



International Leadership of Texas, Inc.

July 14, 2021 Special Board Meeting

Date and Time

Wednesday July 14, 2021 at 6:15 PM CDT

Meeting Notice & Mission Statement

In compliance with the Texas Open Meetings Act, the Texas Government Code, Chapter 551, timely public advance written notice (at least 72 hours before the scheduled time of the meeting) is given of the subjects to be considered by the Board of Directors of International Leadership of Texas (the "Board") and the Board will convene a Special Open Meeting of the Board of Directors of International Leadership of Texas on the date and time set forth herein.

Special Notice: Public Meetings at Headquarters are Suspended Until Further Notice:

International Leadership of Texas Board of Directors will be holding a special public board meeting at the date and time noticed above. Members of the public will be able to watch the meeting via the link <https://zoom.us/j/801651349> or by a link that will be posted on the ILTexas.org website (click the button "Board Meetings" to view any updates to this Notice).

If you would like to sign up to speak at the meeting, please send your name to board@iltexas.org, 24-Hours in advance of the noticed Meeting time so that we will be able to promote you to a panelist, which will allow you to speak with our board members.

It normally is the intent of the Board to have a quorum physically present at the above address and to allow any Board members not physically present to participate by live two-way video and audio feed in accordance with the Texas Open Meetings Act. However, due to the COVID-19 Coronavirus Pandemic and the governmental and administrative responses to that Pandemic, the Board intends to conduct the Meeting via videoconference. A quorum of the Board will not be physically present at the usual Headquarters address. Neither will the presiding officer physically be present there. Nevertheless, the Meeting will be open to the public. Every effort will be made to facilitate public viewing of the Meeting while it is in progress via live video feed and, subject to limitations of the technology and logistics, to allow the usual opportunities for those who wish to speak to do so. Please access this Agenda via the ILTexas website as the time of the Meeting approaches, in order to find any additional information or updated links concerning the Meeting.

The Board hereby certifies that this notice was posted on a bulletin board or on something akin thereto or at a place readily accessible and convenient to the public at 1651 N. Glenville Dr., #216, Richardson, TX 75081, as well as online at www.ILTexas.org. The items on this Agenda may be taken in any order. The mission of ILTexas is to prepare students for exceptional leadership roles in the international community by emphasizing servant leadership, mastering the English, Spanish, and Chinese languages, and strengthening the mind, body and character.

/s/ Finn Simmensen, For ILTexas' Board

Agenda

	Purpose	Presenter	Time
I. Opening Items			6:15 PM
Opening Items			
A. Record Attendance and Guests			
B. Call the Meeting to Order			
II. Public Speakers			
Board Services			
A. Guests speaking, if any	FYI		
III. Executive Session			
A. AUTHORIZATION	FYI		
Closed Session for Any and All Reasons Permissible by Texas Law, including, but not limited to, Texas Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.075, 551.076, 551.082, 551.083, 551.084, pertaining to any item listed on this agenda, as permitted by applicable law.			
B. CONSULT WITH ATTORNEY PURSUANT TO GOVERNMENT CODE 551.071	Discuss		
Consultation with counsel.			
IV. Board Items for Discussion/Action			
A. CONSIDER/ACT TO AUTHORIZE EXPANSION INTO CLEVELAND ISD AND VICINITY AND POSTPONE OTHER PREVIOUSLY APPROVED EXPANSIONS AS NEEDED	Vote	Eddie Conger	
Discuss/Take Action to authorize administration to submit to the Texas Education Agency (TEA) such expansion amendment requests and waiver applications as are in order to educate students in and around Cleveland ISD, to relieve exceptional student population growth challenges confronting Cleveland ISD, and to build one K-8 to open in August of 2022 and a second K8 and a high school to open in August of 2023.			
Additionally, Discuss/Take Action to authorize administration to submit to the TEA such non-expansion amendment requests and waiver applications as are in order to delay the opening of one or more of the new ILTexas campuses that the TEA approved on April 16, 2021 for			

	Purpose	Presenter	Time
	opening in July, 2022 until July, 2023, to the extent needed in order to support the above-described expansion into Liberty County (locale of Cleveland ISD).		

