

\$43,000,000*
CALIFORNIA SCHOOL FINANCE AUTHORITY (CSFA)
EDUCATIONAL FACILITIES REVENUE BONDS
(ILEAD SCHOOLS)
SERIES 2019A \$41,600,000 (TAX-EXEMPT) AND 2019B \$1,400,000 (TAXABLE)
ITEM #5 - RESOLUTION 19-28

*Not-to-Exceed Amount

STAFF REPORT

EXECUTIVE SUMMARY

Applicant/Borrower:	iLEAD Schools Development LLC	Par Amount Requested:	Not-to-Exceed *\$43,000,000
Financing Term: 30 Years (Tax Exempt), 3 Years (Taxable)		Interest Rate: Estimated at 6.55% (2039); 6.80% (2049)*	
Estimated Source of Funds: Tax Exempt Bonds (Series 2019 A): \$41,600,000* Taxable Bonds (Series 2019 B): \$1,400,000 *Not-to-Exceed		Estimated Use of Funds: Acquisition, and renovation, of capital projects for the benefit of iLead Lancaster & Santa Clarita Valley International; funding of a debt service reserve fund, and a costs of issuance fund.	
Applicant Description: iLEAD Schools Development LLC, a limited liability company whose members include iLEAD Lancaster and SCVi, California nonprofit public benefit corporations, exempt from federal income taxes as an organization described in section 501(c)(3) of the Internal Revenue Code.			
Type of Financing: Charter School Revenue Bonds (Tax-Exempt & Taxable Series)			
Project Users:	iLEAD Lancaster & Santa Clarita Valley International (SCVi)	County Served:	Los Angeles
District in Which Project is Located:	Lancaster School District & William S. Hart Union High School District	Charter Authorizer:	Lancaster School District & William S. Hart Union High School District
Project Description: Acquisition, construction and renovation of school facilities at two campuses, including classrooms, parking, multi-purpose spaces, makers' labs, and administrative offices.			
Potential Project Sites:	iLEAD Lancaster: 254 E. Avenue K., Lancaster, CA 93535; Two parcels of vacant land located at E. Avenue K4, between Sahuayo Street & Copeland Circle, Lancaster, CA 93535; and SCVi Campus: 28060 Hasley Canyon Road, Castaic, CA 91384.		
Plan of Finance: \$43,000,000 for Project Costs (including capitalized interest and costs of issuance), and funding for a Debt Service Reserve Fund of approximately \$2,835,561.48.			
Type of Issue:	Educational Facilities Revenue Bonds		
Tax Status:	Tax-Exempt and Taxable		
Maturity:	June 1, 2049 (Tax-Exempt); June 1, 2022 (Taxable)		
Credit Enhancement:	No		
Credit Rating:	Unrated		
CSFA Fees:	\$13,000 Issuance Fee		
Other Fees:	See Costs of Issuance Table		

Estimated Sources of Funds		Estimated Use of Funds	
Tax Exempt Bond Proceeds	\$41,600,000	Acquisition & Renovation Costs	\$31,838,825
Taxable Bond Proceeds	\$1,400,000	Rounding	\$6,091.86
Premium	\$	Capitalized Interest	\$2,000,000.00
Total	\$43,000,000	Debt Service Reserve Fund	\$2,708,908.14
Financing Team:		Cost of Issuance	\$834,450
Bond Counsel:	Kutak Rock LLP	Underwriter's Discount	\$860,000.00
Underwriter:	D.A. Davidson & Co.	Contingency	\$4,360,025.00
Underwriter's Counsel:	Squire Patton Boggs LLP	Total	\$43,000,000.00
Financial Advisor:	Choice Advisors		
Issuer's Counsel:	Attorney General's Office		
Issuer:	California School Finance Authority		
Master Trustee:	UMB Bank		
Agent for Sale:	State Treasurer's Office		
Public Benefits: By lowering the cost of borrowing for iLEAD Lancaster & SCVi, resources otherwise spent on outstanding and future financial obligations can instead be used for students and other classroom expenses.			
CSFA Staff: Robby Biegler and Jose Franco		Date of Staff Report: September 11, 2019	
Date of CSFA Board Meeting: September 18, 2019		Resolution Number: 19-28	
Support for Staff Recommendation:			
<ol style="list-style-type: none"> iLEAD has the present and prospective revenues to pay the proposed debt service. The acquisition of the location of the property, adjacent to the current iLEAD campuses, supports the schools' present and future plans. 			
Staff Recommendation: Staff recommends the CSFA's Board approve Resolution Number 19-28 Authorizing the Issuance of Educational Facilities Revenue Bonds in an Amount Not to Exceed \$43,000,000 to Finance and Refinance the Acquisition, Construction, Renovation, Furnishing, and Equipping of certain Educational Facilities Located in Los Angeles County, California for iLEAD Lancaster & SCVi.			

