

**\$80,000,000\***  
**CALIFORNIA SCHOOL FINANCE AUTHORITY**  
**SCHOOL FACILITY REVENUE BONDS**  
**(KIPP LA PROJECTS)**  
**SERIES 2015A (TAX-EXEMPT) AND 2015B (TAXABLE)**  
**EXECUTIVE SUMMARY**  
**RESOLUTION 15-20**

**Borrower:** KLARE Holdings

**Landlords at Facilities:** 1) 668 Atlantic LLC; 2) Budlong LLC; 3) SoLA 2 LLC; 4) West51 LLC; and 5) BH Soto LLC

**Project User:** 1) KIPP Raíces Academy; 2) KIPP Vida Preparatory Academy; 3) KIPP Academy of Opportunity; 4) KIPP Scholar Academy; 5) KIPP Academy of Innovation Prep; and 6) KIPP Promesa Prep

**Loan Amount:** Not to exceed \$80,000,000

**Expected Issuance:** August 2015

**Project:** Financing and refinancing of educational facilities for KIPP LA campuses – see “Use of Bond Proceeds” below.

**Bond Type:** School Facility Revenue Bonds (Taxable and Tax Exempt Series) (the “Bonds”)

**Project Location:** 1) 668 S. Atlantic Boulevard, Los Angeles, CA; 2) 4410 S. Budlong, Los Angeles, CA; 3) 8500 S. Figueroa Boulevard, Los Angeles, C; 4) 5101 Western Avenue, Los Angeles, CA; 5) 2141 South Soto Street, Los Angeles, CA ; and 6) 2141 South Soto Street, Los Angeles, CA

**County:** Los Angeles

**District in which Project is Located:** Los Angeles Unified School District

**Charter Authorizer:** Los Angeles Unified School District

**Est. Annual Payment:** \$3,860,000

**Anticipated Rating:** BB+ (S&P)

**Structure:** \$59,235,000 (Tax-Exempt) and \$205,000 (Taxable)

**Sale Method:** Limited Public Offering (dependent on final rating)

**Underwriter:** Robert W. Baird & Co.

**Financial Advisor:** Buck Financial

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP

## I. Use of Bond Proceeds and Project Description

The proceeds of the Bonds will be used for the following purposes: (a) financing the acquisition of land and buildings and the construction, expansion, remodeling, renovation, improvement, furnishing, and equipment of certain educational facilities located at 4410 S. Budlong Avenue in Los Angeles, California (Budlong Facility) where KIPP Vida Preparatory Academy will operate; (b) financing the acquisition of land and buildings and the construction, expansion, remodeling, renovation, improvement, furnishing, and equipment of certain educational facilities located at 8500 S. Figueroa Street in Los Angeles, California (Figueroa Facility) where KIPP Academy of Opportunity will operate; (c) funding a deposit into an escrow which will refinance the outstanding loan (Raíces Loan) used to acquire land and buildings and to construct, expand, remodel, renovate, improve, furnish, and equip certain educational facilities located at 668 South Atlantic Boulevard in Los Angeles, California (Atlantic Facility) where KIPP Raíces Academy will operate; (d) financing the acquisition of land and buildings and the construction of certain educational facilities located at 5150-5152 Western Avenue in Los Angeles, California (Western Facility) where KIPP Scholar Academy will operate; (e) financing the acquisition of land and buildings and the construction, expansion, remodeling, renovation, improvement, furnishing, and equipment of certain educational facilities located at 2141 South Soto Street in Los Angeles, California (BH Soto Facility and together with the Budlong Facility, the Figueroa Facility, the Atlantic Facility, and the Western Facility, the “Facilities”) where KIPP Academy of Innovation and KIPP Promesa Prep will operate; (f) funding a reserve fund with respect to the Bonds and certain capitalized interest; and (g) paying costs of issuance for the Bonds (collectively, the “KIPP LA Projects”).