V. Closing Items

A. Adjourn Meeting

Vote

Cover Sheet

CONSIDER/ACT TO AUTHORIZE EXPANSION INTO CLEVELAND ISD AND VICINITY AND POSTPONE OTHER PREVIOUSLY APPROVED EXPANSIONS AS NEEDED

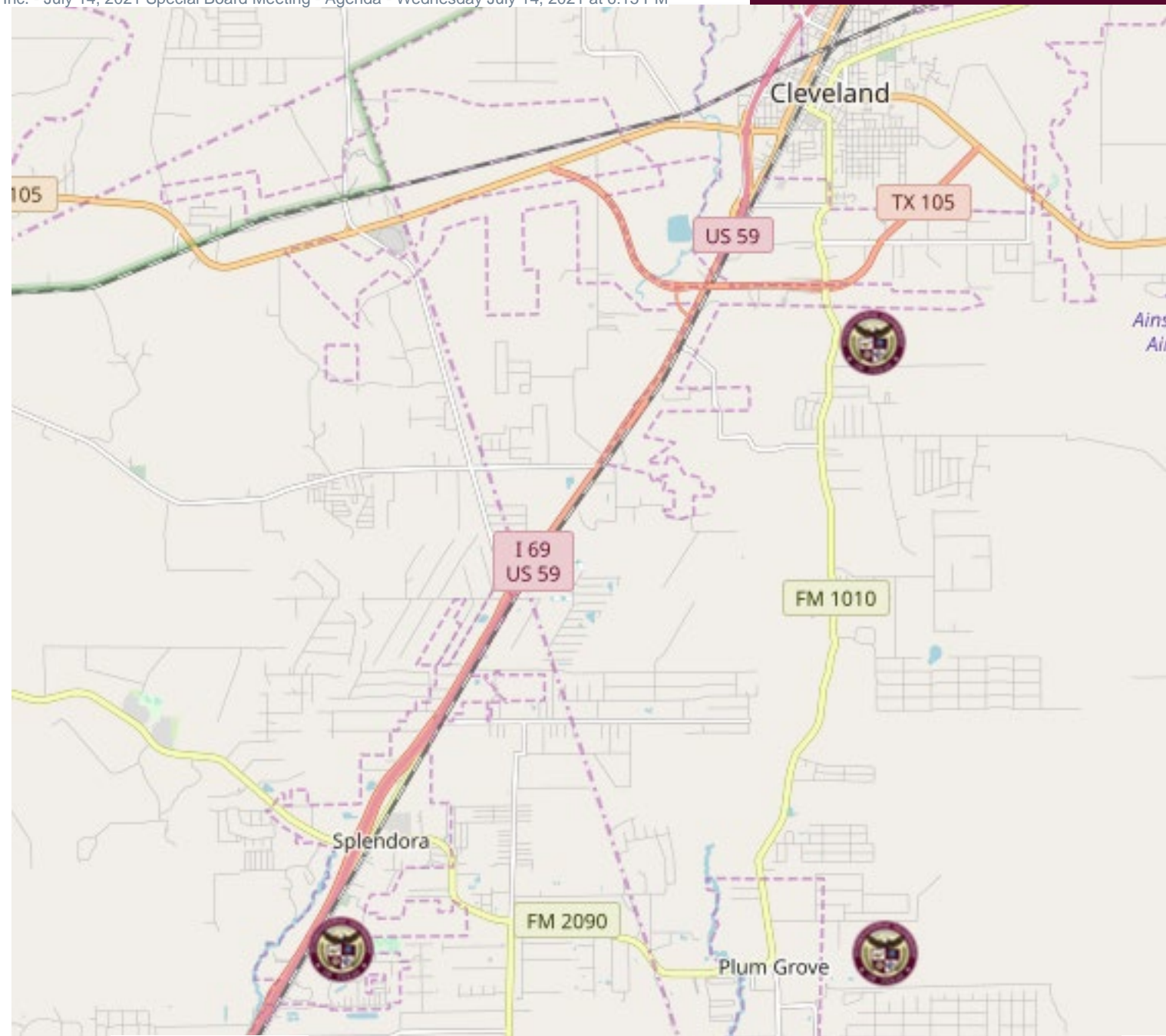
Section: IV. Board Items for Discussion/Action
Item: A. CONSIDER/ACT TO AUTHORIZE EXPANSION INTO
CLEVELAND ISD AND VICINITY AND POSTPONE OTHER PREVIOUSLY APPROVED
EXPANSIONS AS NEEDED
Purpose: Vote
Submitted by:
Related Material: Board Packet - New Caney ISD Expansion.pdf