BACKGROUND AND HISTORY

As a network, iLEAD operates six schools in California; Santa Clarita Valley International (SCVi), the founding campus; iLEAD Lancaster (Lancaster); iLEAD Agua Dulce; iLEAD Hybrid (a home school and on campus hybrid); iLEAD Online; and Empower Generations, a campus dedicated to serving students who are also parents. SCVi opened in 2008 and serves grades K-12. iLEAD Lancaster opened in 2012,

originally serving grades K-5, and expanded to grades K-8 by the 2015-16 school year. The iLEAD campuses are concentrated in Los Angeles' Santa Clarita and Antelope Valleys. A portion of the student body enrolled in the SCVI and Lancaster campuses are independent study students. Charter Terms for each school are below.

Charter Name	Corporation	Authorizer	Date approved or Renewed	Length of Term	Expiration
Santa Clarita Valley International	SCVi	William S. Hart Union High School District	4/22/2015	5 years	June 30, 2020
iLEAD Lancaster	iLEAD Charter Schools	Lancaster Elementary School District	5/3/2016	5 years	June 30, 2021
Empower Generations	Empower Generations	Acton-Agua Dulce USD	7/7/2016	5 years	June 30, 2021
iLEAD Hybrid	iLEAD California Charters 1	Acton-Agua Dulce USD	12/13/2018	5 years	June 30, 2024
iLEAD Online	iLEAD Online	Acton-Agua Dulce USD	6/8/2017	5 years	June 30, 2022
iLEAD Agua Dulce	iLEAD Agua Dulce	Acton-Agua Dulce USD	6/1/2018	3 years	June 30, 2021

Previously iLEAD operated four additional California schools, iLEAD Encino, iLEAD North Hollywood, iLEAD Pacoima and iLEAD Van Nuys. Those schools were hybrid campuses whose charters were approved by the Acton-Agua Dulce Unified School District. Those campuses closed after a 2018 state court ruling specified that schools must be located in the same district that authorizes them. Additionally iLEAD operates three out of state charter schools; Colorado SKIES Academy in Colorado; Alaka'i O Kauai Charter School in Hawaii; and iLEAD Spring Meadows in Ohio.

Both the SCVi and Lancaster campuses offer independent study programs, and independent study is a major part of the iLEAD educational platform overall, as one school, iLEAD Hybrid, offers a blended independent study and classroom-based education, and another, iLEAD Online, is exclusively independent study. Enrollment in the SCVi and Lancaster campus independent study programs is never more than 20% of the student body, the state of California threshold. Students in the independent study programs also have access to the resources at the physical campuses.

Demographically, 67% of the SCVi campus is white, 10% is Latino, 23.7% is socio-economically disadvantaged and a little over 16% is special education. For the Lancaster campus, 36% of the student body is African American, 32% is white and 22% is Latino. Approximately 69% of students are socio-economically disadvantaged and 12% special education.

