. The results finally found that the relationship between revenue growth and financial performance of private secondary schools in Kajiado County was positive and insignificant.

5.3 Conclusions

The study found a positive and insignificant relationship between debt financing and financial performance of private secondary schools in Kajiado County. Thus, the study

concludes that debt financing does not significantly affect the financial performance of private secondary school in Kajiado County.

The study also found a negative and significant relationship between administrative efficiency and financial performance of private secondary schools in Kajiado County. Thus, the study concludes that administrative efficiency significantly affects the financial performance of private secondary school in Kajiado County.

The research findings established a negative and significant relationship between operational efficiency and financial performance of private secondary schools in Kajiado County. Thus, the study concludes that operational efficiency significantly affects the financial performance of private secondary school in Kajiado County.

The study also found a positive and insignificant relationship between revenue growth and financial performance of private secondary schools in Kajiado County. Thus, the study concludes that revenue growth does not significantly the performance of private secondary school in Kajiado County.

5.4 Recommendations

The research found that the relationship between debt financing and financial performance of private secondary schools in Kajiado County was positive and insignificant. Thus, the study nevertheless recommends that the administration of private secondary schools in Kajiado County should emlpoy optimal levels of debt since interest payments on debt can affect the schools cash flows.

In addition, the study found that the relationship between administrative efficiency and financial performance of private secondary schools in Kajiado County was negative and significant. The study thus recommends that the administration of private secondary schools in Kajiado County should effectively manage their administrative expenses to enhance their schools' performance in financial terms.

The findings revealed that the relationship between operational efficiency and financial performance of private secondary schools in Kajiado County was negative and significant. The study thus recommends that the administration of private secondary schools in Kajiado County should effectively manage their total expenses to enhance their schools' performance in financial terms.

The findings further found that the relationship between revenue growth and financial performance of private secondary schools in Kajiado County was positive and insignificant. Thus, the study nevertheless recommends that the administration of private secondary schools in Kajiado County should devise effective strategies to enhance their revenue generation since revenue is vital towards meeting the obligations of the private schools.

5.5 Limitations of the Study

The scope of this study was to explore the relationship between debt financing and private secondary schools in Kajiado financial performance. The findings are therefore based on secondary private schools within Kajiado and may not be applicable to public secondary school since their financing mode is different as they rely more on government financing and fees.

In addition, while carrying out the study, the study found out that most of the smaller private secondary schools did not keep up to date accounting reports on the amount of administrative expenses incurred by the institutions. Thus, most of the expenses were estimates especially on the day to day expenses.

Furthermore, the study used secondary data, which was sought from bursars and school records in private schools in Kajiado County. Secondary data in its nature is historical and may not reflect the current situation of borrowing and financing by private schools. In addition, the data may not be obtained from financial reports which are prepared on certain principals and the schools may not apply same standards.

Finally, the findings are based on the considered study period of 3 years from 2014 to 2016. Therefore, the findings and conclusions are based on the considered study period and may not be applied to the period before or after the research.

5.6 Suggestion for Further Research

The major concept of this study was debt financing which covers short-term financing and long-term debt financing. This study recommends a study on the effects of either long-term debt or short-term debt financing strategies by private secondary schools in Kajiado County.

This study also covered a single county thus the study recommends a similar study on private secondary in several counties in Kenya. The study also recommends an additional study on debt financing by private primary schools in various counties.

Further, there are also international schools in Kenya; hence, an additional study may be carried out to explore the financing structure in international schools. The effects of financial structure in international schools on the performance of the schools may be explored and conclusions made.

Finally, a study can be carried on the factors that influence debt financing in private secondary schools and the major factors that influence their financing choice. A study can also be carried out on the major capital source for private secondary schools in Kenya and the challenges faced by the school heads towards accessing finance.