22-23 Expansions

Expansion Locations:

- **ILTexas K-8 (2022)** Feed into ILTexas Liberty High School
- **ILTexas K-8 (2023)** Feed into ILTexas Liberty High School
- **ILTexas Liberty High School (2023)**

➤ Each K-8 campus will have a K-5 and a 6-8 school, with a total of 1,416 students. The high school campus will have 800 students.



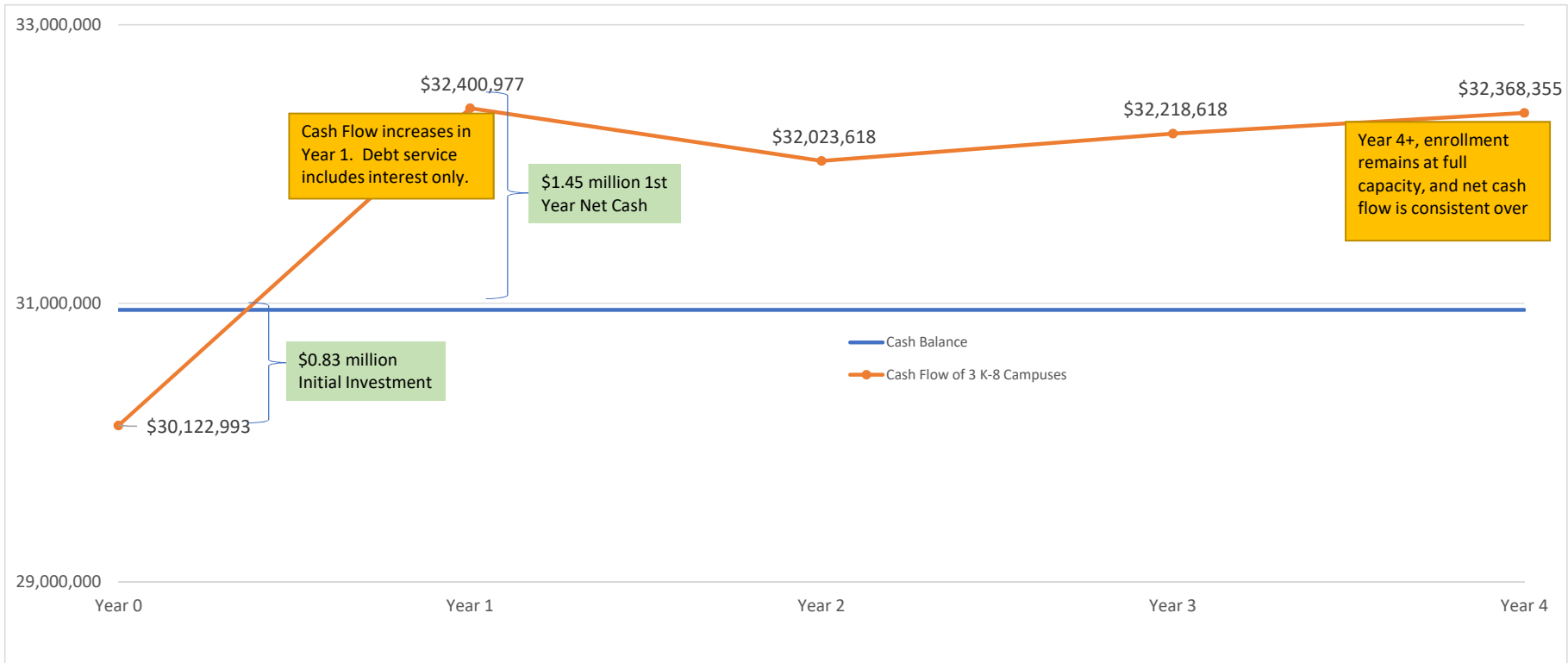
International Leadership of Texas
K-8 Growth Model
Executive Summary