Schools	Opportunity (Figueroa II Facility)	Vida (Budlong Facility)	Raíces (Atlantic Facility)*	Scholar (Western Facility)	Innovation and Promesa (Soto Facility)	Totals
Refinance			\$2,431,407			\$2,431,407
Acquisition	\$2,010,000	\$2,405,000			\$11,000,000	15,415,000
Hard Costs	4,837,500	5,667,500		\$1,500,000	10,000,000	22,005,000
Soft Costs	1,367,000	1,812,500		500,000	3,700,000	7,379,500
FF&E	250,000	700,000		250,000	750,000	1,950,000
Contingency	560,170	671,100		250,000	1,400,000	2,881,270
<b>Total</b>	<b>\$9,024,670</b>	<b>\$11,256,100</b>	<b>\$2,431,407</b>	<b>\$2,500,000</b>	<b>\$26,850,000</b>	<b>\$52,062,177</b>

## II. KIPP LA and the Project User

KIPP LA Schools (KIPP LA) currently operates 11 free public charter schools on 15 campuses throughout South and East Los Angeles in California. Each of KIPP LA and KLARE Holdings (KLARE) is a California nonprofit public benefit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. KLARE exclusively supports KIPP LA in its role of financing, developing, leasing and maintaining KIPP LA school facilities. KIPP LA currently leases three facilities out of four of its charter schools from KLARE or one of its wholly-owned subsidiaries. Each of KIPP LA and KLARE is governed by a separate and independent board of directors. KIPP LA is part of the larger KIPP (Knowledge is Power Program) network of schools that began in 1994. Currently, there are 141 schools in 20 states and Washington D.C., which serve more than 50,000 students that are part of the larger KIPP network.

KIPP LA's schools serve a combined student population of approximately 3,000 students in South and East Los Angeles. More than 98% of the students at KIPP LA's charter schools are African American or Latino, approximately 89% qualify for free and reduced meals, and approximately one-third are classified as English Learners.

KIPP LA is a student-focused organization whose key concentration is on academic achievement and character development to help its students get on the path to success in college and ultimately life. KIPP LA requires that schools ardently believe in and integrate KIPP's "Five Pillars", which are discussed below, and KIPP LA's mission and values into their school culture and design. KIPP LA requires that its schools teach standards-based curriculum and integrate data and analysis to guide and improve teaching and learning. Additionally, KIPP LA expects each school to focus on character development and success in college as its ultimate goals. Each school is expected to be sustainable with respect to public financing at full enrollment, which is typically the fourth year after opening. Finally, all KIPP LA schools have shared outcomes, and are measured by an overall performance management system designed to ensure that each school is meeting the goals outlined in its charter and approved by KIPP LA management and KIPP LA's Governing Board.

### **III. Financial Structure**

The Authority will issue Tax Exempt and Taxable School Facility Revenue Bonds in one or more series (collectively referred to as the Bonds). The Authority will loan the proceeds of the Bonds to the Borrower to finance and refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Facilities in conjunction with the Schools. The Facilities are expected to be used only by the Schools during the term of the financing leases entered into by KIPP LA, but in any event the Facilities may be used only as public charter schools, provided, however, upon acquisition of the BH Soto Facility, there may be some existing lease obligations at the facility that BH Soto LLC may be obligated to recognize. The repayments of the Bonds will be made primarily from the Controller's intercept of the Schools' funding. However, the Landlords at the Facilities (as the obligated group under a Master Trust Indenture the "Obligated Group", that includes the landlords at the Facilities as members) is, in any event, obligated to make sufficient loan repayments to cover the Bond payments from revenues related to the Schools if the intercepted funds are insufficient. The Landlords at the Facilities (as members of the Obligated Group) is expected to receive lease payments from KIPP LA in an amount sufficient to the loan obligations of the Borrower and to pay debt service on the Bonds.

If rated below BBB-, the Bonds will be dated the date of delivery and will be authorized in denominations of \$250,000 and any integral multiple \$5,000 in excess thereof. The Bonds currently are expected to mature on July 1, 2017 (Taxable) and 2045 (Tax-exempt), with mandatory sinking fund payments prior to maturity. The Bonds are expected to bear interest payable semi-annually on January 1 and July 1 of each year, commencing on January 1, 2016, until maturity or earlier redemption. Bond transfers will be restricted to Qualified Institutional Buyers and Accredited Investors (a restriction that may be removed in accordance with the bond issuance guidelines). Bond annual debt service payments are expected to be approximately \$3,860,000.

### **IV. Security and Source of Payment**

The Bonds are limited obligations payable through the intercept of KIPP LA's apportionments pursuant to California Education Code, Section 17199.4(a) and the gross revenues of the Obligated Group. In addition, the Facilities will be subject to one or more deeds of trust as

security for the Bonds. No interest in separate facilities of the Borrower, other members of the Obligated Group, or KIPP LA will be used to secure the bonds.

