



# International Leadership of Texas, Inc.

## October 21, 2021 Regular Board Meeting

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### **Date and Time**

Thursday October 21, 2021 at 6:15 PM CDT

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### **Board of Directors of International Leadership of Texas October 21, 2021**

#### **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 Regular Open Meeting of the Board of Directors of International Leadership of Texas on the date and time set forth herein.

International Leadership of Texas Board of Directors will be holding its regularly scheduled 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](mailto: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 is the intent of the Board to have a quorum physically present at the above address. Board members not physically present may participate by live two-way video and audio feed in accordance with the Texas Open Meetings Act. If a quorum of the Board cannot be physically present at the above address, it is the intent to have the presiding officer physically present at the above address.

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](http://www.ILTexas.org). And that the meeting will be accessible at the address listed immediately above. 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           |
|--|--------------------|---------------------------|----------------|
| <b>I. Opening Items</b>  |                    |                           | <b>6:15 PM</b> |
| Opening Items  |                    |                           |                |
| <b>A.</b> Record Attendance and Guests   |                    |                           |                |
| <b>B.</b> Call the Meeting to Order  |                    |                           |                |
| <b>II. Approve Minutes of Prior Meetings</b>   |                    |                           |                |
| <b>A.</b> APPROVE MINUTES OF SEPTEMBER 15, 2021<br>REGULAR BOARD MEETING   | Approve<br>Minutes |                           |                |
| <b>III. Public Speakers</b>  |                    |                           |                |
| Board Services   |                    |                           |                |
| <b>A.</b> Guests speaking, if any  | FYI                |                           |                |
| <b>IV. Superintendent-CEO Report and Information Items</b>   |                    |                           |                |
| <b>A.</b> SUPERINTENDENT-CEO REPORT  | FYI                | Eddie<br>Conger           |                |
| <b>B.</b> SCHOOL LEADERSHIP REPORT   | FYI                | Dr.<br>Thomas<br>Seaberry |                |
| <b>C.</b> DEPUTY SUPERINTENDENT OF ACADEMIC<br>STUDENT SERVICES REPORT<br>--English Learners Annual Report   | FYI                | Dr. Laura<br>Carrasco     |                |
| <b>D.</b> CHIEF ADMINISTRATIVE OFFICER REPORT  | FYI                | Jerry<br>McCreight        |                |
| <b>V. BOARD COMMITTEE REPORTS</b>  |                    |                           |                |
| <b>A.</b> REPORT FROM FINANCE AND AUDIT<br>COMMITTEE   | Discuss            | Tracy Cox                 |                |
| <b>B.</b> REPORT FROM NOMINATION COMMITTEE   | Discuss            | Dr. Lynne<br>Beach        |                |
| <b>VI. Executive Session</b>   |                    |                           |                |
| <b>A.</b> 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, |                    |                           |                |

|  | Purpose | Presenter | Time |
|--|---------|-----------|------|
| 551.082, 551.083, 551.084, pertaining to any item listed on this agenda, as permitted by applicable law. |         |           |      |

|   |         |  |  |
|---|---------|--|--|
| <b>B. CONSULT WITH ATTORNEY PURSUANT TO GOVERNMENT CODE 551.071</b> | Discuss |  |  |
| Consultation with counsel regarding pending litigation.             |         |  |  |

**VII. CONSENT AGENDA**

|  |      |  |  |
|--|------|--|--|
| <b>A. CONSENT AGENDA ITEMS -- SINGLE VOTE UNLESS OTHERWISE SPECIFIED</b>   | Vote |  |  |
| 1. Approve Trivium Real Estate Advisors as the Owner's Representative for construction of BG Ramirez K-8.  |      |  |  |
| 2. Approve Final Katy-Westpark HS GMP Contract Reconciliation Change Order for (\$325,464.82), resulting in a reduction in the originally agreed-upon contract amount.                       |      |  |  |
| 3. Approve Final Aggieland HS GMP Contract Reconciliation Change Order for (\$15,918.47), resulting in a reduction in the originally agreed-upon contract amount.                            |      |  |  |
| 4. Approve Resolution pertaining to disposal of surplus property.  |      |  |  |
| 5. Authorize CEO to enter into a lease of premises for the ILTexas Tarrant County Area Office, said premises comprising 3821 sq. ft. located at 2080 N. Hwy 360, Grand Prairie, Texas 75050. |      |  |  |

**VIII. Board Items for Discussion/Action**

**6:15 PM**

|  |      |               |     |
|--|------|---------------|-----|
| <b>A. CONSIDER/ACT ON SEPTEMBER, 2021 FINANCIAL REPORT</b>   | Vote | James Dworkin |     |
| Discuss/Take Action to approve the September, 2021 International Leadership of Texas, Inc. Financial Report.   |      |               |     |
| <b>B. CONSIDER/ACT TO ADOPT RESOLUTION ON PURCHASE AUTHORITY DELEGATED TO SUPERINTENDENT AND CFO</b>   | Vote | James Dworkin |     |
| Discuss/Take action to adopt a Resolution pertaining to a delegation of purchasing authority to the Superintendent-Chief Executive Officer and to the Chief Financial Officer.                 |      |               |     |
| <b>C. CONSIDER/ACT TO APPROVE THE 2020-2021 AUDIT REPORT</b>   | Vote | James Dworkin | 5 m |
| Discuss/Take action to approve the 2020-2021 Audit Report for International Leadership of Texas, Inc.  |      |               |     |
| <b>D. CONSIDER/TAKE ACTION TO ADOPT A RESOLUTION AUTHORIZING WAIVER TO DELAY CONSTRUCTION</b>  | Vote | Aaron Thorson | 5 m |
| Discuss/Take Action to approve Resolution authorizing the CEO of ILTexas to file any waivers necessary to delay the construction of six schools previously intended to open in August of 2022. |      |               |     |

**IX. Closing Items**

**6:25 PM**

|                           |      |  |  |
|---------------------------|------|--|--|
| <b>A. Adjourn Meeting</b> | Vote |  |  |
|---------------------------|------|--|--|

## Coversheet

### APPROVE MINUTES OF SEPTEMBER 15, 2021 REGULAR BOARD MEETING

**Section:** II. Approve Minutes of Prior Meetings  
**Item:** A. APPROVE MINUTES OF SEPTEMBER 15, 2021  
REGULAR BOARD MEETING  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:**  
Minutes for September 15, 2021 Regular Board Meeting on September 15, 2021



## International Leadership of Texas, Inc.

### Minutes

#### September 15, 2021 Regular Board Meeting

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##### **Date and Time**

Wednesday September 15, 2021 at 6:15 PM

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##### **Board of Directors of International Leadership of Texas September 15, 2021**

##### **Meeting Notice & Mission Statement**

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www.ILTexas.org. And that the meeting will be accessible at the address listed immediately above. 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

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#### **Directors Present**

Chris Moreland (remote), Dr. Lynne Beach (remote), Gabriela Smith (remote), Major General James Williams, PETER GUDMUNDSSON (remote), Soner Tarim (remote), Tracy Cox (remote)

#### **Directors Absent**

*None*

#### **Guests Present**

Aaron Thorson, Alex Maldonado (remote), Brenton Dunn (remote), Caitlin Madison (remote), Charles Klein, Craig Timberlake (remote), Dr. Laura Carrasco, Eddie Conger, Finn Simmensen, Lucy Mariappa

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### **I. Opening Items**

#### **A. Record Attendance and Guests**

#### **B. Call the Meeting to Order**

Major General James Williams called a meeting of the board of directors of International Leadership of Texas, Inc. to order on Wednesday Sep 15, 2021 at 6:14 PM.

### **II. Approve Minutes of Prior Meetings**

#### **A. APPROVE MINUTES OF AUGUST 18, 2021 REGULAR BOARD MEETING**

Tracy Cox made a motion to approve the minutes from August 18, 2021 Regular Board Meeting on 08-18-21.

PETER GUDMUNDSSON seconded the motion.

The board **VOTED** unanimously to approve the motion.

#### **B. APPROVE MINUTES OF AUGUST 25, 2021 SPECIAL BOARD MEETING**

Tracy Cox made a motion to approve the minutes from August 25, 2021 Special Board Meeting on 08-25-21.

PETER GUDMUNDSSON seconded the motion.

The board **VOTED** unanimously to approve the motion.

### **III. Public Speakers**

#### **A. Guests speaking, if any**

Mr. Royce Dunn addressed the Board.

#### **IV. Superintendent-CEO Report and Information Items**

##### **A. SUPERINTENDENT-CEO REPORT**

Superintendent-CEO Eddie Conger reported to the Board.

- COVID-19 challenges and aftermath
- Teacher recruiting challenges

Chief Equity Officer Regina Jones briefed the Board on COVID-19 developments: exposure data by category and Area.

##### **B. SCHOOL LEADERSHIP REPORT**

##### **C. DEPUTY SUPERINTENDENT OF ACADEMIC STUDENT SERVICES REPORT**

Deputy Superintendent of Academic Student Affairs Dr. Laura Carrasco reported to the Board: events and schedule; STAAR overview; anticipated future changes in STAAR instrument format; TELPAS (English learners) highlights; accountability summary. Executive Director of Assessment & Data Analysis Tiffany Harrod assisted in briefing the Board.

##### **D. CHIEF ADMINISTRATIVE OFFICER REPORT**

Chief Administrative Officer Jerry McCreight reported to the Board: new hires, authorized positions, vacancies; trends.

#### **V. BOARD COMMITTEE REPORTS**

##### **A. REPORT FROM FINANCE AND AUDIT COMMITTEE**

Board Member and Finance and Audit Committee Chair Tracy Cox reported briefly to the Board.

##### **B. REPORT FROM NOMINATION COMMITTEE**

Board Vice President Lynne Beach acknowledged that Member Chris Moreland plans to leave the Board.

#### **VI. Executive Session**

##### **A. AUTHORIZATION**

##### **B. CONSULT WITH ATTORNEY PURSUANT TO GOVERNMENT CODE 551.071**

The Board entered Executive Session at 6:48 p.m. and returned to Open Session at 7:33 p.m., having conducted no votes and having made no decisions while in Executive Session.

#### **VII. Board Items for Discussion/Action**

##### **A. CONSIDER/ACT ON AUGUST, 2021 FINANCIAL REPORT**

PETER GUDMUNDSSON made a motion to approve the August, 2021 Financial Report.

Soner Tarim seconded the motion.  
CFO James Dworkin reported to the Board.  
The board **VOTED** unanimously to approve the motion.

**B. CONSIDER/ACT TO APPROVE RFQ FOR APPOINTMENT OF OWNER'S REPRESENTATIVE FOR CONSTRUCTION OF BG RAMIREZ ELEMENTARY SCHOOL**

Dr. Lynne Beach made a motion to approve the RFQ.  
PETER GUDMUNDSSON seconded the motion.  
Senior Executive Director of Construction Charles Klein briefed the Board on the RFQ, responses and recommendation.  
The board **VOTED** unanimously to approve the motion.

**C. CONSIDER/ACT TO AUTHORIZE SUPERINTENDENT TO CLOSE ON MANSFIELD K8 PROPERTY**

Dr. Lynne Beach made a motion to approve closing the purchase.  
Gabriela Smith seconded the motion.  
Senior Executive Director of Construction Charles Klein briefed the Board on the proposed purchase.  
The board **VOTED** unanimously to approve the motion.

**D. CONSIDER/ACT TO APPROVE AUDIO VISUAL PACKAGE FOR ILTEXAS HEADQUARTERS PROJECT**

Dr. Lynne Beach made a motion to approve acquisition and installation of the AV Package.  
PETER GUDMUNDSSON seconded the motion.  
Senior Executive Director of Construction Charles Klein briefed the Board on the recommended installation and vendor.  
The board **VOTED** unanimously to approve the motion.