CASH FLOW SNAPSHOT

Single K-8 campus

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Revenue	-	12,030,000	13,000,000	13,500,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000
Direct Expenses	680,000	2,473,084	2,851,384	3,046,384	3,196,120	3,196,120	10,114,280	10,114,280	10,114,280	10,114,280	10,114,280
Administrative Allocation	150,000	721,800	780,000	810,000	849,600	849,600	849,600	849,600	849,600	849,600	849,600
Debt Service	-	1,025,100	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758
Net Cash Flow	(830,000)	1,447,984	1,070,625	1,265,625	1,415,362	1,415,362	1,415,362	1,415,362	1,415,362	1,415,362	1,415,362
		2.4	1.6	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Project Cash Flow (Cumulative)	(830,000)	617,984	1,688,609	2,954,235	4,369,596	5,784,958	12,861,768	19,938,577	27,015,386	34,092,196	41,169,005

Cash flow growth with 1 new K-8 campuses



BASE MODEL ASSUMPTIONS

Enrollment at scale	1,416	
Revenue \$/ADA	10,000	Current total State funding is higher. Additional funding expected from Food Service and Federal Funds.
Revenue Growth Method	Flat	No growth to revenue or expense.
Administration \$/ADA	\$600	Currently \$807 per student
Capital Investment	34,000,000	Includes all equipment, building, land and curriculum to server every student.
Debt - 3%, 30 year, 0.5% Orig.	1,780,758	= MADS; PSF Backed Bonds - 1st year Interest Only

KEY METRICS

Days Cash on Hand

The cash flow target for ILTexas is 100 days. At full growth, additional K-8 campuses exceed the target.

	Year 1*	Year 2	Year 3	Year 4
Total Cash Expenses	10,582,016	10,904,275	11,209,275	11,719,538
Daily Expenses	28,992	29,875	30,710	32,108
Project Cash Flow (Retained)	617,984	1,688,609	2,954,235	4,369,596
Days Cash Generated	21.32	56.52	96.20	136.09

*Year 1 Project Cash Flow includes negative cash generated for investment in Year 0.

INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

Expenses by Object Code

International Leadership of Texas
Pro-Forma K-8 Cash Basis (No Depreciation)