## V. Preliminary Sources and Uses/Cost of Issuance

Below are the preliminary sources and uses, and detailed information about the costs of issuance for board consideration.

### Estimated Sources & Uses

Sources:	Series 2015A (Tax Exempt)	Series 2015B (Taxable)	Total
Bond Proceeds:			
Par Amount	59,235,000.00	205,000.00	59,440,000.00
	59,235,000.00	205,000.00	59,440,000.00
Uses:	Series 2015A (Tax Exempt)	Series 2015B (Taxable)	Total
Project Fund Deposits:			
Refinance of Raices Loans	2,431,407.00		2,431,407.00
Vida Campus	11,256,100.00		11,256,100.00
Opportunity Campus	9,024,670.00		9,024,670.00
Scholar - Additional Classrooms	2,500,000.00		2,500,000.00
One K-12 Campus (Innovation & Promesa)	26,850,000.00		26,850,000.00
	52,062,177.00		52,062,177.00
Other Fund Deposits:			
Capitalized Interest Fund	2,137,370.80	7,790.00	2,145,160.80
Debt Service Reserve Fund	3,847,096.00	13,314.00	3,860,410.00
	5,984,466.80	21,104.00	6,005,570.80
Delivery Date Expenses:			
Cost of Issuance (Est.)	518,306.24	179,837.76	698,144.00
Underwriter's Discount	666,393.75	2,306.25	668,700.00
	1,184,699.99	182,144.01	1,366,844.00
Other Uses of Funds:			
Contingency	3,656.21	1,751.99	5,408.20
	59,235,000.00	205,000.00	59,440,000.00

## Estimated Costs of Issuance

<u>Underwriter's Discount:</u>	<u>Per Bond</u>	<u>Estimated Dollar Amount</u>
Management Fee	\$5.000	\$297,250.00
Average Takedown	\$6.250	\$371,562.50
Out-of-Pocket Underwriter's Expenses (to be Paid from COI below):		
Underwriter's Counsel Fee	N/A - Paid from Cost of Issuance	
Miscellaneous Expenses:	\$0.185	\$11,000.00
CDIAC	\$0.040	\$2,378.00
I-Deal Wire Service	\$0.046	\$2,734.70
DTC	\$0.013	\$800.00
Day Loan	\$0.028	\$1,652.71
CUSIP	\$0.007	\$400.00
Travel & Reimbursable Expenses	\$0.051	\$3,034.59
<b>Total Underwriter's Discount</b>		
<u>Maturities</u>	<u>Par Amount</u>	<u>Takedown by Maturity (\$/bond)</u>
Series 2014A (Tax-Exempt) - 2024 Term	\$3,190,000	\$6.250
Series 2014A (Tax-Exempt) - 2034 Term	\$7,510,000	\$6.250
Series 2014A (Tax-Exempt) - 2044 Term	\$14,415,000	\$6.250
Series 2014B (Taxable) - 2017 Term	\$365,000	\$6.250
<u>Cost of Issuance:</u>	<u>Estimated Amount (final tbd until bond sale)</u>	
Issuer Fee	\$39,725.00	
STO Agent for Sale Fee	\$8,000.00	
Issuer Application Fee (Reimburse Borrower)	\$1,500.00	
Issuer's Annual Fee (paid upfront)	\$8,917.50	
Issuer Counsel Fee (AG's Office)	TBD	
Bond Counsel Fee & Expenses (Orrick Herrington) (Est)	\$135,000.00	
Bond Counsel Expenses (Not-to-Exceed)	\$5,000.00	
Borrower's Counsel (Akin Gump)	\$0.00	
Disclosure Counsel (Akin Gump)	\$0.00	
Underwriter's Counsel Fee (Kutak Rock - BPA) (Est.)	\$15,000.00	
Trustee Acceptance, Set Up and Legal Counsel Review	\$2,000.00	
Trustee CA Counsel Fee	\$1,500.00	
Supplemental Indenture Bond Trustee Annual Administration Fee Paid Upfront	\$3,500.00	
Escrow Investment Trust Acceptance and Annual Upfront	\$4,500.00	
Annual Escrow Agent Fee - Paid Upfront	\$750.00	
Dissemination Agent Fee	\$500.00	
POS/OS Printing	\$5,000.00	
Rating Fee	\$67,000.00	
Financial Advisor Fee (Buck Financial) (NTE)	\$225,000.00	
Financial Advisor Expenses	\$3,000.00	
Wilmington Delaware Trust Escrow Fee (Initial and Annual upfront)	\$8,000.00	
Wilmington Delaware Trust Counsel Fee - EST.	\$12,000.00	
NMTC LA Prep Loan - CDE / Allocatee	\$35,000.00	
NMTC LA Prep Loan - CDE Counsel (Est.)	\$25,000.00	
NMTC LA Prep Loan - KIPP Tax-Credit Counsel (Est.)	TBD	
NMTC LA Prep Loan - Investor Counsel (Est.)	\$20,000.00	
Title Insurance - Estimate	\$50,426.00	
Underwriter Expenses	\$11,000.00	
Misc.	\$20,000.00	
Total COI	\$707,318.50	
Underwriter's Discount	\$668,812.500	
<b>Total Costs</b>	<b>\$1,376,131.00</b>	

