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**Your students are the future of your charter school.**

**Are you making plans for a facility that serves their future — and yours?**

Call us for help with:

- Acquiring the building that your school currently leases
- Building a new school facility, or improving an existing school
- Refinancing an existing loan to a more favorable rate
- Funding non-building capital needs, such as computers and smartboards

## KIPP LA Schools

Los Angeles, California

### \$28,725,000 Financing

California School Finance Authority

School Facility Revenue Bonds – Series 2014A (Tax Exempt) and Series 2014B (Taxable)  
 June 2014

KIPP LA Schools currently operates 9 free public charter schools in South and East Los Angeles, California, and will operate 11 schools beginning Fall 2014. KIPP LA is a part of the national Knowledge is Power Program (“KIPP”) network of schools. KIPP LA served approximately 3,000 students in grades K-8 in school year 2014. Each of the KIPP LA schools operates under a separate charter contract with the Los Angeles Unified School District (LAUSD). The KIPP LA growth plan calls for the operation of at least 20 schools by 2020 and will serve approximately 10,000 students when that plan is fully implemented. This demand is fostered by KIPP LA’s impressive academic performance. If KIPP LA’s schools were an independent district, it would be the highest performing school district in Los Angeles County serving a majority of underserved students. KIPP Empower Academy was the highest performing school in LAUSD, and the 10th highest performing elementary school in California as measured by the 2013 Academic Performance Index. KIPP LA Prep has been the highest performing middle school in LAUSD for three consecutive years.

KIPP LA wanted to continue its efforts towards providing permanent facilities for its schools. Part of the bonds (about 30%) were used to refinance a bank loan used to construct a new school for KIPP Empower Academy (finishing its fourth year). More than 60% of the issue was used to provide funds for the acquisition of land and construction of a facility that will house KIPP Sol and KIPP Illuminar (both schools just completed their first year of operation). Additionally, in a creative adaptation of a structure Buck Financial has used before, KIPP LA used bond proceeds to advance refund a loan that was part of a New Markets Tax Credit financing for KIPP LA Prep (finishing its 11th year and which was featured in the documentary film “Waiting for ‘Superman’”) prior to the completion of the tax credit compliance period. This allowed the seasoned LA Prep to add credit strength to the obligated group otherwise comprised of younger schools, as well as lock in a favorable rate for KIPP LA ahead of the exit from the NMTC structure in late 2015.

All facilities will be owned by KLARE Holdings, a separate 501(c)3 organization and a support organization to KIPP LA. The facilities will be leased to KIPP LA, which will use the revenues from Empower, Illuminar, Sol and LA Prep to make the lease payments supporting the bonds.

The Series 2014 Bonds received a rating of “BB+” from Standard & Poor’s. The issue was structured with a 30 year borrowing term, obtained an average interest rate of about 5%, and an average annual debt service of approximately \$1.9 million supported by an ultimate enrollment of just under 2,100 students. Buck Financial Advisors helped create the structure, and assisted and advised KIPP LA with the rating, document preparation, financial projections, and other aspects of the issuance process.



**Our facility-finance experts have helped place over \$1.5 billion in bonds, tax credits, and CDFI funding for charter school facilities nationwide.**

Your charter school has special financing needs shaped by unique factors, including your state’s funding mechanism, your relationship with your charter authorizer, and the constraints of your charter contract. Whether your charter school is looking to develop a long-term capital plan or seeks a short-term solution to an immediate financing need, the Buck Financial team can tailor a charter-appropriate solution to help you meet your school’s specific financial goals. Call us today.