OPENING	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Year 0	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2031-2032	2036-2037	2041-2042	2046-2047	2051-2052
Enrollment	1,200	1,300	1,350	1,416	1,416	1,416	1,416	1,416	1,416	1,416
Revenue per Student	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Revenue	12,000,000	13,000,000	13,500,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000
Expense										
6112 SALARIES/WAGES SUB TEACH	43,259	46,864	48,667	51,046	51,046	51,046	51,046	51,046	51,046	51,046
6117 EXTRA DUTY/PROFESSIONAL	65,787	71,270	74,011	77,629	77,629	77,629	77,629	77,629	77,629	77,629
6118 STIPENDS/PROFESSIONAL	194,561	210,774	218,881	229,582	229,582	229,582	229,582	229,582	229,582	229,582
6119 SALARIES/WAGES TEACHERS/PROFE	680,000	4,931,899	5,342,891	5,548,387	5,819,641	5,819,641	5,819,641	5,819,641	5,819,641	5,819,641
6121 O/T SUPPORT PERSONNEL	13,465	14,587	15,148	15,889	15,889	15,889	15,889	15,889	15,889	15,889
6127 EXTRA DUTY PAY/SUPPORT PERSN	4,105	4,448	4,619	4,844	4,844	4,844	4,844	4,844	4,844	4,844
6129 SALARIES/WAGES SUP PERSNL	571,802	619,452	643,277	674,726	674,726	674,726	674,726	674,726	674,726	674,726
6141 FICA/MEDICARE	79,197	85,797	89,097	93,453	93,453	93,453	93,453	93,453	93,453	93,453
6142 GRP HLTH/LIFE INS	406,138	439,982	456,905	479,242	479,242	479,242	479,242	479,242	479,242	479,242
6143 WORKERS'COMP	25,155	27,252	28,300	29,683	29,683	29,683	29,683	29,683	29,683	29,683
6146 TRS	264,630	286,683	297,709	312,264	312,264	312,264	312,264	312,264	312,264	312,264
6179 PAYROLL ACCRUAL	-	-	-	-	-	-	-	-	-	-
61-- Payroll Costs	680,000	6,600,000	7,150,000	7,425,000	7,788,000	7,788,000	7,788,000	7,788,000	7,788,000	7,788,000
		55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%

INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

Expenses by Object Code

OPENING	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
Year 0	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2031-2032	2036-2037	2041-2042	2046-2047	2051-2052
Enrollment	1,200	1,300	1,350	1,416	1,416	1,416	1,416	1,416	1,416	1,416
Revenue per Student	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Revenue	12,000,000	13,000,000	13,500,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000	14,160,000
6239 ESC SERVICES	282	282	282	296	296	296	296	296	296	296
6249 CONTRACTED MAINT/RPR	149,184	149,184	149,184	156,478	156,478	156,478	156,478	156,478	156,478	156,478
6254 INTERNET SERVICES	13,966	13,966	13,966	14,649	14,649	14,649	14,649	14,649	14,649	14,649
6256 WATER/WASTE MGMNT	71,400	71,400	71,400	74,891	74,891	74,891	74,891	74,891	74,891	74,891
6257 PHONE	13,843	13,843	13,843	14,520	14,520	14,520	14,520	14,520	14,520	14,520
6258 ELECTRIC	102,502	102,502	102,502	107,513	107,513	107,513	107,513	107,513	107,513	107,513
6259 GAS	3,015	3,015	3,015	3,162	3,162	3,162	3,162	3,162	3,162	3,162
6269 RENTALS-OP LEASES	28,246	28,246	28,246	29,627	29,627	29,627	29,627	29,627	29,627	29,627
6297 SECURITY SERVICE/STUDENT	76,338	76,338	76,338	80,070	80,070	80,070	80,070	80,070	80,070	80,070
6299/2 Food Service Contracted Services	590,720	590,720	590,720	619,600	619,600	619,600	619,600	619,600	619,600	619,600
6299 MISC. CONTRACTED SERVICE	-	452,100	452,100	474,203	474,203	474,203	474,203	474,203	474,203	474,203
62-- Professional and Contracted Svcs.	-	1,501,597	1,501,597	1,501,597	1,575,008	1,575,008	1,575,008	1,575,008	1,575,008	1,575,008
6319 SUPPLIES M/O	36,655	36,655	36,655	38,447	38,447	38,447	38,447	38,447	38,447	38,447
6321 TEXTBOOKS	387,869	387,869	387,869	406,832	406,832	406,832	406,832	406,832	406,832	406,832
6329 READING MATERIALS	35,848	35,848	35,848	37,601	37,601	37,601	37,601	37,601	37,601	37,601
6399 GENERAL SUPPLIES	213,138	213,138	213,138	223,558	223,558	223,558	223,558	223,558	223,558	223,558
6669 F&E / GRANT FUNDED	-	21,610	21,610	22,666	22,666	22,666	22,666	22,666	22,666	22,666
63+66 Other Supplies & Materials	-	695,120	695,120	695,120	729,103	729,103	729,103	729,103	729,103	729,103
6411 EMPLOYEE TRAVEL	243	243	243	243	243	243	243	243	243	243
6412 TRAVEL-STUDENTS	-	-	-	-	-	-	-	-	-	-
6419 TRAVEL--NON-EMP	-	-	-	-	-	-	-	-	-	-
6429 INS/BONDING COSTS	-	-	-	-	-	-	-	-	-	-
6449 DEPR EXP	-	-	-	-	-	-	-	-	-	-
6495 MEMBERSHIPS AND DUES	206	206	206	206	206	206	206	206	206	206
6499 MISC OP COSTS	-	15,958	15,958	15,958	15,958	15,958	15,958	15,958	15,958	15,958
64-- Other Operating Expenses	-	16,408	16,408	16,408	16,408	16,408	16,408	16,408	16,408	16,408
Total Expenses	680,000	8,813,124	9,363,124	9,638,124	10,108,520	10,108,520	10,108,520	10,108,520	10,108,520	10,108,520
ADMINISTRATIVE OVERHEAD	150,000	720,000	780,000	810,000	849,600	849,600	849,600	849,600	849,600	849,600
Net Operating Surplus	(830,000)	2,466,876	2,856,876	3,051,876	3,201,880	3,201,880	3,201,880	3,201,880	3,201,880	3,201,880
Debt Service	1,025,100	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758	1,780,758
Net Cash Flow	(830,000)	1,441,776	1,076,117	1,271,117	1,421,122	1,421,122	1,421,122	1,421,122	1,421,122	1,421,122
Project Cash Flow	(830,000)	611,776	1,687,893	2,959,010	4,380,132	5,801,254	12,906,865	20,012,476	27,118,087	34,223,697
D/S Coverage:	2.4	1.6	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
INVESTMENT	(34,000,000)	28,926.64	32,668.17	33,503.79	34,901.04	34,901.04	34,901.04	34,901.04	34,901.04	34,901.04
30 Year 3% + 0.5% Issuance cost	86,780	82,192	82,192	82,192	82,192	82,192	82,192	82,192	82,192	82,192
Interest Only for 1st year	8,677,993	8,677,993	8,677,993	8,677,993	8,677,993	8,677,993	8,677,993	8,677,993	8,677,993	8,677,993

**RESOLUTION OF THE BOARD OF DIRECTORS
INTERNATIONAL LEADERSHIP OF TEXAS, INC.,
AMENDING THE OPEN-ENROLLMENT CHARTER OF
INTERNATIONAL LEADERSHIP OF TEXAS**

WHEREAS, the Board of Directors of International Leadership of Texas, Inc., charter holder of International Leadership of Texas, desires to modify its Open-Enrollment Charter; and

WHEREAS, the Board of Directors of International Leadership of Texas has previously authorized the filing of Charter Expansion amendments for Richmond, Pearland and Mansfield, Texas; and

WHEREAS, the Texas Education Agency (“TEA”) has approved those Expansion amendments;

WHEREAS, Cleveland ISD is experiencing growth faster than it can meet the needs of residents;

WHEREAS, 19 Texas Administrative Code § 100.1033(a) states that a Charter “may be revised with the consent of the charter holder by written amendment approved by the commissioner of education ...;” and

WHEREAS, under 19 Texas Administrative Code § 100.1033(b)(9)(A)(vi) a Charter Expansion Amendment Request may only be approved if, before voting to request the amendment, the governing body has considered a business plan as described below; and

WHEREAS, 19 Texas Administrative Code § 100.1033(b) permits a Charter Expansion Amendment Request to add new approved campuses and sites;