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APPENDICES

Appendix I: List of Private Secondary Schools in Kajiado County

1. Gladphil School
2. St Claire Girls Secondary School
3. St Cleopas Girls Boarding School
4. Grace Hannah Girls Secondary School
5. Kiseryan Girls Academy
6. Kiserian Junior Seminary-Sec
7. Namanga Girls High School
8. Immanuel Secondary School
9. Boema Academy Sec
10. Kitengela Boys High
11. Seleka Academy Secondary School
12. Gladphil Sch -Sec
13. Kitenegela Girls High School
14. Christ The King Sec
15. Serare Sch-Sec
16. Brother Beausang Catholic Education Center-Sec
17. Pcea Ngong Hill Secondary School
18. Upper Matasia Secondary School
19. Shiloh Harvest Academy- Sec
20. Doa Base High School
21. Magnet High School
22. Finken Education Center-Sec
23. Magnet High School
24. Finken Education Center-Sec
25. Hekima Senior Secondary School
26. Millenium Secondary School
27. Ongata Rongai Education Complex-Sec
28. Helena B High School
29. Mbagathi View Academy-Sec
30. Mugima Training & Outreach Center-Sec
31. St Charles Mutego Education Center Sec
32. Lewisa Academy-Sec
33. Namanga Mixed Day Secondary School
34. Kajiado International Academy Secondary School
35. Nori Secondary School

36. Aman Bright Future Secondary School
37. Rema Boys High School
38. Kitengela Hilltop Senior School
39. Oloirien Secondary School
40. Joram G.M Academy-Sec
41. Nkoroi Plainsview Hill Academy-Sec
42. Chenny Sch-Sec
43. Royal Star High School
44. Kajiado Hill Girls Academy
45. Almaktoum Girls Secondary School
46. Kajiado Central Secondary School
47. Orok Secondary School
48. Namanga Border Secondary School
49. El Gibbor Sec
50. Kitengela Vineyard Academy
51. Huduma Mixed Secondary
52. Dawamu School
53. Kilimanjaro Senior Girls
54. Pcea Imbirikani Girls High School
55. Masai High School
56. Masai Boys High School
57. Star Sheikh Girls School
58. St. Patricks Senior Sch(Sec)
59. Maxwell Adventist Academy-Sec
60. Laiser Hill Academy-Sec
61. Bishop Mazoldi Secondary School

Appendix II: Data Collection Form

I am a student with the University of Nairobi pursuing a degree in Master of Science in Finance and would like to seek your assistance in collecting information for my project "Effect of debt financing on the financial performance of private secondary schools in Kajiado County. Kindly note that all information will be treated as '**Strictly Confidential**' and will not be shared with any third party.

School name (optional) _____

Year	**2016** **K.Shs**	**2015** **K.Shs**	**2014** **K.Shs**
Total borrowings			
Surplus or deficit (profit/loss)			
Total Revenue			
Total assets			
Administration expenses			
Total expenses			