## **VI. Project Description**

KLARE will use the proceeds of the Series 2015 Bonds for the following purposes: (a) to finance, refinance or reimburse the cost of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the charter school educational facilities (i) known as Opportunity, to be located at 8500 South Figueroa Street, Los Angeles, CA 90003 ("Figueroa II Facility"), (ii) known as Vida, to be located at 4410 South Budlong Avenue, Los Angeles, CA 90037 ("Budlong Facility"), (iii) known as Raíces, located at 668 South Atlantic Blvd., Los Angeles, CA 90022 ("Atlantic Facility"), (iv) known as Scholar, to be located at 5101 South Western Avenue, Los Angeles, CA 90062 ("Western Facility"); (v) known as Innovation and Promesa to be located at 2141 S. Soto Street, Los Angeles, CA 90023 ("Soto Facility") (b) to fund a reserve fund for the Bonds; (c) to fund capitalized interest on a portion of the Bonds; and (d) to pay certain expenses in connection with the issuance of the Bonds (collectively, the "KIPP LA 2015 Projects").

The Figueroa Facility II (Opportunity) will consist of a remodeled and expanded two-story 19,000 square-foot building with 18 classrooms, multipurpose room and administrative office. The Budlong Facility will consist of a remodeled one-story 30,000 square foot building with 24 classrooms, multipurpose room and administrative offices. The Western Facility will consist of a remodeled two-story 16,000 square foot building with 16 classrooms. The Soto Facility will consist of a remodeled 70,000 facility that will house Innovation and Promesa as well as provide additional space to be leased to a public charter high school. It is expected that this facility will include approximately 60 classrooms.

Each of KIPP LA and KLARE, as applicable, intends to apply for all necessary planning board, zoning board and related approvals. The Projects contemplated do not require Conditional Use Permits. It is expected that construction will be phased to ensure that the project is completed as soon as possible. Plans are in the process of being completed and have been submitted for the Budlong Facility and are underway for the Figueroa II Facility. Conceptual drawings are being completed for the Western Facility and Boyle Heights Facility. It is anticipated that permits will be issued for the Budlong Facility by October, and for each of the Figueroa II Facility, the Western Facility, and the Soto Facility by January.

At the start of the 2015-16 school year and continuing until construction of the New Facilities is completed (the "Construction Period"), KIPP LA will continue to operate Opportunity, Vida, and Scholar at their existing sites. Opportunity will operate at the Van Ness Facility and the Figueroa Facility until the completion of the Figueroa II Facility. Vida will operate at the Western Facility until completion of the Budlong Facility. Scholar will remain at the MLK Facilities, Innovation will be at the ChaMed Facility and Promesa will be at the Dacotah Facility.

The Landlords will own the Figueroa II (Opportunity), Budlong (Vida), and Soto (Innovation / Promesa) Facilities and will continue to lease the Western and Atlantic Facilities. The Landlords will lease all facilities to KIPP LA. Upon its completion, the New Facilities will provide space for approximately 3,600 students.

## **VII. Borrower Financial Data**

The Borrower is a California nonprofit public benefit corporation formed as a support organization for charter schools formed and controlled by KIPP LA. The Borrower has received a determination letter from the Internal Revenue Service recognizing it as an entity described in Section 501(c)(3) of the Code.