**E. CONSIDER/ACT TO APPROVE GMP FOR CONSTRUCTION OF BG RAMIREZ K8**

Gabriela Smith made a motion to approve the GMP contract.  
PETER GUDMUNDSSON seconded the motion.  
Senior Executive Director of Construction Charles Klein briefed the Board on the recommended GMP contract.  
The board **VOTED** unanimously to approve the motion.

**VIII. Closing Items**

**A. Adjourn Meeting**

PETER GUDMUNDSSON made a motion to adjourn.  
Dr. Lynne Beach seconded the motion.  
The board **VOTED** unanimously to approve the motion.  
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:47 PM.

Respectfully Submitted,  
Finn Simmenssen



### **Documents used during the meeting**

- Academic Report to Board 9-15-2021 Exhibits Combined.pdf
- 9-15-21 Admin Report Combined.pdf
- ILTexas FS 2021-08 - Board.pdf
- RFQ 22-0001 - Owner's Rep Services Projects.pdf
- IL Texas PSA Signed 082321.pdf
- PROP, IL TEXAS, HQ AV SCOPE, 09-14-2021.pdf
- ILT, IL TEXAS, HQ ACS VMS IDS 09-15-2021.pdf
- ILTHQSECURITY.pdf
- ILT New Caney September 2021 Budget.pdf

# Coversheet

## SUPERINTENDENT-CEO REPORT

**Section:** IV. Superintendent-CEO Report and Information Items  
**Item:** A. SUPERINTENDENT-CEO REPORT  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** This Page is Blank.docx

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# Coversheet

## SCHOOL LEADERSHIP REPORT

**Section:** IV. Superintendent-CEO Report and Information Items  
**Item:** B. SCHOOL LEADERSHIP REPORT  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** This Page is Blank.docx

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# Coversheet

## DEPUTY SUPERINTENDENT OF ACADEMIC STUDENT SERVICES REPORT

**Section:** IV. Superintendent-CEO Report and Information Items  
**Item:** C. DEPUTY SUPERINTENDENT OF ACADEMIC STUDENT  
SERVICES REPORT  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:**  
2021-2022 ILTexas Professional Learning Plan to Support for English Learners  
(Emergent Bilingual Students).docx.pdf  
BE ESL Program Evaluation - Oct. 17.pdf  
Academic Board Report, October 2021.pdf



**Professional Learning – 2021-2022  
Supporting English Learners (Emergent Bilingual Students)**

At International Leadership of Texas, 100% of the students are language learners and 100% of the teachers are language teachers.

**Sheltered instruction** is an instructional approach that uses various strategies to ensure that grade-level instruction provided in English, Spanish, and Chinese addresses both content and language objectives. Through sheltered instruction, students master the required essential knowledge and skills and become proficient in English language.

The English Learner Department at IL Texas will offer **targeted support** to staff so that they can address the needs of their English learners (Emergent Bilingual students).

**ENGLISH LEARNER SUPPORT  
TARGETED AND COMPREHENSIVE PROFESSIONAL LEARNING OPPORTUNITIES**

| <b>EL Department</b>                                  |   |                 |              |   |
|---|---|-----------------|--------------|---|
| <b>WHO</b>  | <b>WHAT</b>   | <b>WHEN</b>     | <b>WHERE</b> | <b>Person Responsible to Organize and Present</b> |
| <b>LPAC APs, LPAC Leads, and Deans of Instruction</b> | BOY LPAC Training<br>Providing Instructional Accommodations ToT       | July 22, 2021   | Online       | EL Dept.  |
|   | Project ELL   | July 26         | Online       |   |
|   | Focus on Bronze (Comprehensible Input & Opportunities for Output) ToT | August 26, 2021 | Online       |   |
|   | Focus on Silver (Student Engagement) ToT                              | September 23    | Online       |   |

|   |  |                              |        |                            |
|---|--|------------------------------|--------|----------------------------|
|   | Focus on Gold (Academic Language) ToT & EL Progress Monitoring   | October 21                   | Online |                            |
|   | ESL Program Evaluation (Refresher)   | November 11                  | Online |                            |
|   | MOY LPAC (LPAC Accommodations for State Assessments) & MOY Project ELL                                     | February 3                   | Online |                            |
|   | LPAC Updates   | March 10                     | Online |                            |
|   | EOY LPAC & Project ELL   | April 7                      | Online |                            |
|   | LPAC Updates   | May 12                       | Online |                            |
| <b>Teachers New to ILTexas</b>                    | Sheltered Instruction in Texas - Seidlitz Education (for teachers new to ILTexas)                          | July 27<br>Nov. 6<br>Feb. 12 | Online | Csorvasi & EL Coordinators |
| <b>HQ, Area, Campus ICs, Deans of Instruction</b> | Focus on Bronze (Comprehensible Input & Opportunities for Output) ToT                                      | August 26, 2021              | Online | EL Dept.                   |
|   | Focus on Silver (Student Engagement) ToT   | September 23                 | Online |                            |
|   | Focus on Gold (Academic Language) ToT  | October 21                   | Online |                            |
| <b>All Teachers K-12th</b>                        | Developing ELs' Speaking and Writing Skills (3 Hour CPE Credit)  | July 27                      | Online | Jenny Vo & Lisa Cortes     |
|   | Sheltered Instruction Strategies to AMPLIFY Language Development and Content Knowledge (3 Hour CPE Credit) | July 28                      | Online | Jenny Vo & Lisa Cortes     |
|   | Instructional Accommodations for English Learners  | August 10                    |        | LPAC APs and LPAC Leads    |
|   | Focus on Bronze (Comprehensible Input & Opportunities for Output) ToT                                      | Sept. 14                     |        | LPAC APs and LPAC Leads    |
|   | Focus on Silver (Student Engagement) ToT   |                              |        | LPAC APs and LPAC Leads    |
|   | Focus on Gold (Academic Language) ToT  |                              |        | LPAC APs and LPAC Leads    |



|  |   |                         |        |                        |
|--|---|-------------------------|--------|------------------------|
|  | Book Study - What Teachers Need to Know about ELs in Texas  | Jan. & Feb.             | Online | Jenny Vo & Lisa Cortes |
| <b>New Math Teachers K-12</b>                            | 7 Steps to a Language Rich Interactive Classroom  | Oct. 7                  |        | Math Dept.             |
| <b>All Math Teachers K-12</b>                            | Sheltered Instruction in the Math Classroom   | Jan. 29                 |        | Math Dept.             |
| <b>Select MS Math Teachers</b>                           | Modeling, Co-teaching, Coaching - EFW MS, Lancaster MS, Orem MS, WML MS - Seidlitz Education                                  | Sept., Oct. & Jan.      |        | Math Dept.             |
| <b>All MS RLA Teachers &amp; HS English Teachers</b>     | IXL Training  | Oct. 7                  |        | RLA Dept.              |
| <b>Select RLA/English Teachers</b>                       | Modeling, Co-teaching, Coaching - EFW MS, Lancaster MS, NRH MS, Saginaw MS, Lancaster MS; Orem MS, WML MS, OWMLHS - Region 10 | Sept, Oct., Nov. & Jan. |        | RLA Dept.              |
| <b>All MS &amp; HS Content Area Teachers (as needed)</b> | Co-teaching and modeling of lessons using ESL strategies  | Ongoing                 |        | EL Dept.               |

### DLI Department

|   |  |                        |                  |  |
|---|--|------------------------|------------------|--|
| <b>DLI Department</b>   |  |                        |                  |  |
| K-5 teachers working towards getting their BILINGUAL CERTIFICATION (teachers under bilingual exception) | <b>Supporting our BILINGUAL TEACHERS</b> <ul style="list-style-type: none"> <li>- Setting up your DLI classroom for success</li> <li>- Make and Takes (anchor charts, pictorials, instructional charts and visuals)</li> <li>- How to bridge Spanish and English lessons</li> <li>- How to maximize on bell to bell instruction in the target language (to include both BICS and CALP)</li> <li>- Differentiating Spanish resources for Novice-Intermediate level Spanish students</li> <li>- Developing opportunities to develop interpersonal communication</li> </ul> | Fall 2021              | All 3 areas      | Adriana Fletes & DLI-EL PD Facilitator |
| K-5 Partner Teachers  | <b>Supporting our Bilingual Teachers</b> <ul style="list-style-type: none"> <li>- Sharing of DLI best practices via videos and pictures</li> <li>- Show me!</li> <li>- Global VIDA Sat. PD- Oct. 2 (extra duty)</li> </ul>   | August 2021 - May 2022 | All K-5 campuses | Adriana Fletes                         |

|   |   |                          |   |                                    |
|---|---|--------------------------|---|------------------------------------|
|   | <ul style="list-style-type: none"> <li>- Global VIDA - 2:1 Partner Teacher PD M-F</li> <li>- Global VIDA and campus anchor chart PD</li> <li>- DLI coaching and modeling by DLI staff (on campus)</li> <li>- Region 10 - Balanced Literacy PD - 3 part series</li> </ul>  |                          |   |                                    |
| K-5 teachers working towards getting their BILINGUAL CERTIFICATION (teachers under bilingual exception) | <b>Supporting our Bilingual Teachers</b> <ul style="list-style-type: none"> <li>- Global VIDA coaching modeling at College Station K8</li> </ul>  | September - October 2020 | All 6-12 Principals, Assistant Principals, instructional coaches and GLAs | Adriana Fletes                     |
| K-5   | <b>Supporting Campus principals and leadership with DLI Implementation</b> <ul style="list-style-type: none"> <li>- ACTFL for administrators</li> <li>- Developing opportunities to extend the Spanish language and cultures outside of the classroom.</li> <li>- Spanish language culture and language advocacy school-wide</li> <li>- Learning walks with DLI and core department and campus staff</li> </ul>   | August 2021- May 2022    | All K-5 Principals, Assistant Principals, instructional coaches and GLAs  | Adriana Fletes                     |
| 6-12  | <b>Supporting LOTE Spanish Teachers</b> <ul style="list-style-type: none"> <li>- Department PLCs</li> <li>- VIDA for LOTE teachers</li> <li>- Modeling, co-teaching, observations &amp; feedback</li> </ul>   | August 2021- May 2022    | All 6-12 Spanish Teachers and instructional coaches                       | Adriana Fletes<br>Beatriz Gallegos |
| 6-12  | <b>Supporting Secondary Principals and Assistant Principals</b> <ul style="list-style-type: none"> <li>- Monitoring the use of the target language &amp; high academic achievement</li> <li>- Supporting teachers with comprehensible input</li> <li>- Spanish language culture and language advocacy school-wide</li> <li>- Learning walks with LOTE department and campus staff</li> <li>- Monitoring with the development of language in speaking, listening, writing and reading</li> </ul> | August 2021- May 2022    | All 6-12 Principals, Assistant Principals, instructional coaches and GLAs | Adriana Fletes                     |

| <b>TARGETED CAMPUS SUPPORT PROVIDED BY DLI &amp; ESL INSTRUCTIONAL COACHES, EL COORDINATORS &amp; PD Facilitators</b> |   |   |                  |                        |
|---|---|---|------------------|------------------------|
| <b>WHO</b>  | <b>WHAT</b>   | <b>WHEN</b>   | <b>WHERE</b>     | <b>HOW</b>             |
| <b>All Teachers, Campus &amp; District Administrators</b>   | EL Coordinators and DLI/ ESL Coaches will: <ul style="list-style-type: none"> <li>● Provide training on Sheltered Instruction</li> <li>● Model/co-teach/coach</li> <li>● Collaborate on lesson planning</li> <li>● Provide resources to teachers</li> <li>● Support with data analysis of ELs</li> <br/> <li>● Collaborate in content area PLCs</li> </ul>  | Ongoing   | DFW, Houston, CS | EL and DLI Departments |
| <b>Online Professional Learning Opportunities</b>   |   |   |                  |                        |
| <b>Regions 4, 6, 10, 11</b>   | Support based on campus/teacher needs<br><b>Region 10 Online</b><br><a href="https://olc.region10.org/pd/course/index.php?categoryid=196">https://olc.region10.org/pd/course/index.php?categoryid=196</a><br><b>Region 10</b><br><a href="https://txr10.escworks.net/search.aspx">https://txr10.escworks.net/search.aspx</a><br><b>Region 4</b><br><a href="http://www.esc4.net/services/bilingual-esl-title-iii/professional-development">http://www.esc4.net/services/bilingual-esl-title-iii/professional-development</a><br><b>Region 6</b><br><a href="https://www.escweb.net/tx_esc_06/search.aspx">https://www.escweb.net/tx_esc_06/search.aspx</a><br><b>Region 11</b><br><a href="https://www.esc11.net/Page/719">https://www.esc11.net/Page/719</a> | Consult schedule of trainings<br>Per campus request | All campuses     |                        |

|   |   |                      |  |  |
|---|---|----------------------|--|--|
|   |   |                      |  |  |
| <b>PARTICIPATION IN LOCAL, STATE, AND NATIONAL CONFERENCES</b>                      |   |                      |  |  |
| <b>Participation in local, state, and national conferences (per recommendation)</b> | BE/ESL Conference – Region 4<br>TEXTESOL IV (Houston)<br>La Cosecha - Dual Language Conference<br>TESOL – Houston<br>BEAM – Dallas<br>Seidlitz Conference - Houston | July 2021- June 2022 |  |  |