Appendix III: Research Data

	Year	Net Profit/loss (K.Shs)	Total revenue (K.Shs)	Total borrowings (K.Shs)	Total assets (K.Shs)	Administration expenses (K.Shs)	Total expenses (K.Shs)
School 1	2016	30034.75	500189	50048	650437	583500.5	1187481
	2015	-30522.8	493782	49973	597891	586501.5	1200137
	2014	30798	501710	55000	600137	593561.5	1177182
School 2	2016	62500	285000	50375	800000	865000	1900125
	2015	52500	245300	60000	837400	872765	1923000
	2014	-78750	350500	45000	640500	800425	1810750
School 3	2016	57500	600000	37500	1700000	400000	1530000
	2015	67500	400000	27625	1200000	450000	1680000
	2014	75000	530000	37500	1900000	200000	400000
School 4	2016	125040	800780	75037.5	1576600	740066	1701356
	2015	124869	824132	53752.75	1813124	755085.5	1650180
	2014	152533.8	781720	300037.8	1670780	745297.5	1500135
School 5	2016	250000	1800000	200000	2500000	847500	2250000
	2015	375000	2000000	0.00	1900000	750000	1900000
	2014	450000	1600000	0.00	1700000	890000	1899000
School 6	2016	500000	4000000	1750000	9000000	2500000	7000000
	2015	575000	3500000	2000025	8500000	1500000	6000000
	2014	450000	3800000	1625000	7000000	2000000	5000000
School 7	2016	305075	4200900	1689075	8300000	1200000	3500700
	2015	925062.5	3800500	1387552	6300000	900350	2500000
	2014	1110125	2300000	2075050	9040000	2150250	5000000
School 8	2016	800000	2870000	1250000	6800000	1206921	2434002
	2015	950000	2660000	1200000	5700000	1050124	2218210
	2014	525000	1890000	850000	5267231	963576	1918181
School 9	2016	100000	650000	450000	1200000	100000	607000
	2015	112500	508000	431250	1000000	52500	428000
	2014	-76250	425000	412500	908000	98000	287000
School 10	2016	465000	3120000	0.00	8000000	2430000	7600000
	2015	368250	3225000	0.00	9780000	1620000	6480000
	2014	650000	2900000	0.00	8750000	1800000	2750000
School 11	2016	-75000	630000	450000	2400000	450000	1200500
	2015	132500	840000	500000	1850000	750000	1670000
	2014	200000	1005000	600000	3000000	675000	1800000
School 12	2016	475000	800000	625000	3000000	825000	1800000

	2015	300000	750000	450000	3500000	350000	1200000
	2014	350000	750000	550000	3500000	250000	1100000
School 13	2016	700000	3000000	0.00	4700000	500000	2000000
	2015	575000	3200000	0.00	4800000	750000	2400000
	2014	625000	2800000	0.00	3000000	650000	2700000
School 14	2016	81750	1587000	450000	3987000	703500	2570000
	2015	71125	1610500	484350	2200000	768500	2620700
	2014	100100	1496000	467612.5	2790000	800000	2680000
School 15	2016	125000	2800000	1200000	5000000	1300000	3700000
	2015	112500	2400000	1150000	3000000	1125000	3400000
	2014	50000	1800000	1050000	2000000	1250000	3750000
School 16	2016	300000	1100000	650000	3000000	500000	1600000
	2015	-225000	500000	1087500	2500000	600000	1450000
	2014	300000	600000	1100000	3000000	450000	1800000
School 17	2016	375000	1000000	1225000	2000000	450000	1000000
	2015	250000	900000	1125000	1900000	250000	900000
	2014	225000	700000	750000	1500000	200000	700000
School 18	2016	462500	2580000	1875000	9000000	1725000	4970000
	2015	251250	1860000	1455000	8560000	1480000	3400000
	2014	375000	2000000	1500000	7650000	1230000	2960000
School 19	2016	112500	880400	0.00	1990200	895100	2005000
	2015	165000	450500	0.00	1988405	499910	1705221
	2014	55225	705600	0.00	1505000	555270	1409821
School 20	2016	150000	1005000	0.00	1810000	490000	1500000
	2015	195250	941000	0.00	1710000	500000	1450000
	1014	145250	1450000	325000	1600000	605000	1350000
School 21	2016	225000	770000	250000	1200000	205000	800000
	2015	200000	430000	200000	1101000	185000	560000
	2014	-112500	600000	125000	990000	75000	230000
School 22	2016	33042.5	600750	175063.8	800150	93525	1200050
	2015	52518.75	710781	170038.8	750155	550750	1375000
	2014	44452.5	680510	177745	780750	95525	1301500
School 23	2016	200000	1200000	875000	5000000	650000	1500000
	2015	217500	1080000	625000	4900000	625000	1800000
	2014	212500	900000	950000	4500000	575000	1750000
School 24	2016	27648.75	1495453	136298.8	1800000	327700	845900
	2015	23863.25	945683	116250	1675585	352800	505400
	2014	56488.75	1200000	225000	2500955	400222.5	1600255
School 25	2016	-50002.5	243137	175125	700183	300065	1880080
	2015	34295	301536	190237.5	801340	268502.5	187347
	2014	47250	320177	200257.5	783100	349760	1930430