Each limited liability company of which the Borrower is the sole member is a single purpose entity with no assets other than the applicable Facility and its rights under the applicable Lease or Leases, which will be assigned to the Trustee. The limited liability companies were formed for the purpose of owning each Facility and are not expected to have any other assets or revenue available to them to make payments due under the Loan Agreement. Attached at Exhibit D is a schedule of KIPP LA's 5-year budget.

### **VIII. Due Diligence Undertaken to Date**

No information was disclosed to question the financial viability or legal integrity of the Borrower. Standard opinions of counsel (i.e., that the borrowing entity has been duly organized, is in good standing, is a 501(c)(3) organization, has the full authority to enter into all documents which are valid and binding, etc.) will be delivered at closing.

### **IX. Bond Sales Restrictions**

Per Bond Issuance Guidelines adopted by the CSFA board, the following sales restrictions may apply to the KIPP LA financing if the Bonds receive a rating less than BBB-: <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

1. Bonds will be in minimum denominations of \$250,000
2. Bonds may be publicly offered or privately placed
3. Bonds will be sold initially only to Qualified Institutional Buyers (QIB) and Accredited Investors (AI)
4. Subsequent transfers of bonds are limited to QIBs and AIs
5. Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents
6. Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code

### **X. Staff Recommendation**

Staff recommends CSFA approve Resolution Number 15-20 in an amount not to exceed \$80,000,000.

**Exhibit A**  
**Schools, Landlord, Sole Members**

<b>School</b>	<b>Landlord</b>	<b>Sole Member of Landlord</b>
<b>KIPP Raíces Academy</b>	<b>668 Atlantic LLC</b>	<b>KLARE Holdings</b>
<b>KIPP Vida Preparatory Academy</b>	<b>Budnon LLC</b>	<b>KLARE Holdings</b>
<b>KIPP Academy of Opportunity</b>	<b>SoLA 2 LLC</b>	<b>KLARE Holdings</b>
<b>KIPP Scholar Academy</b>	<b>West51 LLC</b>	<b>KLARE Holdings</b>
<b>KIPP Academy of Innovation</b>	<b>BH Soto LLC</b>	<b>KLARE Holdings</b>
<b>KIPP Promesa Prep</b>	<b>BH Soto LLC</b>	<b>KLARE Holdings</b>