The charter for SCVi expires at the end of this school year. SCVi has overall good academic performance, enrollment and a history with the William S. Hart Union High School District. They expect to be renewed this year. The charter for iLEAD Lancaster expires in June of 2021. iLEAD Lancaster has struggled with academics and absenteeism. To remedy the school has hired new leadership and dedicated network resources to the campus. iLEAD Lancaster also continues to work with the Lancaster Elementary School District (their charter authorizer) on remedies. They likewise expect their charter to be renewed.

Morgan Stanley Municipal Funding intends to purchase all the bonds and has agreed to a term sheet with Davidson (the Underwriter) and iLEAD. The bonds will be publically offered, with an order period where qualified investors can submit orders, with the expectation that Morgan Stanley will submit an order for all of the bonds. The bonds will also carry a CUSIP allowing for trading in the secondary market.

PROJECT DESCRIPTION

The proceeds of the Bonds will be used to 1) finance the acquisition and renovation costs of certain educational facilities located at 26060 Hasley Canyon Rd, Castaic, CA & 254 E Ave. K, Lancaster, CA 2) fund a debt service reserve and capitalized interest account; and 3) pay cost of issuance.

Site	Landlord	Location	Purpose	Amount
SCVI	SCVI Holdings LLC	26060 Hasley Canyon Rd. Castaic, CA 91384	Acquisition	\$18,437,587
SCVI	SCVI Holdings LLC	26060 Hasley Canyon Rd. Castaic, CA 91384	Renovation	\$1,500,000
Lancaster	iLEAD Lancaster Holdings LLC	254 E Ave. K, Lancaster, CA 93535, and two parcels of vacant land located at E. Avenue K4, between Sahuayo Street & Copeland Circle, Lancaster, CA 93535	Acquisition	\$10,176,238
Lancaster	iLEAD Lancaster Holdings LLC	254 E Ave. K, Lancaster, CA 93535, and two parcels of vacant land located at E. Avenue K4, between Sahuayo Street & Copeland Circle, Lancaster, CA 93535	Renovation	\$1,725,000
Total Estimated Project Costs				\$31,838,825

Currently SCVI Holding LLC and iLEAD Lancaster Holdings LLC lease the facilities at 26060 Hasley Canyon Road and 254 E Ave. K. With this financing iLEAD Schools Development (the Borrower) will acquire and pay for renovations of these two facilities. Additionally they intend to purchase two parcels of vacant adjacent land to serve as staff and teacher parking for the Lancaster campus.

SCVi entered into a turn-key development with Red Hook Capital Partners for the facility. Red Hook Capital Partners is a real estate development firm that works exclusively with charter schools. They identify and develop sites for schools under turn-key lease arrangements. They are funded by private investors who expect repayment within five years. Red Hook fronts all the development costs, including land acquisition, permitting, and construction, and own the facility at the outset. Their typical lease escalates in rent each year by 3%, and they offer a purchase option after three years, though sometimes the option is offered earlier.

SCVi entered into their lease with Red Hook with the intent of exercising the purchase option in the lease. SCVI is buying out the lease earlier than anticipated given interest rate lows. Lancaster currently rents from Entertainment Properties REIT (EPR), a REIT focusing on entertainment, recreation and education facilities that offered a similar partnership to Lancaster as Red Hook to SCVi. The project at

SCVi is multi-phased. The plan is to improve the campus buildings in phases. For purposes of this outline the Upper School is for 9-12 students and the Lower School is for K-6 students. The work will include the following:

- Upper School renovation: the project will include development and improvements in around the theatre:
 - Vibration isolation on the mechanical units;
 - Building out the ticket booth;
 - Creating storage on top of the new ticket booth.
- Outdoor play area: the area behind the buildings will be developed to provide a suitable play area and play structures. The work will include:
 - A play structure with fall protection;
 - Shade structure;
 - Improving the usability of the area – modifying the paved areas.
- Security, fire alarm and data connectivity:
 - Security and data:
 - Provide fiber connectivity between the buildings that comprise the SCVi campus for both data and security systems;
 - Fire alarm: the LA County fire department requires the fire alarm systems in the buildings be monitored as a single system.
 - The intent is to modify the systems and provide connectivity.
- Lower School: 2nd floor right wing at the Village (lunchroom and meeting space) renovation: area modification to create more of an open space concept in keeping with the iLEAD model. The plan will yield 6 classroom spaces, the Village, the Makery (hands on projects), four offices and an Information Technology/Server room. Additionally:
 - Moving the fire rated corridor (possibly to the exterior);
 - Expanding the classrooms;
 - Relocating the offices, the Village, the server room and the Makery.
 - 2nd floor left wing renovation: the plan is to modify the area to create more of an open space concept in keeping with the iLEAD model. The plan will yield nine classroom spaces (existing restrooms to remain). Additionally:
 - Moving the fire rated corridor (possibly to the exterior);
 - Expanding classrooms.
- Café renovation: the plan is to renovate the café interior and patio to make it more usable. The plan includes:
 - Extending the server to divide café space;
 - Add a café patio at the Upper School quad area with shade structure and electrical;
 - Update the IT and wireless connectivity for the area.

Improvements to the Lancaster facility include:

- Reroofing of buildings, including demolition of existing roofs, installation of new roofs, and related permitting;
- Addition of an ornamental iron security fence above the existing block wall;

- Repairing leaks and addressing drainage issues at infill area of the building, including removal and replacement of infills with glazing, adding French drains and catch basins as needed, updating storm drain system, and related engineering and permitting;
- Repair and replacement of HVAC units as needed, including correcting duct and T-stat issues, and related engineering and permitting;
- Expanding existing Makery classroom space to increase class size and use, including expanding space into existing outdoor area, and related engineering and permitting;
- Expanding 2nd floor Mezzanine, including structural improvement, plans and permitting;
- Improvements to classroom spaces to increase functionality. This will include adjusting cave spaces and campfire walls and all associated plans and permitting;
- Making improvements to the outdoor play area for better engagement and use of existing space, including adding turf, building a shade structure, and all related plans and permitting.

iLEAD Schools Development is a support organization for schools within the iLEAD network. Included in the obligated group are SCVi Holdings LLC and iLEAD Lancaster Holdings LLC, each a California limited liability company, whose sole managing member is iLEAD Schools Development, a California nonprofit public benefit corporation and a 501(c)(3) entities. SCVI Holdings LLC and iLEAD Lancaster Holdings LLC are Lessors for the proposed project. The Lessors were created for the purpose of holding the Mortgaged Property, which includes the SCVi & iLEAD facilities.

FINANCING STRUCTURE

iLEAD Schools

Board Meeting Date: September 18, 2019

Loan Amount:	Not-to-Exceed \$43,000,000
Type of Offering:	Public Sale
Underwriter:	D.A. Davidson & Co.
Confirmed Credit Rating:	Unrated
Interest:	Estimated at 6.55% (2039); 6.80% (2049)*
Maturity:	June 1, 2049 (Tax Exempt); June 1, 2022 (Taxable)
Collateral:	Lease Payments and a Deed of Trust on Real Property
Estimated Closing Date:	September 30, 2019*
Conduit Transaction:	The Bonds are special, limited obligations payable solely from payments made by the Borrower under the transaction documents and CSFA shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of CSFA for all or any portion of payment to be made pursuant to the Bonds.

* Please note that Interest Rate and Closing Date are subject to change.

The Bonds will be issued in two series: (1) Series 2019A (tax-exempt) will be approximately \$41,600,000 and (2) Series 2019B (taxable) will be approximately \$1,400,000. The tax- exempt series will be issued to finance items eligible for use of tax-exempt bond proceeds. The taxable series will be used to finance the costs of issuance in excess of 2% of the tax-exempt series. The tax-exempt series is expected to consist of two term bonds maturing on June 1, 2039 and June 1, 2049. The taxable series is expected to be issued as one term bond, maturing on June 1, 2022.