School 26	2016	224890	3000000	0.00	4200150	400000	960050
	2015	206500	2900500	0.00	3700000	380000	850000
	2014	197250	1200050	500000	2500000	504525	1400500
School 27	2016	39401.25	400569	50024.75	600929	164147.5	425560
	2015	72377	398040	88402.25	592600	171510	392201
	2014	73762.5	379850	109820.5	555690	143525	329123
School 28	2016	25050	340000	103000	500750	150085	380100
	2015	20000	390300	96300	460120	175125	360000
	2014	15125	370350	87500	450000	180050	320000
School 29	2016	37500	623540	113900	850400	43750	250000
	2015	23912.5	475600	87500	634500	42862.5	130215
	2014	-18375	295350	75000	430750	47800	105676
School 30	2016	46845.5	500302	150232.5	800182	250106.5	679522
	2015	43367.25	489273	132683.8	709790	240150.5	691281
	2014	45550.25	479292	123422.8	722312	235621.5	596287
School 31	2016	151250	2580300	300000	5000345	2250150	6597000
	2015	149414.5	2300200	346250	4905050	2167550	5680000
	2014	143770	2650010	352000	4603597	2296500	5770003
School 32	2016	200000	1050000	375000	1600000	244893	600410
	2015	158752.5	978450	217625	1215600	192947	480070
	2014	143828.8	890000	150000	980000	109075	450900
School 33	2016	112500	700000	912500	4700000	1250000	3000000
	2015	162500	800000	1195000	10000000	1500000	4500000
	2014	87500	960000	1137500	10000000	1600000	4700000
School 34	2016	467300.8	2450050	0.00	4500390	381025	1230010
	2015	438048	2368720	0.00	4758920	325161	1103330
	2014	468336.3	2480970	0.00	4800900	341225	1300210
School 35	2016	50000	450000	200000	790500	202500	450000
	2015	200125	590000	0.00	670050	300075	1065500
	2014	177700	550600	0.00	630000	245000	630000
School 36	2016	162500	1250650	0.00	1800000	425025	940010
	2015	145000	999300	0.00	1400000	385300	795135
	2014	105000	870000	0.00	1100000	280300	610250
School 37	2016	200000	1250000	400000	1580230	93500	1153000
	2015	-192033	1000000	243900	174350	365250	1200000
	2014	153332.5	2000000	75000	2433380	375050	1189050
School 38	2016	125000	1800000	400000	5200000	1500000	2000000
	2015	50000	750000	30000	2000000	1250000	1250000
	2014	175000	400000	37500	8000000	250000	650000
School 39	2016	100000	700000	22500	1600000	150000	2200000
	2015	150000	900000	30000	1090000	80000	1800000

	2014	62500	300000	47500	990000	45000	1000000
School 40	2016	150000	440000	450000	2500000	350000	990000
	2015	75000	800000	50000	1100000	200000	700000
	2014	112500	230000	47500	770000	60000	400000
School 41	2016	24500	300205	80000	550790	383775	1117020
	2015	24687.5	293017	81250	490230	386525	1100530
	2014	24967.5	294081	81000	525007	393502.5	1101020
School 42	2016	-112500	620000	0.00	3000500	475000	1600500
	2015	87500	580000	1500043	2800000	240000	1300005
	2014	75000	500000	0.00	1900000	245000	900000
School 43	2016	-95000	2801000	387500	3010000	948500	2340000
	2015	136250	2042000	320000	2960000	975000	3089000
	2014	240000	2720000	415000	3001000	1002500	3000200