# **INTERNATIONAL LEADERSHIP OF TEXAS**

## **Dual Language/ESL Program Evaluation Report 2020-2021 School Year**

**Dr. Laura Carrasco – Deputy Superintendent of Academics and Student Services**

**Frank Miller - Senior Executive Director Special Programs**

**Dr. Vera Csorvasi – Executive Director of English Learner Support**



# ILTexas Mission



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.

La misión de ILTexas es preparar a nuestros alumnos para roles de liderazgo excepcionales en la comunidad internacional, haciendo hincapié en el liderazgo de servicio, el dominio de los idiomas inglés, español y chino, y el fortalecimiento de mente, cuerpo y carácter.

德克萨斯州国际领袖学校旨在培养学生在国际社会中卓越的领导才能。  
我们强调学生在熟练掌握英语、西班牙语和中文的前提下  
加强奉献式的领导精神及身体、头脑和品德的锻炼。



**TEC 7.028 states:** (b) The board of trustees of a school district or the governing body of an open-enrollment charter school has primary responsibility for ensuring that the district or school complies with all applicable requirements of state educational programs.

The charter annually conducts an evaluation to determine program effectiveness. The following factors are considered:

- Academic progress of Emergent Bilingual students/English Learners
- Assessment results including STAAR and TELPAS
- Number of students reclassified as English proficient
- Staff development and results of training for teachers
- Number of certified bilingual and ESL teachers

The Charter and Campus Improvement Plans include goals necessary for improving performance of Emergent Bilingual students/English Learners based on the needs identified by the program evaluation and the comprehensive needs assessment done annually.



## ILTexas Bilingual Program-Dual Language Immersion

- **Dual language immersion/two-way** is a biliteracy program model that integrates students proficient in English as well as emergent bilingual students.
- This model provides instruction in both English and Spanish
- Instruction is provided to both native English speakers and native speakers of another language in an instructional setting where language learning is integrated with content instruction.
- Academic subjects are taught to all students through both English and Spanish.





# ILTexas ESL Program Design

- An **ESL Pull-Out Program** model is an English acquisition program that serves students identified as Emergent Bilingual (English learners) through English instruction provided by an appropriately certified ESL teacher under the TEC, §29.061(c), through English language arts and reading.
- The goal of ESL pull-out is for Emergent Bilingual (English learners) to attain full proficiency in English in order to participate equitably in school.
- This model targets English language development through academic content instruction that is linguistically and culturally responsive in English language arts and reading. Instruction is provided via an **inclusionary delivery** model.



# PEIMS 2016-2022

| School Year | Number of English Learners (PEIMS) | % of All Students |
|-------------|------------------------------------|-------------------|
| 2016-2017   | 2,397                              | 23%               |
| 2017-2018   | 4,222                              | 26%               |
| 2018-2019   | 4,848                              | 26%               |
| 2019-2020   | 5,700                              | 28%               |
| 2020-2021   | 6,038                              | 29%               |
| 2021-2022   | <b>6,588</b>                       | <b>32%</b>        |



# TELPAS 2021

## Accountability Data Summary

|  |      |
|--|------|
| <b>Student Achievement Raw Component Score</b> |      |
| STAAR Performance                              | 30   |
| College, Career and Military Readiness         | 72   |
| Graduation Rate                                | 99   |
| <b>School Progress Raw Component Score</b>     |      |
| Academic Growth                                | N/A  |
| Relative Performance (Eco Dis: 64.0%)          | 51   |
| <b>Closing the Gaps % of Indicators Met</b>    |      |
| Academic Achievement Status                    | 0%   |
| Growth Status                                  | N/A  |
| Graduation Status                              | 86%  |
| English Language Proficiency Status            | 100% |
| Student Success Status                         | 0%   |
| School Quality Status                          | 100% |
| <b>% Participation (All Tests)</b>             |      |
| 2018-19  | 100% |
| 2020-21  | 73%  |

TELPAS – state and federally required assessment of Emergent Bilingual students/English learners

TELPAS – assesses their English language proficiency in listening, speaking, reading, and writing

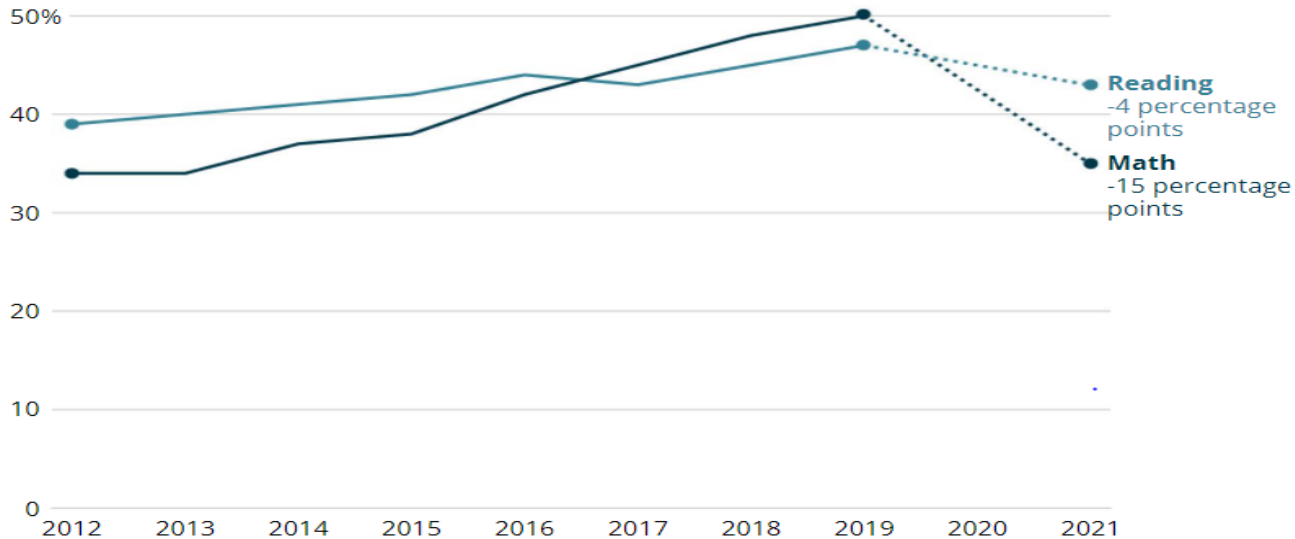
FEDERAL TARGET – 36%  
ILTexas – 39%  
State: 46%



# 2021 STAAR Scores - State

## Percent of Texas students meeting grade-level expectations

The percentage of 3rd through 8th grade students meeting grade-level expectations dropped in both the reading and math categories, according to the results from the 2021 STAAR standardized tests. The tests were not administered in 2020 due to the coronavirus pandemic.



Source: Texas Education Agency



# ILTexas - STAAR - Reading and Math Targets 2019/2021

| 2019/2021                            | All Students | EL Current & Monitored |
|--------------------------------------|--------------|------------------------|
| <b>Reading Target</b>                | <b>44%</b>   | <b>29%</b>             |
| % at Meets GL Standard or Above 2019 | 43%          | 34%                    |
| % at Meets GL Standard or Above 2021 | 33%          | 25%                    |
|                                      |              |                        |
| <b>Mathematics Target</b>            | <b>46%</b>   | <b>40%</b>             |
| % at Meets GL Standard or Above 2019 | 38%          | 35%                    |
| % at Meets GL Standard or Above 2021 | 19%          | 14%                    |



## STAAR Reading for EB/ELs – State vs ILTexas

| STAAR Reading | State      |       |         | STAAR Reading | ILTexas    |       |         |
|---------------|------------|-------|---------|---------------|------------|-------|---------|
|               | Approaches | Meets | Masters |               | Approaches | Meets | Masters |
| 3rd Grade     | 54%        | 23%   | 9%      | 3rd Grade     | 41%        | 18%   | 7%      |
| 4th Grade     | 48%        | 20%   | 7%      | 4th Grade     | 37%        | 14%   | 5%      |
| 5th Grade     | 58%        | 27%   | 14%     | 5th Grade     | 53%        | 26%   | 15%     |
| 6th Grade     | 40%        | 12%   | 3%      | 6th Grade     | 37%        | 14%   | 6%      |
| 7th Grade     | 46%        | 19%   | 7%      | 7th Grade     | 43%        | 19%   | 9%      |
| 8th Grade     | 49%        | 18%   | 5%      | 8th Grade     | 50%        | 18%   | 4%      |



# STAAR Math for EB/ELs – State vs ILTexas

| STAAR Math | State      |       |         | STAAR Math | ILTexas    |       |         |
|------------|------------|-------|---------|------------|------------|-------|---------|
|            | Approaches | Meets | Masters |            | Approaches | Meets | Masters |
| 3rd Grade  | 52%        | 20%   | 8%      | 3rd Grade  | 32%        | 8%    | 2%      |
| 4th Grade  | 47%        | 23%   | 12%     | 4th Grade  | 33%        | 12%   | 4%      |
| 5th Grade  | 59%        | 31%   | 14%     | 5th Grade  | 43%        | 17%   | 7%      |
| 6th Grade  | 50%        | 17%   | 5%      | 6th Grade  | 44%        | 13%   | 4%      |
| 7th Grade  | 34%        | 10%   | 3%      | 7th Grade  | 32%        | 8%    | 4%      |
| 8th Grade  | 40%        | 17%   | 3%      | 8th Grade  | 27%        | 9%    | 1%      |



# EOCs EB/ELs – State vs ILTexas

|                     | State      |       |         |                     | State      |       |         |
|---------------------|------------|-------|---------|---------------------|------------|-------|---------|
|                     | Approaches | Meets | Masters |                     | Approaches | Meets | Masters |
| <b>English I</b>    | 32%        | 16%   | 1%      | <b>English I</b>    | 47%        | 27%   | 1%      |
| <b>English II</b>   | 33%        | 18%   | 1%      | <b>English II</b>   | 52%        | 34%   | 2%      |
| <b>Algebra I</b>    | 54%        | 21%   | 9%      | <b>Algebra I</b>    | 44%        | 14%   | 4%      |
| <b>Biology</b>      | 56%        | 22%   | 4%      | <b>Biology</b>      | 65%        | 29%   | 5%      |
| <b>U.S. History</b> | 62%        | 31%   | 11%     | <b>U.S. History</b> | 71%        | 43%   | 11%     |