The facilities financed with proceeds of the Bonds will be leased to nonprofit public benefit corporations, pursuant to certain leases by and between the Lessee (SCVi and Lancaster) and the Lessors, respectively. The Facilities will be used by each Lessee to operate the two schools, Lancaster and SCVi respectively.

Security and Source of Payment

The Bonds will be payable out of Outflows under the Indenture, consisting primarily of loan repayments under the loan agreement. The obligations of the Borrower under the loan agreement are secured by: (1) the rent payments received under the leases (and potential future leases under the obligated group structure); (ii) real property described in the Deed of Trust on the Facilities; and (iii) the Reserve Account.

As additional security and in connection with the issuance of the Bonds, each Lessee will provide instructions to the State Controller's Office to make an apportionment to the Trustee with respect to iLEAD Lancaster and SCVi charter schools in the amounts and on the dates provided in a written notice sufficient in the aggregate to repay the Bonds and pay necessary and incidental costs. Funds received by the Trustee pursuant to such Intercept will be held in trust and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture, including the payment of debt service on the Bonds. Under the laws of the State of California, no party, including the Lessee, the Borrower or any of their respective creditors will have any claim to the money apportioned or to be apportioned to the Trustee by the State Controller pursuant to the Intercept.

The Borrower is considering providing a payment guarantee to the Trustee. A final decision must be made prior to pricing the Bonds.

Preliminary Sources and Uses and Preliminary Costs of Issuance

Below are the preliminary estimated sources and uses, and detailed information about the expected costs of issuance for board consideration. Please note these figures are subject to change between the time the Board packets are distributed and the time the Board meets, and are further subject to final pricing. Board Members will be provided updated figures should significant changes occur before the Board Meeting date.

Sources and Uses

Sources:	Series 2019A (Tax-Exempt)	Series 2019B (Taxable)	Total
Bond Proceeds:			
Par Amount	\$41,600,000 ⁴ 1,600,000	\$1,400,000	\$43,000,000
Total:	\$41,600,000⁴ 1,600,000	\$1,400,000	\$43,000,000
Uses:	Series 2019A (Tax-Exempt)	Series 2019B (Taxable)	Total
Project Fund Deposits:			
Project #1: SCVI Acquisition	\$18,437,587	\$0.00	\$18,437,587
Project #2: SCVI Renovation	\$1,500,000	\$0.00	\$1,500,000
Project #3: Lancaster Acquisition	\$10,176,238	\$0.00	\$10,176,238
Project #4: Lancaster Renovation	\$1,725,000	\$0.00	\$1,725,000
	\$31,838,825	\$0.00	\$31,838,825
Other Fund Deposits:			
Debt Service Reserve Fund	\$2,678,645.24	\$30,262.90	\$2,708,908.14
Capitalized Interest	\$2,000,000.00		\$2,000,000.00
Delivery Date Expenses:			
Cost of Issuance	\$704,559.50	\$989,890.50	\$1,694,450
Other Uses of Funds:			
Rounding	\$5,945.26	\$146.60	\$6,091.86
Contingency	\$4,751,725	\$0.00	\$4,751,725
Total:	\$41,600,000	\$1,400,000	\$43,000,000