## Exhibit B Combined Statement of Activities

### KIPP LA Schools Statement of Revenues, Expenditures and Changes in Fund Balances Fiscal Year Ended June 30,

Fiscal Year Ended June 30,	KIPP LA Consolidated					Related Schools Only				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
<b>Revenues</b>										
State revenue:										
General Purpose Block Grant	3,130,316	4,700,462	6,166,510	7,939,226	0	3,130,316	4,380,118	5,410,638	6,502,797	0
Categorical	619,141	497,363	1,132,708	1,697,094	0	619,141	461,656	1,002,528	1,322,480	0
Lottery Revenue	105,136	158,687	259,005	243,310	0	105,136	147,899	232,228	212,860	0
Other	1,042,922	2,299,429	2,321,218	3,395,615	0	1,042,922	2,190,416	2,092,816	2,721,729	0
State aid					14,525,599	0	0	0	0	11,797,268
Other state revenue					5,793,612	0	0	0	0	4,472,901
Federal revenues - grants and entitlements	1,250,032	2,570,080	2,401,751	2,979,545	4,008,128	1,250,032	1,967,528	1,922,419	2,248,489	2,905,454
Local revenues:										
In-lieu property tax revenue	1,228,905	1,542,293	2,182,364	2,950,706	4,906,848	1,228,905	1,422,817	1,907,891	2,409,595	3,969,639
Contributions	3,180,290	4,426,263	4,594,912	7,450,908	11,759,004	1,182,352	1,524,085	1,988,024	1,990,110	2,283,203
Interest income	14,532	28,735	0	0	0	0	0	0	0	0
Other revenue	141,667	66,859	337,020	674,275	1,968,918	101,666	49,097	126,223	378,821	1,513,973
<b>Total Revenues</b>	<b>10,712,941</b>	<b>16,290,171</b>	<b>19,395,488</b>	<b>27,330,679</b>	<b>42,962,109</b>	<b>8,660,470</b>	<b>12,143,616</b>	<b>14,682,767</b>	<b>17,786,881</b>	<b>26,942,438</b>
Net Assets released from restriction		970,875	1,142,595	389,912	0	0	0	0	0	0
<b>Total unrestricted revenues and net assets released from restriction</b>	<b>10,712,941</b>	<b>17,261,046</b>	<b>20,538,083</b>	<b>27,720,591</b>	<b>42,962,109</b>	<b>8,660,470</b>	<b>12,143,616</b>	<b>14,682,767</b>	<b>17,786,881</b>	<b>26,942,438</b>
<b>Expenditures:</b>										
Program services										
Educational programs	6,411,830	10,074,199	11,629,194	15,069,376	23,324,928	6,220,838	9,034,076	10,102,974	11,949,830	15,732,586
Support services:										
General and administrative	3,845,441	5,628,065	7,177,916	8,905,933	9,317,026	2,627,264	3,202,706	4,010,855	4,648,690	7,148,633
Fundraising	110,404	96,710	393,379	520,043	800,585	33,890	46,807	31,842	49,749	521,862
<b>Total Expenses</b>	<b>10,367,675</b>	<b>15,798,974</b>	<b>19,200,489</b>	<b>24,495,352</b>	<b>33,442,539</b>	<b>8,881,992</b>	<b>12,283,589</b>	<b>14,145,671</b>	<b>16,648,269</b>	<b>23,403,081</b>
<b>Change in unrestricted net assets</b>	<b>345,266</b>	<b>1,462,072</b>	<b>1,337,594</b>	<b>3,225,239</b>	<b>9,519,570</b>	<b>(221,522)</b>	<b>(139,973)</b>	<b>537,096</b>	<b>1,138,612</b>	<b>3,539,357</b>
<b>Temporarily Restricted Net Assets</b>										
Local Revenue Contributions	1,913,470	0	980,393	549,202	6,395,019	0	0	0	0	0
Investment		0	0	1,673	52,031	0	0	0	0	0
Released from Restriction		(970,875)	(1,142,595)	(389,912)	0	0	0	0	0	0
<b>Change in Temporarily Restricted Net Assets</b>	<b>1,913,470</b>	<b>(970,875)</b>	<b>(162,202)</b>	<b>160,963</b>	<b>6,447,050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>2,258,736</b>	<b>491,197</b>	<b>1,175,392</b>	<b>3,386,202</b>	<b>15,966,620</b>	<b>(221,522)</b>	<b>(139,973)</b>	<b>537,096</b>	<b>1,138,612</b>	<b>3,539,357</b>
Net Assets, Beginning of the Year	3,844,424	6,103,160	6,594,357	7,769,749	12,201,025	3,280,949	3,245,740	3,105,767	3,642,863	4,781,475
<b>Net Assets, End of the Year</b>	<b>6,103,160</b>	<b>6,594,357</b>	<b>7,769,749</b>	<b>11,155,951</b>	<b>28,167,645</b>	<b>3,059,427</b>	<b>3,105,767</b>	<b>3,642,863</b>	<b>4,781,475</b>	<b>8,320,832</b>