# ILTexas – MAP Spring 2021 Reading

| MAP Spring 2020-2021 NWEA Growth: Reading |                |                             |            |       |         |
|---|----------------|-----------------------------|------------|-------|---------|
|   | Total Students | STAAR Projected Proficiency |            |       |         |
|   |                | Did Not Meet                | Approaches | Meets | Masters |
| <b>Reading Grade 3</b>                    |                |                             |            |       |         |
| All Students                              | 1739           | 46%                         | 26%        | 16%   | 12%     |
| EL  | 578            | 57%                         | 25%        | 10%   | 7%      |
| <b>Reading Grade 4</b>                    |                |                             |            |       |         |
| All Students                              | 1759           | 51%                         | 25%        | 13%   | 11%     |
| EL  | 609            | 60%                         | 24%        | 9%    | 7%      |
| <b>Reading Grade 5</b>                    |                |                             |            |       |         |
| All Students                              | 1811           | 46%                         | 28%        | 14%   | 12%     |
| EL  | 663            | 52%                         | 29%        | 11%   | 8%      |
| <b>Reading Grade 6</b>                    |                |                             |            |       |         |
| All Students                              | 1802           | 46%                         | 28%        | 15%   | 12%     |
| EL  | 655            | 56%                         | 27%        | 12%   | 5%      |
| <b>Reading Grade 7</b>                    |                |                             |            |       |         |
| All Students                              | 1666           | 38%                         | 29%        | 19%   | 13%     |
| EL  | 570            | 50%                         | 32%        | 12%   | 6%      |
| <b>Reading Grade 8</b>                    |                |                             |            |       |         |
| All Students                              | 1450           | 31%                         | 30%        | 23%   | 16%     |
| EL  | 466            | 41%                         | 35%        | 17%   | 7%      |



# ILTexas – MAP Spring 2021 Math

| MAP Spring 2020-2021 NWEA Growth: Math |                |                             |            |       |         |
|--|----------------|-----------------------------|------------|-------|---------|
|  | Total Students | STAAR Projected Proficiency |            |       |         |
|  |                | Did Not Meet                | Approaches | Meets | Masters |
| <b>Math Grade 3</b>                    |                |                             |            |       |         |
| All Students                           | 1798           | 56%                         | 25%        | 12%   | 7%      |
| EL                                     | 598            | 63%                         | 23%        | 10%   | 4%      |
| <b>Math Grade 4</b>                    |                |                             |            |       |         |
| All Students                           | 1785           | 56%                         | 30%        | 9%    | 6%      |
| EL                                     | 609            | 65%                         | 28%        | 5%    | 3%      |
| <b>Math Grade 5</b>                    |                |                             |            |       |         |
| All Students                           | 1864           | 42%                         | 38%        | 14%   | 6%      |
| EL                                     | 681            | 45%                         | 39%        | 12%   | 4%      |
| <b>Math Grade 6</b>                    |                |                             |            |       |         |
| All Students                           | 1788           | 41%                         | 34%        | 16%   | 9%      |
| EL                                     | 652            | 48%                         | 35%        | 12%   | 5%      |
| <b>Math Grade 7</b>                    |                |                             |            |       |         |
| All Students                           | 1669           | 36%                         | 37%        | 19%   | 8%      |
| EL                                     | 570            | 48%                         | 34%        | 14%   | 4%      |
| <b>Math Grade 8</b>                    |                |                             |            |       |         |
| All Students                           | 1553           | 27%                         | 34%        | 26%   | 14%     |
| EL                                     | 485            | 36%                         | 37%        | 21%   | 6%      |

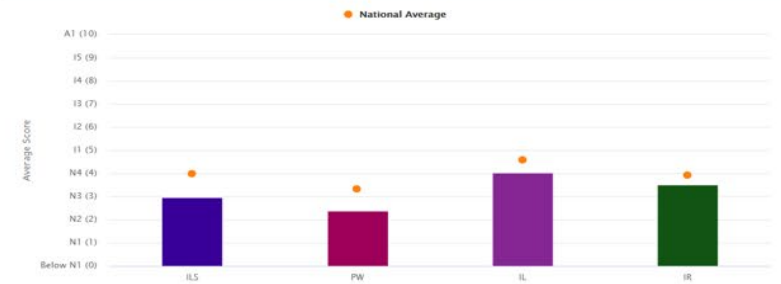


# DLI Two-Way K-5: ILTexas vs National Average

ILTexas no change in speaking, writing and reading. ILTexas has a slight decrease -1 in listening.

2020

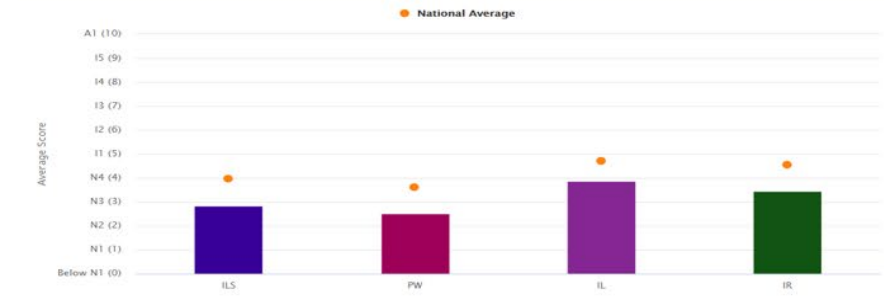
| DATE RANGE               | STUDENTS     | LANGUAGES | GRADE LEVEL |
|--------------------------|--------------|-----------|-------------|
| 02/02/2020 to 06/06/2020 | All Students | Spanish   | Elementary  |



|  | Interpersonal Listening & Speaking | Presentational Writing | Interpretive Listening | Interpretive Reading |
|--|------------------------------------|------------------------|------------------------|----------------------|
| <b>National Average</b>                  | N3 (4.0)                           | N3 (3.3)               | N4 (4.6)               | N3 (3.9)             |
| <b>International Leadership of Texas</b> | N2 (3.0)                           | N2 (2.4)               | N4 (4.0)               | N3 (3.5)             |

2021

| DATE RANGE               | STUDENTS     | LANGUAGES | GRADE LEVEL |
|--------------------------|--------------|-----------|-------------|
| 03/01/2021 to 05/25/2021 | All Students | Spanish   | Elementary  |



|  | Interpersonal Listening & Speaking | Presentational Writing | Interpretive Listening | Interpretive Reading |
|--|------------------------------------|------------------------|------------------------|----------------------|
| <b>National Average</b>                  | N3 (4.0)                           | N3 (3.6)               | N4 (4.7)               | N4 (4.6)             |
| <b>International Leadership of Texas</b> | N2 (2.8)                           | N2 (2.5)               | N3 (3.9)               | N3 (3.5)             |



## Number of Emergent Bilingual Students Reclassified as English Proficient

| <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|-------------|-------------|-------------|-------------|
| <b>46</b>   | <b>71</b>   | <b>231</b>  | <b>43</b>   |



# Request to TEA for Bilingual Exceptions and ESL Waivers

- A school district that has an insufficient number of certified bilingual teachers to provide instruction in the bilingual program shall request from the commissioner of education an **exception** to the bilingual education program and the approval of an alternative language program as defined in §89.1203(12) of this title.
- A school district that has an insufficient number of appropriately certified ESL teachers (RLA/English) shall request from the commissioner of education a **waiver** of the certification requirements.
- ILTexas will submit a request for bilingual exceptions and ESL waivers by Nov. 1, 2021.
- The information will be shared with the School Board at the November Board Meeting.



# Recruiting Activities 2021-2022

| <b>Recruiting Activities 2021-2022</b> |  |  |
|--|--|--|
| <b>Date</b>                            | <b>Location</b>  | <b>Description</b>   |
| 2021-2022                              | Puerto Rico  | Direct partnership with University of Puerto Rico to recruit bilingual/ESL teachers                            |
| 2021-2022                              | International Teacher Conference and Job fair, Region 4, Houston | Recruit Bilingual/ESL Teachers   |
| 2021-2022                              | Puerto Rico  | Recruit Bilingual/ESL Teachers   |
| 2021-2022                              | ILTexas  | ILTexas career fairs to recruit bilingual/ESL teachers   |
| 2021-2022                              | ILTexas  | ILTexas offers \$5,000 bilingual stipend   |
| 2021-2022                              | ILTexas  | ILTexas will recruit bilingual/ESL teachers from various countries through ILTexas J1 visa sponsorship program |
| 2021-2022                              | ILTexas  | Online recruiting websites for bilingual teachers  |
| 2021-2022                              | ILTexas  | Student teacher and student observer program for bilingual/ESL teachers  |



# Comprehensive and Targeted Professional Development

- As per TAC Chapter 89.1207(a)(1)(D) for LEAs filing a Bilingual Education Exception and 89.1207(b)(1)(D) for LEAs filing an ESL Waiver, the following assurance is required:

Implementation of a comprehensive professional development plan that:

- is ongoing and targets the development of the knowledge, skills, and competencies needed to serve the needs of English learners;
  - includes the teachers who are not certified or not appropriately certified who are assigned to implement the proposed alternative program; and
  - may include additional teachers who work with English learners.
- [Link to Professional Development Plan](#)



**Thank you! ¡Gracias! 谢谢!**



# ILTexas Academic Board Report

October 21, 2021

Presented by: Dr. Laura Carrasco  
Deputy Superintendent of Academics & Student Services



## 2021-2022 ILTexas Priorities:

### Increase capacity of principals/APs as instructional leaders (w Dr. Seaberry as lead):

- a) Instructional Leadership Professional Development (PD)
- b) Observation/ Feedback Support & Instructional Rounds
- c) Clarity/follow through with academic non-negotiables, roles & responsibilities (campus-area-HQ)

### Improve Tier 1 Instruction:

- a) High Quality Instructional Materials (HQIM)/ Lesson Plans
- b) Improved Instruction: i) Intellectual Preparation Process during Professional Learning Communities, ii) PD from Deans/ICs during PLC time and iii) Coaching Observation Feedback efficacy
- c) Improve fidelity to DLI program implementation
- d) Ensure special populations have the supports they need

### System for Multi-Tiered Systems of Support (MTSS):

- a) Improve Access to Tier 2 Diagnostics/Diagnostic Data Analysis & clarity of available academic and behavior interventions
- b) Ensure campuses have a system for tracking and monitoring MTSS
- c) Reading & Math Accelerated Learning (w/ ~~weekly~~ implementation data)

# Professional Learning Communities (PLCs)

- **Observations w/ follow up debriefs**
- **Intellectual Preparation Process (IPP) Rubric**
- **IPP Script**
- **IPP Look Fors**



# October Charterwide Professional Development Day

Major General T Inspiring 120 C Teachers!

Project Ed Training!

Benchmark Universe: This is what we away from today's training.

5 Benchmark Universe: Small Group

Guided Reading Reading

Before Reading During Reading After Reading

Spanish LOTE Team It's time to share

Sharing with digital wheel Who will share this time? .?

5 Benchmark Universe: Small Group P Waterfall Chat Activity

cus: (2 minutes)

Spanish LOTE Team Photo finish

Benchmark Universe: This is what we away from today's training.

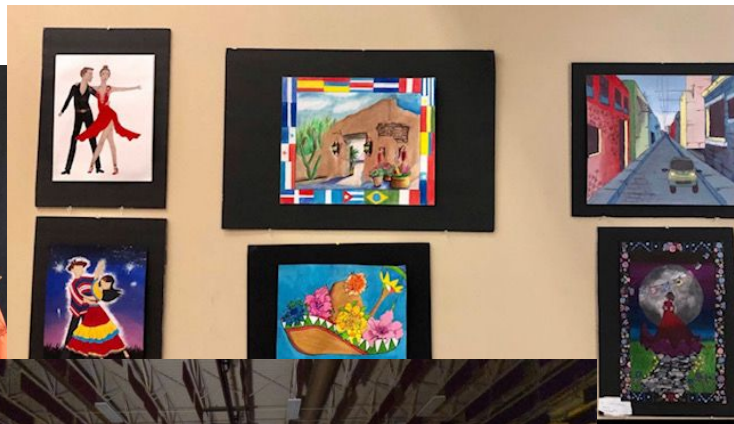
5 Benchmark Universe: Small Group P

¡Hasta pronto!