Costs of Issuance

Expense	Amount
CSFA Issuance Fees	\$31,500
CSFA Admin Fees	\$6,450
Issuer's Counsel Fees	\$8,000
Agent-for-Sale Fees	\$8,000
CDIAC Fee	\$5,000
Financial Advisor Fee	\$70,000
Underwriter's/Disclosure Counsel Fees	\$85,000
Bond Counsel Fees	\$115,000
Borrower's Counsel Fees (iLEAD)	\$85,000
Borrower's Counsel (SCVi)	\$85,000
Borrower's Counsel (Lancaster)	\$85,000
Trustee & Trustee's Counsel Fees	\$10,000
Underwriter Fee	\$860,000
Title Insurance	\$50,000
Appraisal Fees	\$10,000
Contingency Fees	\$25,000
Real Estate Consultant	\$155,500
Total	\$1,694,450

**Estimates based on a total Par Amount of \$43,000,000.00*

PUBLIC BENEFITS

By lowering the cost of borrowing for iLead Schools, resources otherwise spent on outstanding and future financial obligations instead be used in the classroom.

SALES RESTRICTIONS

The following sales restrictions will apply to the financing given the expected non-rating. CSFA's sales restrictions can be viewed at: <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

1. Bonds will be in minimum denominations of \$100,000;
2. Bonds will be privately placed or publicly offered initially to Qualified Institutional Buyers (QIBs) and Accredited Investors (AIs).
3. Initial bond purchasers will be required to execute an Investor Letter;
4. Subsequent transfers of bonds will be limited to QIBs and AIs;
5. Sales restrictions will be conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents;
6. One or more of the following will be required depending on the transaction, as requested by the financing team and approved by the Authority:
 - a. Traveling Investor Letter; or

- b. Higher minimum denominations of \$250,000; or
 - c. Physical Delivery; or
 - d. Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or
 - e. Other investor protection measures
7. Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code

OTHER PROJECT DATA

Permits and Approvals

All required approvals have been obtained.

TEFRA

Date of TEFRA Publication: September 11th, 2019

Publications: CSFA Website

Date of TEFRA Hearing: September 18th, 2019

Oral/Written Comments: None anticipated, will provide update to the Board if any are received.

Eligibility Review

Applicant meets all of CSFA's eligibility criteria.

1. Project is a charter school in the State of California.
2. Based on information provided by the applicant, the Borrower is capable of meeting the obligations of the relevant financing agreements.
3. The Borrower and Financing Agreements have been vetted and meet all legal requirements.
4. Payments made by the Borrower to CSFA under the financing agreements are adequate to pay CSFA expenses connected to the financing and to make all scheduled proposed payments.
5. The proposed financing is appropriate for the project.

Borrower Financial Data

The Borrower is a California nonprofit public benefit corporation formed as a support organization for charter schools formed and controlled by the iLEAD Network. 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.

The limited liability companies, of which the Borrower is the sole member, are each a single purpose entity with no assets other than the applicable Facility and its rights under the Lease, which will be assigned to the Trustee. Each limited liability company was formed for the purpose of holding the respective Facility and is not expected to have any other assets or revenue available to it to make payments due under the Loan Agreement. Attached as Exhibit B is a schedule of SCVi and iLEAD Lancaster's five-year budget and enrollment projections.

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.

STAFF RECOMMENDATION

Staff recommends CSFA approve Resolution Number 19-28 Authorizing the Issuance of Educational Facilities Revenue Bonds in an Amount Not to Exceed \$43,000,000 to Finance and Refinance the Acquisition, Construction, Renovation, Furnishing, and Equipping of certain Educational Facilities Located in Los Angeles County, California for : iLEAD Lancaster Holdings LCC & SCVI Holdings LLC .