**Exhibit C  
5-Year Budget Projections**

	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP
<b>FY Ended June 30,</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
<b>Income Statement</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>REVENUE</b>							
<i>General Purpose Funding</i>							
Revenue Limit State-Aid	-	15,785,644	22,178,307	26,464,133	28,152,124	29,081,292	29,628,123
Prop 30 - Education Protection Account	2,251,889	3,202,065	5,265,633	7,335,227	8,963,873	9,818,974	10,269,952
Charter School General Purpose (State)	9,546,984	-	-	-	-	-	-
In Lieu of Property Tax	3,969,639	5,059,986	5,553,034	6,523,954	7,053,924	7,298,347	7,411,980
<i>Total General Purpose Funding</i>	15,768,512	24,047,695	32,996,974	40,323,315	44,169,921	46,198,613	47,310,055
<i>Federal Revenue</i>							
SPED - IDEA	423,714	617,979	738,205	867,276	937,729	970,222	985,328
Federal Nutrition Program	1,206,368	1,724,860	1,793,800	2,195,997	2,455,270	2,611,326	2,723,608
Title I Funding	779,287	1,045,798	1,184,223	1,383,833	1,490,209	1,542,996	1,569,707
Other Title Funding	35,298	99,258	121,939	146,050	160,985	169,155	174,745
E-rate	194,443	304,428	483,663	536,461	564,324	552,981	548,644
Other Federal	238,728	232,883	-	-	-	-	-
<i>Total Federal Revenue</i>	2,877,837	4,025,205	4,321,829	5,129,617	5,608,517	5,846,680	6,002,032
<i>Other State Revenue</i>							
State Lottery	376,567	483,474	491,802	601,979	707,232	764,684	791,180
Special Education	1,511,378	1,938,190	2,077,199	2,479,433	2,747,334	2,924,111	3,043,880
Charter School Facility Grants - SB740 State	1,567,529	1,903,114	2,726,460	3,251,257	3,519,169	3,647,159	3,708,621
State Nutrition Reimbursement	79,007	115,482	144,934	178,375	200,086	212,931	222,102
Other State Revenue	936,817	1,001,047	2,486,536	887,730	894,508	898,981	902,011
<i>Total Other State Revenue</i>	4,471,298	5,441,307	7,926,932	7,398,775	8,068,330	8,447,866	8,667,794
<i>Other - Local Revenue</i>							
Donations and Grants-Schools	2,110,197	1,199,532	900,000	500,000	-	-	-
Donations and Grants-SST	552,500	625,380	651,000	666,250	-	-	-
KIPP Foundation-CSP Grant	987,842	1,086,766	559,752	257,500	-	-	-
Other Local Revenue	174,254	187,927	195,947	229,578	251,073	264,464	274,738

	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP
<b>FY Ended June 30,</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
<i>Total Other Local Revenue</i>	3,824,793	3,099,604	2,306,699	1,653,328	251,073	264,464	274,738
<b>TOTAL REVENUE</b>	<b>26,942,440</b>	<b>36,613,812</b>	<b>47,552,434</b>	<b>54,505,035</b>	<b>58,097,841</b>	<b>60,757,623</b>	<b>62,254,619</b>
<b>EXPENSE</b>							
<i>Certificated Salaries</i>							
Certified Teacher Salaries	7,472,840	9,857,408	13,961,576	16,215,228	17,932,082	18,927,274	19,544,869
Other Certificated Pupil Support	171,495	305,430	352,554	457,631	547,283	572,229	583,673
Certificated Administrators	1,529,329	1,358,055	1,502,079	1,707,141	1,741,284	1,856,109	1,893,232
Other Certificated, Non-Supervisory	75,720	545,723	1,005,952	1,176,131	1,183,079	1,206,740	1,295,875
<i>Total Certificated Salaries</i>	9,249,385	12,066,616	16,822,160	19,556,130	21,403,728	22,562,352	23,317,649
<i>Classified Salaries:</i>							
Non-Certificated Instructional Aides	685,315	982,775	1,268,503	1,599,615	1,751,607	1,806,640	1,842,772
Technical, Clerical, Office Staff	855,396	1,152,063	1,259,223	1,339,000	1,399,780	1,427,775	1,456,331
<i>Total Classified Salaries</i>	1,540,711	2,134,838	2,527,726	2,938,615	3,151,387	3,234,415	3,299,103
<i>Employee Benefits</i>							
Pension Contributions	140,944	150,973	224,431	278,761	324,919	372,813	422,491
FICA	708,852	962,309	1,368,835	1,605,380	1,760,761	1,853,466	1,913,868
Medical/Insurance/SUI	903,583	1,277,006	1,501,665	1,743,098	1,932,323	2,063,730	2,155,777
Workman's Comp	119,021	99,436	204,224	240,186	264,682	280,667	292,262
401(k) Contributions	241,099	274,040	471,688	635,917	696,208	732,577	756,379
Other Employee Benefits	71,765	103,020	165,000	182,496	193,409	201,361	209,070
<i>Total Employee Benefits</i>	2,185,264	2,866,784	3,935,842	4,685,837	5,172,303	5,504,614	5,749,847
<i>Supplies &amp; Materials</i>							
Textbooks/Instructional Resources	259,116	412,885	322,990	330,742	334,632	328,099	336,302
Instructional Materials & Supplies	654,796	941,847	838,189	947,232	1,016,431	1,068,116	1,101,049
<i>Non-Capitalized Equipment</i>							
Classroom Technology	564,148	607,738	303,629	265,358	214,994	220,799	226,319
Classroom Software	201,005	334,740	355,172	352,389	377,563	397,297	416,374
Classroom Furniture	455,292	410,333	382,763	241,829	186,037	125,752	128,896
Staff/Office Technology & Equipment	337,532	182,164	182,202	174,408	178,942	183,774	188,368