Powered by BoardOnTrack



# Intercultural Committee: Hispanic Heritage Month





**Thank you! ¡Gracias! 谢谢!**

# Coversheet

## CHIEF ADMINISTRATIVE OFFICER REPORT

**Section:** IV. Superintendent-CEO Report and Information Items  
**Item:** D. CHIEF ADMINISTRATIVE OFFICER REPORT  
**Purpose:** FYI  
**Submitted by:**  
**Related Material:** Admin Rpt Oct 21 2021 combined.pdf



## INTERNATIONAL LEADERSHIP OF TEXAS

**Faculty and Support Staff New Hires  
Subsequent to September 15, 2021  
For Board Notification on October 21, 2021**

| <b>NEW HIRES FOR THE 21/22 SCHOOL YEAR</b> |                      |                                   |                   |
|--|----------------------|-----------------------------------|-------------------|
| <b>Position</b>                            | <b>Assignment</b>    | <b>Building</b>                   | <b>Start Date</b> |
| PROF - DISTRICT                            | DIAGNOSTICIAN        | COLLEGE STATION ELEMENTARY ELEMEN | 09/20/2021        |
| AUX - TRANSPORTATION                       | BUS DRIVER           | AREA OFFICE TARRANT               | 09/27/2021        |
| TEACHER                                    | ELEMENTARY           | COLLEGE STATION ELEMENTARY        | 10/04/2021        |
| TEACHER                                    | ELEMENTARY           | EAST FW ELEMENTARY                | 10/13/2021        |
| COUNSELOR                                  | COUNSELOR            | LANCASTER ELEMENTARY              | 09/17/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | KATY ELEMENTARY                   | 10/18/2021        |
| AUX - FOOD SERVICE                         | FOOD SERVICE CASHIER | HOUSTON OREM ELEMENTARY           | 09/24/2021        |
| TEACHER                                    | HIGH                 | KELLER HIGH                       | 09/29/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | COLLEGE STATION ELEMENTARY        | 09/27/2021        |
| PROF - DISTRICT                            | BEHAVIOR SPECIALIST  | AREA OFFICE HOUSTON               | 10/14/2021        |
| TEACHER                                    | HIGH                 | LANCASTER HIGH                    | 10/04/2021        |
| AUX - TRANSPORTATION                       | BUS DRIVER           | AREA OFFICE TARRANT               | 09/17/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | KATY ELEMENTARY                   | 10/18/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | HOUSTON OREM MIDDLE               | 09/23/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | KELLER ELEMENTARY                 | 10/18/2021        |
| TEACHER                                    | ELEMENTARY           | LANCASTER ELEMENTARY              | 10/14/2021        |
| TEACHER                                    | MIDDLE               | HOUSTON OREM MIDDLE               | 10/04/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | WM LAKES ELEMENTARY               | 10/18/2021        |
| TEACHER                                    | ELEMENTARY           | WM LAKES ELEMENTARY               | 09/24/2021        |
| TEACHER                                    | ELEMENTARY           | COLLEGE STATION ELEMENTARY        | 10/07/2021        |
| TEACHER                                    | ELEMENTARY           | GARLAND ELEMENTARY                | 09/23/2021        |
| TEACHER                                    | MIDDLE               | EAST FW MIDDLE                    | 09/21/2021        |
| TEACHER                                    | ELEMENTARY           | EAST FW ELEMENTARY                | 09/16/2021        |
| TEACHER                                    | ELEMENTARY           | KATY ELEMENTARY                   | 10/20/2021        |
| PARA - CAMPUS                              | ADMIN ASSISTANT      | NEW CANEY ELEMENTARY              | 10/04/2021        |
| PROF - DISTRICT                            | BEHAVIOR SPECIALIST  | AREA OFFICE TARRANT               | 10/18/2021        |
| PARA - CAMPUS                              | ADMIN ASSISTANT      | WEST PARK ELEMENTARY              | 09/20/2021        |
| TEACHER                                    | HIGH                 | WINDMILL LAKES HIGH               | 10/06/2021        |
| TEACHER                                    | MIDDLE               | WM LAKES MIDDLE                   | 09/15/2021        |
| COUNSELOR                                  | COUNSELOR            | GRAND PRAIRIE ELEMENTARY          | 09/15/2021        |
| PROF - DISTRICT                            | PROGRAM MANAGER      | HEADQUARTERS                      | 10/18/2021        |
| TEACHER                                    | HIGH                 | LANCASTER HIGH                    | 09/16/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | GARLAND ELEMENTARY                | 10/13/2021        |
| TEACHER                                    | ELEMENTARY           | HOUSTON OREM ELEMENTARY           | 10/18/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | EAST FW MIDDLE                    | 09/17/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | WM LAKES ELEMENTARY               | 09/20/2021        |
| TEACHER                                    | ELEMENTARY           | SAGINAW ELEMENTARY                | 09/28/2021        |
| PARA - CAMPUS                              | CAMPUS TECHNICIAN    | COLLEGE STATION ELEMENTARY        | 10/12/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | ARLINGTON ELEMENTARY              | 09/16/2021        |
| TEACHER                                    | ELEMENTARY           | GRAND PRAIRIE ELEMENTARY          | 10/04/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | HOUSTON OREM ELEMENTARY           | 09/28/2021        |
| TEACHER                                    | HIGH                 | ARLINGTON HIGH                    | 09/08/2021        |
| COUNSELOR                                  | COUNSELOR            | WEST PARK MIDDLE                  | 10/04/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | SAGINAW ELEMENTARY                | 10/04/2021        |
| TEACHER                                    | HIGH                 | KELLER HIGH                       | 10/18/2021        |
| TEACHER                                    | ELEMENTARY           | LANCASTER ELEMENTARY              | 09/15/2021        |
| NURSE                                      | NURSE                | KELLER HIGH                       | 09/15/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | WM LAKES ELEMENTARY               | 09/30/2021        |
| PROF - CAMPUS                              | INSTRUCTIONAL COACH  | LANCASTER ELEMENTARY              | 09/16/2021        |
| PROF - DISTRICT                            | DIRECTOR             | HEADQUARTERS                      | 10/18/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | WEST PARK ELEMENTARY              | 09/27/2021        |
| PARA - CAMPUS                              | INSTRUCTIONAL AIDE   | WEST PARK ELEMENTARY              | 09/23/2021        |
| PROF - CAMPUS                              | INSTRUCTIONAL COACH  | WEST PARK ELEMENTARY              | 09/20/2021        |
| PROF - DISTRICT                            | COORDINATOR          | HEADQUARTERS                      | 10/01/2021        |

**Total employees hired subsequent to 9/15/2021: 54**

**Total Employee Count for 21/22 SY:2,283**

**All employees are contingent upon Fingerprint and HR Clearance.**





## INTERNATIONAL LEADERSHIP OF TEXAS

## Authorized Position Report

October 21, 2021

21/22 SCHOOL YEAR

| Position                           | # Positions  | Positions Filled | Available FTE | Pending   | Unfilled   |
|------------------------------------|--------------|------------------|---------------|-----------|------------|
| AUX - FOOD SERVICE                 | 15           | 13               | 2             |           | 2          |
| AUX - MAINTENANCE                  | 34           | 31               | 3             |           | 3          |
| AUX - TRANSPORTATION               | 28           | 24               | 4             | 1         | 3          |
| COUNSELOR                          | 55           | 48               | 7             |           | 7          |
| LIBRARIAN/MEDIA                    | 20           | 20               | -             |           | -          |
| NURSE                              | 18           | 17               | 1             |           | 1          |
| PARA - CAMPUS - INSTRUCTIONAL AIDE | 316          | 254              | 62            | 24        | 38         |
| PARA - CAMPUS - FRONT OFFICE       | 129          | 118              | 11            | 2         | 9          |
| PARA - DISTRICT                    | 71           | 62               | 9             | 2         | 7          |
| PROF - CAMPUS                      | 45           | 33               | 12            | 4         | 8          |
| PROF - CAMPUS ADMIN                | 93           | 88               | 5             | 3         | 2          |
| PROF - DISTRICT                    | 196          | 181              | 15            | 1         | 14         |
| SLP                                | 13           | 10               | 3             |           | 3          |
| SUPERINTENDENT                     | 1            | 1                | -             |           | -          |
| TEACHER                            | 1,462        | 1,383            | 79            | 37        | 42         |
| <b>Total</b>                       | <b>2,496</b> | <b>2,283</b>     | <b>213</b>    | <b>74</b> | <b>139</b> |

# Coversheet

## REPORT FROM FINANCE AND AUDIT COMMITTEE

|                          |  |
|--------------------------|--|
| <b>Section:</b>          | V. BOARD COMMITTEE REPORTS                 |
| <b>Item:</b>             | A. REPORT FROM FINANCE AND AUDIT COMMITTEE |
| <b>Purpose:</b>          | Discuss                                    |
| <b>Submitted by:</b>     |  |
| <b>Related Material:</b> | This Page is Blank.docx                    |

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# Coversheet

## REPORT FROM NOMINATION COMMITTEE

|                          |                                     |
|--------------------------|-------------------------------------|
| <b>Section:</b>          | V. BOARD COMMITTEE REPORTS          |
| <b>Item:</b>             | B. REPORT FROM NOMINATION COMMITTEE |
| <b>Purpose:</b>          | Discuss                             |
| <b>Submitted by:</b>     |                                     |
| <b>Related Material:</b> | This Page is Blank.docx             |

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## Coversheet

### CONSENT AGENDA ITEMS -- SINGLE VOTE UNLESS OTHERWISE SPECIFIED

**Section:** VII. CONSENT AGENDA  
**Item:** A. CONSENT AGENDA ITEMS -- SINGLE VOTE UNLESS OTHERWISE SPECIFIED  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:**  
CONSENT AGENDA ITEM 1 Trivium r. E. Advs. - ILTexas Agm def BG Ramirez DW510222 ready.pdf  
CONSENT AGENDA ITEM 2 KWHS PCCO 037R1 - Final Contract Reconciliation.pdf  
CONSENT AGENDA ITEM 3 Aggieland HS PCCO 044 Final Contract Value Reconciliation.pdf  
CONSENT AGENDA ITEM 4 Resolution -- Disposal of Surplus Property -- for vote 20211021.pdf  
CONSENT AGENDA ITEM 5 Tarrant Office Lease Board Exhibit 20211021.pdf



October 5, 2021

Mr. Eddie Conger  
Superintendent  
International Leadership School of Texas  
1651 N. Glenville Dr. #216  
Richardson, TX 75081

**SUBJECT: Proposal for Fee Development Services-International Leadership School of Texas  
Rev 2**

BG Ramirez K-8 Campus  
4114 Road 5500  
Cleveland, TX 77327

Trivium Real Estate Advisors is pleased to submit this proposal to provide Fee Development services for the new International Leadership of Texas (IL Texas) school's new campus development projects located in four locations throughout Texas. This proposal includes a brief description of the project, scope of work, fee, and project schedule.

### **PROJECT BACKGROUND**

The IL School of Texas is looking to create a new campus, consisting of new classrooms, faculty space, gymnasium, performing arts, and outdoor athletic facilities in Cleveland, Texas. A Purchase and Sale Agreement has been completed between the school and the developer of the master planned community. The preliminary budget is reportedly approximately \$30,000,000 for the total project cost.