1. **Applicant / Borrower:** iLEAD Schools Development LLC
2. **Project:** Acquisition and Pre-Funding
3. **Amount of Financing:** not to exceed \$43,000,000
4. **Maturity:** June 1, 2049 (Tax-Exempt); June 1, 2022 (Taxable)
5. **Repayment/Security:** Lease Payments and Deed of Trust on Real Property.
6. **Interest Rate:** Estimated at 6.55% (2039); 6.80% (2049)
7. **Fees:** \$2,704,150
8. **Not an Unconditional Commitment:** The CSFA resolution shall not be construed as unconditional commitment to finance the Project, but rather CSFA's approval pursuant to the resolution conditioned upon entry by CSFA and the Borrower into a financing agreement, in form and substance satisfactory to CSFA and its counsel.
9. **Limited Time:** The Board's approval expires 12 months from the date of its adoption. Thus, CSFA and iLEAD Schools must enter into the financing agreement no later than 12 months from such date. Once the approval has expired, the item must return to the Board for new approval.
10. **Financing Agreement Covenants:** N/A

APPENDIX A: GOVERNANCE AND MANAGEMENT

Board of Directors

iLEAD Schools Development	Start	Term	Role	Name
	1/26/18	12/01/2020 - 1 Year	President	Emily Olson
	1/26/18	12/1/2020 - 1 Year	Treasurer	Nancy Preston
	1/24/19	12/1/2020 - 1 year	Member	Eric Harnett
	1/24/19	12/1/2020 - 1 year	Secretary	Michelle Allen
iLEAD Lancaster	Start	Term	Role	Name
	9/24/12	12/1/2018 - 3 Years	President	Latorra Saxton
	3/6/14	12/1/2020 - 3 Years	Treasurer	Keith Faulkner
	12/6/17	12/1/2020 - 3 Years	Secretary	Lee Smith
SCVi	Start	Term	Role	Name
	3/1/13	12/1/2019 - 3 Years	President	Greg Kimura
	2/28/18	12/1/2021 - 3 Years	Treasurer	Nicole Miller
	12/7/17	12/1/2020 - 3 Years	Secretary	Tracy Hild
	6/13/18	12/1/2021 - 3 Years	Member	Sharon Lord Greenspan
	6/13/18	12/1/2021 - 3 Years	Member	Wendy Emeterio

Officers

Kimberly Letter	School Director, iLEAD Lancaster
Nykole Kent	School Director, iLEAD Lancaster
Lisa Latimer	School Director, SCVi
Farnaz Kaufman	School Director, SCVi
Nessa Rofredo	Site Director
Amer Kuric	CEO
Kelly O'Brien	CFO