	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP	KLAP, KAO, KRA, KEA, KSA, KSOL, KIA, KAI, KVP, KPP
<b>FY Ended June 30,</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
Food Service	1,325,014	1,921,857	2,005,253	2,456,203	2,746,739	2,921,830	3,047,526
<i>Total Supplies &amp; Materials</i>	3,796,902	4,811,564	4,390,197	4,768,162	5,055,339	5,245,666	5,444,833
<i>Operating Services</i>							
General Liability Insurance	135,403	154,817	234,380	282,115	313,214	332,909	346,437
Utilities (Gas, Electric, Water)	175,791	397,216	562,000	672,220	733,161	778,675	794,701
Other Operations/Housekeeping Services	469,960	766,999	1,048,331	1,265,908	1,394,326	1,479,229	1,540,980
Repairs & Maintenance (Non-Cap)	231,847	479,023	665,000	554,360	568,773	584,130	598,733
Equipment/Copier Leases	214,011	306,148	296,000	321,864	330,232	339,149	347,627
Audit & Legal, Payroll & Banking	102,062	218,170	226,967	250,307	270,726	282,059	290,640
Instructional Consulting	141,744	423,907	427,669	473,767	506,887	529,195	546,256
License & Authorizer Fees, Other Dues/Fees	337,362	571,928	713,444	809,737	859,369	882,833	896,969
Special Education Services	652,530	805,435	865,781	1,066,196	1,182,239	1,251,960	1,288,765
Professional Development & Recruitment	163,913	291,438	372,833	390,778	403,044	413,926	424,274
Local Field Lessons	240,288	247,798	351,625	433,559	475,509	495,412	506,868
Communications/Internet	237,683	392,592	583,020	680,148	751,634	771,928	791,226
Misc. Operating Expenses	258,273	418,476	192,835	213,260	226,215	235,810	245,130
<i>Total Operating Services</i>	3,360,866	5,473,947	6,539,884	7,414,218	8,015,330	8,377,214	8,618,608
<b>TOTAL OPERATING EXPENSES</b>	<b>20,133,129</b>	<b>27,353,749</b>	<b>34,215,810</b>	<b>39,362,962</b>	<b>42,798,087</b>	<b>44,924,261</b>	<b>46,430,040</b>
<b>Net Income Available for Lease Payments/Debt Service</b>	<b>6,809,311</b>	<b>9,260,063</b>	<b>13,336,623</b>	<b>15,142,073</b>	<b>15,299,755</b>	<b>15,833,362</b>	<b>15,824,579</b>
Other Facility Rental Income			700,000	310,000	310,000	310,000	310,000
<i>Rent</i>							
Ground Lease Payments	-	-	255,938	898,745	961,846	983,685	1,006,297
Related Schools Existing Lease Payments	1,881,598	2,422,714	1,783,153	-	-	-	-
Series 2014 Base Rental Payments	-	500,096	1,901,256	1,898,513	1,902,475	1,900,406	1,902,513
Estimated Series 2015 Base Rental Payments	-	-	238,400	3,858,158	3,858,788	3,859,508	3,858,383
Other Leases	-	-	-	-	-	-	-
<i>Total Facility Lease Payments</i>	1,881,598	2,922,810	4,178,747	6,655,415	6,723,108	6,743,598	6,767,193
<b>Excess Net Income (After Rent)</b>	<b>4,927,714</b>	<b>5,402,572</b>	<b>7,033,398</b>	<b>8,516,670</b>	<b>8,611,409</b>	<b>9,124,117</b>	<b>9,091,329</b>
KIPP LA Management Fee	1,314,975	2,196,829	4,755,243	5,450,504	5,809,784	6,075,762	6,225,462

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<b>FY Ended June 30,</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
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<b>Coverage Analysis</b>							
<b>Coverage Ratio Before Management Fee</b>	<b>3.62</b>	<b>3.17</b>	<b>3.36</b>	<b>2.32</b>	<b>2.32</b>	<b>2.39</b>	<b>2.38</b>
<b>Coverage Ratio After Management Fee</b>	<b>2.92</b>	<b>2.42</b>	<b>2.22</b>	<b>1.50</b>	<b>1.46</b>	<b>1.49</b>	<b>1.46</b>