The design of the school will follow a prototype already in operation at an existing IL Texas school in College Station, Texas with a few minor modifications. The School has procured the services of Pivot North Architecture, JFTE Engineers, and Key Construction. As such, the preconstruction period for design, GC procurement/contracting and Permitting should be significantly less as compared to a new design. Based on a cursory review the drawings appear to be at 95% CD level.

Based on several site visits and staff tours, the existing facilities primarily consist of split face brick clad and EIFS façade construction over light gauge steel framing with a concrete slab on grade. The interior finishes are typical of a high-quality school in appearance and would be expected to be aesthetically similar in the new campus. The roofs are typically composed of asphalt shingle with a metal cupola located at the entrance to the school. The exterior of the typical campus consists of concrete parking and drive lanes, playgrounds, and storm water quality detention ponds.

According to interviews with the current staff, the existing facilities were procured using a developer lease-back model. Due to several frustrations with the previous development procurement model, construction materials used and reported physical construction defects, it has been expressed to Trivium that the model the school is seeking to use going forward is that of a partnership with a local development firm to act as the fee developer/project manager. IL Texas would be directly participating in the design, procurement, and overall development process in conjunction with Trivium staff in the fee developer model with the developer acting as the development consultant to the owner.

## **SCOPE OF WORK**

### **Fee Development Services-Pre-Construction Phase (October 2021 to November/December 2021)**

Trivium as the Fee Developer proposes to:

1. Assist the Owner with the selection of additional the Owner's design professionals (as necessary) which may include (i) an Architect of Record necessary to complete the designs of the Project, (ii) specialty design professionals, (iii) engineers, and (iv) other designers.
2. Review the program and prototypical facility furnished by the Owner and any evaluation of the Owner's program provided by the Architect, to ascertain the requirements of the Project.
3. Based on preliminary design and other design criteria prepared by the Architect, Trivium shall assist the Owner in preparing a detailed financial plan for the Project. Such plan shall provide information to complete an overall, detailed budget ("Project Budget") for the Project and an overall schedule ("Project Schedule") for the completion of the Project(s). Trivium shall update the Project Budget and Schedule monthly to reflect actual costs and the actual progress of activities and each shall be revised as directed by the Owner. Updated Project Budgets shall show actual costs for activities in progress and estimates for uncompleted tasks and shall indicate the areas in which revised projected costs exceed initial estimates. Trivium shall advise the Owner and Architect if it appears that the Cost of the Work may exceed the Owner's budget and make recommendations for corrective action.
4. Review design documents during their development and advise the Owner and Architect on proposed site use and improvements, selection of materials, and building systems and equipment. Trivium shall also provide recommendations to the Owner and Architect on constructability, availability of materials and labor, sequencing for phased construction (as appropriate), time requirements for procurement, installation, and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.
5. Trivium shall provide recommendations and information to the Owner regarding the allocation of responsibilities for safety programs among the Contractor(s) as applicable.
6. Assist Owner and Owner's Contractor or Multiple Prime Contractors in obtaining necessary licenses, approvals and permits for the construction and operation of the Project(s), including building permits and approvals required for the relocation of utilities (the actual procurement of



such licenses, approvals and permits shall be the responsibility of the Owner and/or the Owner's Contractor), and coordinate the availability of utilities to the Project.

7. **Trivium shall not be required to provide a professional service requiring special licensing including, without limitation, those which constitute the practice of architecture or engineering.** Owner agrees that in providing Services pursuant to this Agreement, Trivium will not be responsible for the quality, timeliness, or performance (or lack thereof) of any work provided by the Architect and/or Owner's Contractor(s). In addition, Owner agrees that no review, discussion, observation, inspection, approval, or comment by Trivium with respect to any work provided in connection with the Project shall constitute any technical approval (or any assumption of liability or responsibility with respect to such work) by Trivium.
8. Provide recommendations to the Owner on the division of the Project into individual Contracts for the construction of various categories of Work (if applicable), including the method to be used for selecting Contractors and awarding Contracts. If multiple Contracts are to be awarded, Trivium shall review the Drawings and Specifications and make recommendations as required to provide that (1) the Work of the Multiple Prime Contractors are coordinated, (2) requirements for the Project are assigned to the appropriate Contract, (3) the likelihood of jurisdictional disputes is minimized, and (4) proper coordination is provided for phased construction.
9. Trivium will assist the Architect in issuing bidding documents to bidders and conduct pre-bid conferences with prospective bidders. Trivium shall assist the Architect regarding questions from bidders and with the issuance of addenda.
10. Receive and review bids, prepare bid analysis in conjunction with the Architect and make recommendations to the Owner for the Owner's award of Contracts or rejection of bids.
11. Assist the Owner in preparing Construction Contracts and advise the Owner on the acceptability of Subcontractors and material suppliers proposed. Trivium will not be responsible for the Contractor's failure to perform the work in accordance with the requirements of the Contract Documents. Trivium will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the work.

### **Fee Development Services-Construction Phase (assume December 2021 through July 2022)**

Trivium as the Fee Developer proposes to:

1. Provide administrative, management and related services to coordinate scheduled activities and responsibilities of the General Contractor(s) with each other and with those of Trivium, the Owner, and the Architect.
2. Utilizing the construction schedule provided by the General Contractor(s), Trivium shall update the Project Schedule(s), incorporating the activities of the Owner, Architect, and Contractor(s) on the Project, including activity sequences and durations, allocation of labor and materials, processing of Shop Drawings, Product Data and Samples, and delivery and procurement of products, including those that must be ordered in advance of construction. The Project schedule shall include the occupancy requirements showing portions of the Project having occupancy priority. The Fee

Developer shall update and reissue the Project schedule as required to show current conditions. If an update indicates that the previously approved Project schedule may not be met, the Fee Developer shall recommend corrective action, if any, to the Owner and Architect.

3. Attend meetings to discuss such matters as procedures, progress, coordination, submittals and shop drawing review status, and scheduling of the Work. Trivium shall collaborate with the Contractor(s) to promptly distribute minutes created by the Contractor(s) to the Owner, and Architect.
4. As directed by the Owner, Trivium shall receive required project submittals from the Contractor(s), review and assist Owner in evaluating shop drawings, product data, samples, and other submittals concurrently with Architect's review. In addition, Trivium shall coordinate such items with information contained in related documents and transmit recommendations, if any, to the Architect for review. In conjunction with the Contractor(s), establish and implement procedures to expedite the processing and approval of shop drawings, product data, samples, and other submittals by Contractor(s).
5. Provide general monitoring and monthly oral and written reports on the progress of the work, including performance of general conditions work, to achieve satisfactory performance from the General Contractor and to monitor compliance. Trivium shall recommend courses of action to the Owner when the Contractor(s) are not complying with their contractual requirements.
6. Assist in arranging for inspections or testing of the work, where appropriate (all such inspections and testing shall be provided by the Contractor(s) and not Trivium).
7. Monitor materials and equipment purchased and used for permanent installations to determine that they are new and as specified in the applicable Contract Documents; require contractors to verify that all materials and equipment they provide are free of liens or security interests, and that good title thereto passes to Owner on delivery.
8. Develop and implement procedures for the review and processing of Applications for Payment by the General Contractor(s) for Progress and Final payments.
9. Not more frequently than monthly, Trivium shall review, approve the amounts due the General Contractor within seven days after Trivium receives the General Contractor's Application for Payment.
10. Trivium's recommendation for payment shall constitute a representation to the Owner, based on the Trivium's evaluations of the Work and on the data comprising the General Contractor's Application for Payment, that, to the best of the Trivium's knowledge, information and belief, the Work has progressed to the point indicated and the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Fee Developer. The issuance of a Certificate for Payment shall further constitute a recommendation to the Owner that the Contractor be paid the amount approved.
11. The recommendation of approval for payment of an Application for Payment by the Fee Developer shall not be a representation that Trivium has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques,

sequences for the Contractor's own Work, or procedures; (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

12. The Fee Developer's responsibilities for coordination of the General Contractor's safety program shall not extend to direct control over or charge of the acts or omissions of the Contractor(s), Subcontractors, agents or employees of the General Contractor or Subcontractors, or any other persons performing portions of the Work and not directly employed by Trivium.
13. The failure of Trivium to reject Work shall not constitute the acceptance of the Work. Upon written authorization from the Owner, the Fee Developer may require and plan for additional inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether such Work is fabricated, installed, or completed, and the Fee Developer shall give timely notice to the Architect of when and where the tests and inspections are to be made so that the Architect may be present for such procedures.
14. Advise and consult with the Owner and Architect during the performance of the Fee Developer's Construction Phase Services. The Fee Developer shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Fee Developer shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences, or procedures, or for safety precautions and Projects in connection with the Work of each of the Contractors, since these are solely the Contractor's rights and responsibilities under the Contract Documents.
15. Transmit to the Architect requests for interpretations and requests for information of the meaning and intent of the Drawings and Specifications with its written recommendation and assist in the resolution of questions that may arise.
16. Review requests for changes, assist in negotiating Contractors' proposals, submit recommendations to the Architect and Owner, and, if they are accepted, prepare Change Orders and Construction Change Directives that incorporate the Architect's modifications to the Contract Documents.
17. Utilizing the submittal schedules provided by the General Contractor(s), the Fee Developer shall prepare, and revise as necessary, a Project submittal schedule incorporating information from the Owner, Owner's consultants, Owner's separate contractors and vendors, governmental agencies, and all other participants in the Project under the management of the Fee Developer. The Fee Developer shall promptly review all Shop Drawings, Product Data, Samples, and other submittals from the Contractor(s) for compliance with the submittal requirements of the Contract, coordinate submittals with information contained in related documents, and transmit to the Architect those that the Fee Developer recommends for approval. The Fee Developer's actions shall be taken in accordance with the Project submittal schedule approved by the Architect, or in the absence of an approved Project submittal schedule, with such reasonable promptness as to cause no delay in the Work or in the activities of the Contractor(s), the Owner, or the Architect.
18. The Fee Developer shall record the progress of the Project. On a monthly basis, the Fee Developer shall submit written progress reports as applicable, to the Owner and Architect, showing percentages of completion and other information identified below:
  1. Work completed for the period.

2. Project schedule status.
  3. Submittal schedule and status report, including a summary of remaining and outstanding Submittals.
  4. Request for information, Change Order, and Construction Change Directive status reports.
  5. Tests and inspection reports.
  6. Status report of nonconforming and rejected Work.
  7. Cumulative total of the Cost of the Work to date including the Fee Developer's compensation and reimbursable expenses at the job site, if any.
  8. Any other items the Owner may require.
19. Utilizing the documents provided by the Contractor, the Fee Developer shall maintain electronic copies of all Contracts, Drawings, Specifications, addenda, Change Orders, and other Modifications, and in addition, approved Shop Drawings, Product Data, Samples, and similar required submittals. The Fee Developer shall make all such records available to the Architect and the Contractor, and upon completion of the Project, shall deliver them to the Owner.
20. With the Architect and the Owner's maintenance personnel, the Fee Developer shall observe the General Contractor's final testing and start-up of utilities, operational systems and equipment and observe any commissioning as the Contract Documents may require.
21. When the Fee Developer considers each Contractor's Work or a designated portion thereof is Substantially Complete, the Fee Developer shall, jointly with the Contractor, prepare for the Architect a list of incomplete or unsatisfactory items and a schedule for their completion. The Fee Developer shall assist the Architect in conducting inspections to determine whether the Work or designated portion thereof is substantially complete.
22. When the Work or designated portion thereof is Substantially Complete, the Architect shall prepare, and the Fee Developer and Architect shall execute, a Certificate of Substantial Completion. The Fee Developer shall submit the executed Certificate to the Owner and Contractor. The Fee Developer shall coordinate the correction and completion of the Work. Following issuance of a Certificate of Substantial Completion of the Work or a designated portion thereof, the Fee Developer shall evaluate the completion of the Work of the Contractor or Multiple Prime Contractors and make recommendations to the Architect when Work is ready for final inspection. The Fee Developer shall assist the Architect in conducting final inspections.
23. Forward to the Owner, with a copy to the Architect, the following information received from the General Contractor: (1) certificates of insurance received from the Contractor; (2) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (3) affidavits, receipts, releases and waivers of liens or bonds indemnifying the Owner against liens; and (4) any other documentation required of the Contractor under the Contract Documents, including warranties and similar submittals.
24. Deliver all keys, manuals, record drawings and maintenance stocks to the Owner as applicable. The Fee Developer shall forward to the Architect a final Project Application for Payment and Project Certificate for Payment or final Application for Payment and final Certificate for Payment upon the Contractor's compliance with the requirements of the Contract Documents.