APPENDIX B: FINANCIAL PROJECTIONS AND ENROLLMENT

iLEAD SCVI + Lancaster					
Cash Flow Projections					
	2019	2020	2021	2022	2023
<i>Enrollment</i>	<i>1,827</i>	<i>1,970</i>	<i>1,975</i>	<i>2,005</i>	<i>2,005</i>
<i>FTE</i>	<i>1,686</i>	<i>1,875</i>	<i>1,880</i>	<i>1,908</i>	<i>1,908</i>
State Aid	15,782,168	17,979,470	18,510,208	19,457,771	20,092,094
Federal Revenue (SPED)	272,060	225,037	229,242	238,225	242,615
Other State Revenue	2,412,263	2,704,225	2,754,101	2,868,766	2,922,860
Other Revenue	797,750	922,937	947,747	980,818	1,012,793
Total Revenues	19,264,241	21,831,729	22,441,298	23,545,580	24,270,362
<i>Revenue/FTE</i>	<i>11,425</i>	<i>11,643</i>	<i>11,938</i>	<i>12,338</i>	<i>12,718</i>
<i>Annual % Increase</i>	<i>N/A</i>	<i>1.9%</i>	<i>2.53%</i>	<i>3.35%</i>	<i>3.08%</i>
Certificated Facilitator Salaries	4,529,149	5,216,182	5,369,865	5,642,940	5,826,900
Classified Salaries	3,407,781	3,743,145	3,843,087	3,974,520	4,104,090
Benefits	2,156,322	2,423,130	2,559,093	2,678,958	2,744,391
Books & Supplies	1,231,772	1,513,720	1,559,140	1,643,511	1,697,089
Rent	2,638,868	2,681,796	2,725,798	2,770,899	2,817,129
Non-Rent Facility Expenses	438,191	484,925	498,661	520,612	537,584
Consulting/Business Services/PD	179,959	193,747	199,684	211,253	218,140
SPED Contracted Services	350,227	398,773	409,420	423,422	437,226
District Oversight Fees	157,594	162,414	167,142	175,284	180,998
Central Office Oversight fees	2,857,955	3,274,759	3,366,195	3,531,837	3,640,554
Other	190,968	208,151	216,615	242,055	249,946
Depreciation	285,000	297,442	300,043	303,465	306,838
Total Expenses	18,423,786	20,598,184	21,214,742	22,118,756	22,760,885
<i>Expenses/FTE</i>	<i>10,926</i>	<i>10,985</i>	<i>11,285</i>	<i>11,590</i>	<i>11,927</i>
<i>Annual % Increase</i>	<i>N/A</i>	<i>0.54%</i>	<i>2.73%</i>	<i>2.70%</i>	<i>2.90%</i>
Add back: Facility Rental	2,638,868	2,681,796	2,725,798	2,770,899	2,817,129
Add back: Depreciation	285,000	297,442	300,043	303,465	306,838
Add back: Central Office Oversight Fees	2,857,955	3,274,759	3,366,195	3,531,837	3,640,554
Net Revenues Available for Debt Service	6,622,278	7,487,543	7,618,592	8,033,024	8,273,997
Rent	2,638,868	223,483	-	-	-
Principal	-	-	-	460,000	495,000
Interest	-	2,129,117	2,322,673	2,322,673	2,289,118
Less: Capitalized Interest	-	-	-	-	-
Net Debt Service	2,638,868	2,352,600	2,322,673	2,782,673	2,784,118
Debt Outstanding	34,505,000	34,505,000	34,505,000	34,045,000	33,550,000
Debt Service Coverage	2.51x	3.18x	3.28x	2.89x	2.97x
Net Revenues After Debt Service	3,983,410	5,134,943	5,295,918	5,250,351	5,489,879
Less: Central Office Oversight Fees	(2,857,955)	(3,274,759)	(3,366,195)	(3,531,837)	(3,640,554)
Beginning Cash Balance	1,620,838	2,746,294	4,606,477	6,536,200	8,254,714
Ending Cash Balance	2,746,294	4,606,477	6,536,200	8,254,714	10,104,039
Days Cash on Hand	55	84	116	141	168

ENROLLMENT PROJECTIONS

SANTA CLARITA VALLEY INTERNATIONAL (SCVI)

Grade	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
K	80	90	90	90	90
1st	75	90	90	90	90
2nd	72	90	90	90	90
3rd	75	85	85	85	85
4th	75	88	88	88	88
5th	93	84	84	84	84
6th	92	98	98	98	98
7th	104	102	102	102	102
8th	123	100	100	100	100
9th	72	120	120	120	120
10th	85	81	81	81	81
11th	69	94	94	94	94
12th	66	78	78	78	78
Total:	1081	1200	1200	1200	1200

iLEAD LANCASTER

Grade	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
TK/K	78	88	90	98	98
1st	77	78	88	98	98
2nd	87	77	78	92	92
3rd	92	87	77	87	87
4th	82	92	87	78	78
5th	91	82	92	87	87
6th	90	91	82	92	92
7th	85	90	91	82	82
8th	64	85	90	91	91
Total:	746	770	775	805	805

COMBINED SCHOOLS

Grade	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
K	158	178	180	188	188
1st	152	168	178	188	188
2nd	159	167	168	182	182
3rd	167	172	162	172	172
4th	157	180	175	166	166
5th	184	166	176	171	171
6th	182	189	180	190	190
7th	189	192	193	184	184
8th	187	185	190	191	191
9th	72	120	120	120	120
10th	85	81	81	81	81
11th	69	94	94	94	94
12th	66	78	78	78	78
Total:	1827	1970	1975	2005	2005