NOW, THEREFORE, the Board of Directors of International Leadership of Texas, Inc., charter holder of International Leadership of Texas, at a lawfully called meeting of the Board, held in compliance with the Texas Open Meetings Act, do hereby adopt the following Resolutions:

BE IT HEREBY RESOLVED THAT AS IT RELATES TO THE EXPANSION

1. The Board of Directors of International Leadership of Texas, Inc., charter holder of International Leadership of Texas (county-district no. 057-848), desires to expand by starting three new campuses in the greater Liberty County, TX areas.
2. To that end, the Board of Directors of International Leadership of Texas, Inc., has considered the requisite business plans for the expansion required under 19 Texas Administrative Code § 100.1033(b)(9)(a)(vii) for such an amendment request containing the following elements:
 - a. A statement discussing the need for an expansion;
 - b. A statement discussing the current and projected financial condition of the charter school;
 - c. An unaudited statement of financial position for the current fiscal year;
 - d. An unaudited statement of activities for the current fiscal year;
 - e. An unaudited statement of cash flows for the current fiscal year;
 - f. A pro forma budget that includes the costs of operating the charter school, including the implementation of the expansion amendment;

- g. A statement or schedule that identifies the assumptions used to calculate the charter school's estimated foundation school program revenues;
 - h. A statement discussing the use of debt instruments to finance part or all of the charter school's incremental costs;
 - i. A statement discussing the incremental cost of acquiring additional facilities, furniture, and equipment to accommodate the anticipated increase in student enrollment;
 - j. A statement discussing the incremental cost of additional on-site personnel and identifying the additional number of full-time equivalents that will be employed; and
 - k. A statement that the growth proposed is financially prudent relative to the financial and operational strength of the charter school.
3. That the open-enrollment charter of International Leadership of Texas, Inc. be amended to add five new campuses in Liberty County, TX and surrounding areas as follows:
 - a. To begin serving students in the 2022-2023 school year, one new campus serving grades K-5 and one new campus serving grades 6-8; and
 - b. To begin serving students in the 2023-2024 school year, one additional new campus serving grades K-5, one additional new campus serving grades 6-8, and one new campus serving grades 9-12.
4. That the open-enrollment charter of International Leadership of Texas, Inc., be amended to increase its maximum enrollment from 33,588 to 38,600 in order to accommodate future enrollment growth partially from the campuses above.
5. The Board of Directors has determined by majority vote of the board that the enrollment growth proposed in the business plan is prudent and in the best interest of the students.
6. That administration is authorized to submit to the Texas Education Agency such non-expansion and expansion charter amendment requests as are appropriate for procuring approval of the new campuses and their sites and of any changes which might be appropriate to the names of ILTexas campuses, to facilitate serving students not yet served by International Leadership of Texas.
7. The Administration is authorized to file any waivers necessary to effectuate the expansion into Liberty County.
8. The Administration is also authorized to file any waivers, if and as necessary, to allow for the delay in opening of any of the previously TEA approved Expansions (Richmond, Pearland and/or Mansfield).

[signature page follows]

PASSED AND APPROVED BY THE MAJORITY OF MEMBERS OF THE BOARD OF DIRECTORS OF INTERNATIONAL LEADERSHIP OF TEXAS, INC. ON THE 14th DAY OF JULY, 2021.

Members Voting in Favor of Resolution:

Maj. Gen. James Williams, Board President

Lynne Beach, M.D., Board Vice President

Mr. Tracy Cox, Board Secretary

Dr. Soner Tarim, Board Member

Mr. Peter Gudmundsson, Board Member

Mr. Chris Moreland, Board Member

Ms. Gabriella Smith, Esq., Board Member

*The undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of a Resolution of the Directors of the Corporation, duly held on **July 14, 2021**, which Resolution is in full force and effect and has not been revoked or amended.*

Secretary _____ / _____ / _____