25. Duties, responsibilities, and limitations of authority of the Fee Developer as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Fee Developer, Architect, and General Contractor. Consent shall not be unreasonably withheld.

**SCHEDULE**

Based on preliminary discussions with the Owner, Trivium assumes the following schedule:

**October 2021 through November (2 months)** – Preconstruction/Design Services

**December 2021 through July 2022 (8 months)** – Construction Phase Services start at execution of a GMP contract with an approved General Contractor.

**FEE**

As compensation for the performance of Services noted in the Scope of Work, Trivium Advisors **proposes a monthly fee assuming the following preliminary schedule (if the actual schedule changes Trivium’s fee will be adjusted accordingly) as follows:**

**Preconstruction/Design Phase**

| <b>2021:</b> | <b>Fee</b> |
|--------------|------------|
| October      | \$25,000   |
| November     | \$30,000   |
| December     | \$30,000   |

**Construction Phase**

| <b>2022:</b> | <b>Fee</b> |
|--------------|------------|
| January      | \$45,000   |
| February     | \$45,000   |
| March        | \$45,000   |
| April        | \$45,000   |
| May          | \$45,000   |
| June         | \$40,000   |
| July         | \$40,000   |

**Total for project: \$390,000 (1.3%) Campus projected opening August 2022**

**The contract sum shall include all profit, overhead, and other costs of every type, except for the following reimbursable expenses:**

- Transportation and authorized **out-of-town** travel and subsistence.
- Out of pocket costs if reasonable and approved in advance by Owner.

- Printing, reproductions, plots, standard form documents.
- Postage, handling, and delivery.
- Professional photography, and presentation materials requested by the Owner.
- Fee Developer's consultant's expense of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits if the Owner requests such insurance more than that normally carried by the Fee Developer's consultants.
- All taxes levied on reimbursable expenses

### **LIMITATION OF LIABILITY**

Owner hereby acknowledges that the Fee Developer is not preparing any architectural or engineering plans, designs, specifications or performing any construction required for the development or completion of the project. Fee Developer shall not be responsible for, and Owner shall indemnify and hold harmless and defend Fee Developer against all liability, costs and expenses (including the fees of attorneys and other professionals), arising from or related to (a) the Fee Development Services hereunder (except to the extent attributable to Fee Developer's gross negligence or willful misconduct);(b) the construction means, methods, techniques, sequences and procedures employed by contractors in the performance of their contract; (c) the acts or failure to act of any contractor with respect to safety precautions, or in compliance with local, state, or federal laws and regulations; and/or (d) the failure of any contractor to carry out the work in accordance with the contract documents. Fee Developer shall have no responsibility to discover the patent or latent defects of manufactured products. Fee Developer shall not be liable for any lost or prospective profits or any other indirect, consequential, special, incidental, punitive or other exemplary losses or damages, whether in tort, contract or otherwise, regardless of the foreseeability or cause thereof. In no case shall the liability of the Fee Developer to Owner exceed the insurance limits specified in the contract between Fee Developer and Owner for the project governed by such contract.

### **CLOSING**

I look forward to a successful completion of this very rewarding project.

Very truly yours,



Greg Hillman, PE, LEED AP, CCIM

### **Accepted by:**

International Leadership School of Texas

By:

Name: Mr. Eddie Conger  
Title: Superintendent



**PCCO #037**

Key Construction, Inc.  
 741 W. 2nd St. N.  
 Wichita, Kansas 67203-6004  
 Phone: (316) 263-9515  
 Fax: (316) 263-1161

**Project:** 20-03-040 - Katy-Westpark HS Expansion  
 20055 Beechnut Street  
 Richmond, Texas 77407  
 Phone: 316-263-9515

**Prime Contract Change Order #037: Final Contract Reconciliation**

|                             |   |                      |                                       |
|-----------------------------|---|----------------------|---------------------------------------|
| <b>DATE CREATED:</b>        | 8/ 09 /2021                                       | <b>CREATED BY:</b>   | Doug Ricke (Key Construction Inc.)    |
| <b>STATUS:</b>              | Approved  | <b>REVISION:</b>     | 0                                     |
| <b>DESIGNATED REVIEWER:</b> | Charles Klein (International Leadership of Texas) | <b>DUE DATE:</b>     |                                       |
| <b>CHANGE REASON:</b>       | Allowance   | <b>FIELD CHANGE:</b> | No                                    |
| <b>SCHEDULE IMPACT:</b>     | 0 days  | <b>CONTRACT FOR:</b> | 1:Katy-Westpark HS Exp Prime Contract |
|                             |   | <b>TOTAL AMOUNT:</b> | (\$325,464.82)                        |

**DESCRIPTION:**  
 CE #099 - Final Contract Reconciliation - IL Texas

**ATTACHMENTS:**

**CHANGE ORDER LINE ITEMS:**  
**PCCO #037**

| #                   | Cost Code                 | Description                   | Type          | Amount                |
|---------------------|---------------------------|-------------------------------|---------------|-----------------------|
| 1                   | 1-800 - KEY CONTINGENCY   | Final Contract Reconciliation | Miscellaneous | (\$149,764.12)        |
| 2                   | 1-900 - OWNER CONTINGENCY | Final Contract Reconciliation | Miscellaneous | (\$155,268.31)        |
| 3                   | 1-001 - PROJECT PROFIT    | Final Contract Reconciliation | Miscellaneous | (\$20,432.39)         |
| <b>Subtotal:</b>    |                           |                               |               | (\$325,464.82)        |
| <b>Grand Total:</b> |                           |                               |               | <b>(\$325,464.82)</b> |

|  |                 |
|--|-----------------|
| The original (Contract Sum)  | \$ 7,836,276.00 |
| Net change by previously authorized Change Orders                        | (\$155,250.00)  |
| The contract sum prior to this Change Order was                          | \$ 7,681,026.00 |
| The contract sum will be decreased by this Change Order in the amount of | (\$325,464.82)  |
| The new contract sum including this Change Order will be                 | \$ 7,355,561.18 |
| The contract time will not be changed by this Change Order by 0 days     |                 |

**International Leadership of Texas**  
 1651 N. Glenville Dr. Suite #216  
 Richardson Texas 75081

**Key Construction Inc.**  
 741 W. 2nd Street N.  
 Wichita Kansas 67203-6004

**SIGNATURE** \_\_\_\_\_ **DATE** \_\_\_\_\_ **Doug Ricke Project Manager** \_\_\_\_\_ **DATE** \_\_\_\_\_



## IL TEXAS KATY-WESTPARK FINAL COST SUMMARY

| Description                  | Labor Cost        | Material Cost     | Subcontract Cost    | Equipment Cost   | Other & Overhead Cost | Total Cost          |
|------------------------------|-------------------|-------------------|---------------------|------------------|-----------------------|---------------------|
| GENERAL CONDITIONS           | 357,880.00        | 0.00              | 708.49              | 14,396.73        | 190,727.05            | 586,634.85          |
| SURVEY                       | 0                 | 0                 | 4,830.00            | 0                | 0                     | 4,830.00            |
| SAFETY                       | 0                 | 4,939.55          | 0                   | 0                | 0                     | 4,939.55            |
| FINAL CLEANUP                | 0                 | 0                 | 9,800.00            | 0                | 0                     | 9,800.00            |
| BUILDER'S RISK INSURANCE     | 0                 | 0                 | 0                   | 0                | 17,479.00             | 17,479.00           |
| BONDS                        | 0                 | 0                 | 0                   | 0                | 74,444.62             | 74,444.62           |
| PUNCH LIST / MISC MATERIALS  | 0                 | 0                 | 1,586.75            | 0                | 0                     | 1,586.75            |
| DEMOLITION                   | 0                 | 0                 | 35,510.00           | 0                | 0                     | 35,510.00           |
| SEDIMENT CONTROL / SWPPP     | 0                 | 0                 | 9,480.20            | 0                | 0                     | 9,480.20            |
| FENCE AND GATES              | 0                 | 0                 | 4,297.00            | 0                | 7,241.88              | 11,538.88           |
| CONCRETE                     | 0                 | 0                 | 840,574.64          | 0                | 3,528.79              | 844,103.43          |
| STEEL PACKAGE & METAL DECK   | 0                 | 91,963.00         | 0                   | 0                | 0                     | 94,463.00           |
| 3RD PARTY TESTING            | 0                 | 0                 | 4,003.95            | 0                | 0                     | 4,003.95            |
| CRANE MATS - SCHEDULE ASSIST | 0                 | 0                 | 0                   | 8,163.40         | 0                     | 8,163.40            |
| ROUGH CARPENTRY              | 0                 | 193.75            | 0                   | 0                | 0                     | 193.75              |
| SOFFIT/GABLE VENTS           | 0                 | 1,174.06          | 0                   | 0                | 0                     | 1,174.06            |
| FINISH CARPENTRY             | 0                 | 265.78            | 228,471.26          | 0                | 0                     | 228,737.04          |
| BUILDING ENVELOPE TESTING    | 0                 | 0                 | 6,000.00            | 0                | 0                     | 6,000.00            |
| TEMP WATERPROOFING MATS      | 0                 | 192.68            | 0                   | 0                | 0                     | 192.68              |
| ROOFING                      | 0                 | 0                 | 320,833.00          | 0                | 0                     | 320,833.00          |
| CAULKING / SEALANTS / XPANSN | 0                 | 0                 | 127,093.00          | 0                | 0                     | 127,093.00          |
| DOOR FRAME / DOORS / HW      | 0                 | 124,610.00        | 0                   | 0                | 0                     | 124,610.00          |
| ACCESS DOORS                 | 0                 | 3,060.32          | 0                   | 0                | 0                     | 3,060.32            |
| ENTRANCES & STOREFRONT       | 0                 | 0                 | 52,460.00           | 0                | 0                     | 52,460.00           |
| VINYL WINDOW MATERIAL        | 0                 | 44,339.84         | 0                   | 0                | 0                     | 44,339.84           |
| FINISH HARDWARE              | 0                 | 38.05             | 0                   | 0                | 0                     | 38.05               |
| GYPSUM WALLBOARD SYSTEM      | 0                 | 0                 | 1,420,477.96        | 0                | 16,920.25             | 1,437,398.21        |
| FIBERGLASS COLUMNS           | 0                 | 10,460.00         | 0                   | 0                | 0                     | 10,460.00           |
| FLOORING / WALL TILE         | 0                 | 0                 | 105,370.28          | 0                | 0                     | 105,370.28          |
| FLOOR PROTECTION             | 0                 | 832.83            | 0                   | 0                | 0                     | 832.83              |
| EIFS / MASONRY               | 0                 | 0                 | 416,098.00          | 0                | 0                     | 417,172.00          |
| SIGNAGE                      | 0                 | 135.07            | 11,036.00           | 0                | 0                     | 12,298.91           |
| D10 / VISUAL DISPLAY BOARDS  | 0                 | 0                 | 2,054.00            | 0                | 0                     | 95,543.90           |
| CHEMISTRY EQUIPMENT          | 0                 | 0                 | 6,877.90            | 0                | 0                     | 6,877.90            |
| WINDOW TREATMENTS            | 0                 | 0                 | 10,240.00           | 0                | 0                     | 10,240.00           |
| ATHLETIC EQUIPMENT           | 0                 | 466.67            | 0                   | 0                | 0                     | 466.67              |
| FREIGHT FOR CHEM TABLES      | 0                 | 0                 | 0                   | 0                | 3,816.32              | 3,816.32            |
| FIRE SPRINKLER - WET         | 0                 | 0                 | 84,480.00           | 0                | 0                     | 84,480.00           |
| PLUMBING SYSTEM              | 0                 | 0                 | 391,254.00          | 0                | 0                     | 393,951.00          |
| PLUMBING - MISC              | 0                 | 0                 | 0                   | 0                | 375.00                | 375.00              |
| HVAC AIR DISTRIBUTION        | 0                 | 0                 | 521,182.37          | 0                | 0                     | 521,182.37          |
| ELECTRICAL                   | 0                 | 0                 | 766,342.55          | 0                | 0                     | 766,342.55          |
| LOW VOLTAGE SYSTEMS          | 0                 | 0                 | 144,237.00          | 0                | 0                     | 162,569.00          |
| BADGING REQUIREMENTS         | 0                 | 1,780.00          | 0                   | 0                | 0                     | 1,780.00            |
| FIRE ALARM SYSTEMS           | 0                 | 0                 | 52,174.74           | 0                | 0                     | 52,174.74           |
| LIGHTNING PROTECTION         | 0                 | 0                 | 49,040.00           | 0                | 3,728.34              | 52,768.34           |
| SOIL TREATMENT               | 0                 | 0                 | 2793                | 0                | 0                     | 2793                |
| PAVEMENT MARKINGS            | 0                 | 0                 | 13,700.00           | 0                | 0                     | 13,700.00           |
| LANDSCAPING                  | 0                 | 0                 | 139,712.93          | 0                | 0                     | 144,529.93          |
| STREET SWEEPING FOR STRIPING | 0                 | 0                 | 0                   | 0                | 807.55                | 807.55              |
| SITE UTILITIES               | 0                 | 0                 | 193,182.53          | 0                | 0                     | 193,182.53          |
| <b>TOTALS:</b>               | <b>357,880.00</b> | <b>284,451.60</b> | <b>5,975,901.55</b> | <b>22,560.13</b> | <b>319,068.80</b>     | <b>7,106,822.40</b> |

Total Cost of Work: 7,106,822.40  
 Total Fee: 248,738.78 3.50%  
 Final Contract Value: 7,355,561.18





**PCCO #044**

Key Construction, Inc.  
 741 W. 2nd St. N.  
 Wichita, Kansas 67203-6004  
 Phone: (316) 263-9515  
 Fax: (316) 263-1161

**Project:** 20-03-045 - ILT Temp HS Renovate  
 2611 Texas Ave South  
 College Station, Texas 77840

**Prime Contract Change Order #044: Final Contract Value Reconciliation**

|                             |                      |                      |                                       |
|-----------------------------|----------------------|----------------------|---------------------------------------|
| <b>DATE CREATED:</b>        | 8/05/2021            | <b>CREATED BY:</b>   | Brent Weckar (Key Construction Inc.)  |
| <b>STATUS:</b>              | Pending - Proceeding | <b>REVISION:</b>     | 0                                     |
| <b>DESIGNATED REVIEWER:</b> |                      | <b>DUE DATE:</b>     |                                       |
| <b>CHANGE REASON:</b>       | Client Request       | <b>FIELD CHANGE:</b> | No                                    |
| <b>SCHEDULE IMPACT:</b>     |                      | <b>CONTRACT FOR:</b> | 1:ILT Temp HS Renovate Prime Contract |
|                             |                      | <b>TOTAL AMOUNT:</b> | (\$15,918.47)                         |

**DESCRIPTION:**  
 Final contract value adjustment to return unused contingency to ILT.

**ATTACHMENTS:**

**CHANGE ORDER LINE ITEMS:**

**PCCO #044**

| #  | Cost Code                 | Description       | Type          | Amount        |
|--|---------------------------|-------------------|---------------|---------------|
| 1  | 1-900 - OWNER CONTINGENCY | Owner Contingency | Miscellaneous | (\$15,918.47) |
| <b>Subtotal:</b>   |                           |                   |               | (\$15,918.47) |
| Warranty: 0.00% Applies to all line item types.                            |                           |                   |               | 0.00          |
| Safety Inspections: 0.00% Applies to all line item types.                  |                           |                   |               | 0.00          |
| Builder's Risk Insurance: 0.00% Applies to all line item types.            |                           |                   |               | 0.00          |
| General Liability Insurance: 0.00% Applies to all line item types.         |                           |                   |               | 0.00          |
| Project Computers & Software (Tech): 0.00% Applies to all line item types. |                           |                   |               | 0.00          |
| Performance & Payment Bonds: 0.00% Applies to all line item types.         |                           |                   |               | 0.00          |
| Owner Contingency: 0.00% Applies to all line item types.                   |                           |                   |               | 0.00          |
| <b>Grand Total:</b>  |                           |                   |               | (\$15,918.47) |

|   |                 |
|---|-----------------|
| The original (Contract Sum)   | \$ 1,997,964.00 |
| Net change by previously authorized Change Orders                       | \$ 155,249.98   |
| The contract sum prior to this Change Order was                         | \$ 2,153,213.98 |
| The contract sum would be changed by this Change Order in the amount of | (\$15,918.47)   |
| The new contract sum including this Change Order will be                | \$ 2,137,295.51 |
| The contract time will not be changed by this Change Order by           |                 |

**International Leadership of Texas**  
 1651 N. Glenville Dr. Suite #216  
 Richardson Texas 75081

**Key Construction Inc.**  
 741 W. 2nd Street N.  
 Wichita Kansas 67203-6004

SIGNATURE

DATE

  
 Brent Weckar Project Manager

08/11/2021

DATE



## Owner / Design Contingency Log

Project: **ILT College Station Temporary High School**

Updated: 8/11/2021 13:47

| PCCO     | Title   | Status   | Value           | Accepted            | Notes                        |
|----------|---|----------|-----------------|---------------------|------------------------------|
|          | <b>Initial Owner Contingency</b>                |          |                 | <b>\$ 47,970.00</b> |                              |
| PCCO 001 | RFI-001 Jail Cell Slab Replacement              | Approved | \$ 15,287.93    | \$ 15,287.93        |                              |
| PCCO 002 | Flooring Change (VCT to LVT)                    | Approved | \$ 10,303.24    | \$ 10,303.24        |                              |
| PCCO 003 | Janitor Closet Rebuild                          | Approved | \$ 6,243.38     | \$ 6,243.38         |                              |
| PCCO 004 | Alternate Acoustical Ceiling Products           | Approved | \$ (11,466.97)  | \$ (11,466.97)      | Credit to Contingency        |
| PCCO 005 | Additional Asbestos Abatement                   | Approved | \$ 1,126.22     | \$ 1,126.22         |                              |
| PCCO 006 | LVT At Stair 104                                | Approved | \$ 2,590.20     | \$ 2,590.20         |                              |
| PCCO 007 | Sink Addition at Multipurpose Room              | Approved | \$ 9,863.87     | \$ 9,863.87         |                              |
| PCCO 008 | Fire Alarm Revisions                            | Approved | \$ 31,660.57    | \$ 31,660.57        |                              |
| PCCO 009 | Delete Chalk/Tack Boards Scope                  | Approved | \$ (13,523.86)  | \$ (13,523.86)      | Credit to Contingency        |
| PCCO 010 | Two Bottle Fillers & Alternate EWCs             | Approved | \$ 2,682.65     | \$ 2,682.65         |                              |
| PCCO 011 | Delete Plumbing Prep 149                        | Approved | \$ (3,976.20)   | \$ (3,976.20)       | Credit to Contingency        |
| PCCO 012 | Delete Landscape/Site Furnishings/Roller Shades | Approved | \$ (15,869.47)  | \$ (15,869.47)      | Credit to Contingency        |
| PCCO 013 | Finish Hardware Revisions                       | Approved | \$ 12,169.34    | \$ 12,169.34        |                              |
| PCCO 014 | Classroom 147 New Walls                         | Approved | \$ 5,224.43     | \$ 5,224.43         |                              |
| PCCO 015 | Corridor Tack/marker board In-wall Blocking     | Approved | \$ 1,824.48     | \$ 1,824.48         |                              |
| PCCO 016 | MDF 130 Demo & Added Classroom Data Drops       | Approved | \$ 3,548.62     | \$ 3,548.62         |                              |
| PCCO 017 | Entry Gate Controls                             | Approved | \$ 1,535.76     | \$ 1,535.76         |                              |
| PCCO 018 | RFI-007 Revised Wall Framing                    | Approved | \$ 1,241.08     | \$ 1,241.08         |                              |
| PCCO 019 | Added Entry Logo                                | Approved | \$ 383.95       | \$ 383.95           |                              |
| PCCO 020 | Existing Marker/Tack Boards Relocate & Install  | Approved | \$ 832.15       | \$ 832.15           |                              |
| PCCO 021 | Alternate Exhaust Fans Mfg.                     | Approved | \$ 430.01       | \$ 430.01           |                              |
| PCCO 022 | Misc. Electrical Changes                        | Approved | \$ 4,241.22     | \$ 4,241.22         |                              |
| PCCO 023 | Increase Owner Contingency                      | Approved | \$ (151,500.00) | \$ (151,500.00)     | Contract Increase            |
| PCCO 024 | Existing Tile Repair & Final Floor Prep         | Approved | \$ 23,818.29    | \$ 23,818.29        |                              |
| PCCO 025 | Additional Electrical Changes                   | Approved | \$ 1,520.99     | \$ 1,520.99         |                              |
| PCCO 026 | Thermostats Replacement                         | Approved | \$ 8,165.11     | \$ 8,165.11         |                              |
| PCCO 027 | Repair Existing Exhaust Fans                    | Approved | \$ 1,041.76     | \$ 1,041.76         |                              |
| PCCO 028 | Main Electric Room Door Addition                | Approved | \$ 5,482.48     | \$ 5,482.48         |                              |
| PCCO 029 | Roof Ladder Addition                            | Approved | \$ 357.99       | \$ 357.99           |                              |
| PCCO 030 | Chem Lab Structural Revisions                   | Approved | \$ 8,853.11     | \$ 8,853.11         |                              |
| PCCO 031 | Brazos County Health Permit Fee                 | Approved | \$ 626.84       | \$ 626.84           |                              |
| PCCO 032 | Courtyard Gate Revisions                        | Approved | \$ 3,698.46     | \$ 3,698.46         |                              |
| PCCO 033 | Delete Waterproofing & Roofing Budgets          | Approved | \$ (12,388.43)  | \$ (12,388.43)      | Credit to Contingency        |
| PCCO 034 | Change Sprinkler Heads @ Multipurpose           | Approved | \$ 1,540.88     | \$ 1,540.88         |                              |
| PCCO 035 | TDLR Added Cane Rail @ Stair 123                | Approved | \$ 767.89       | \$ 767.89           |                              |
| PCCO 036 | CM Fee Addition                                 | Approved | \$ 2,739.14     | \$ 2,739.14         |                              |
| PCCO 037 | Locking Thermostat Covers                       | Approved | \$ 1,824.19     | \$ 1,824.19         |                              |
| PCCO 038 | ILT K-8 Trench Drain & Concrete Work            | Approved | \$ 44,340.34    | \$ 44,340.34        |                              |
| PCCO 039 | Flashing for Awning                             | Approved | \$ 7,673.38     | \$ 7,673.38         |                              |
| PCCO 040 | AHU-2 Heating Coil Addition                     | REJECTED | \$ 16,595.37    | \$ -                |                              |
| PCCO 041 | K-8 Playground Mulch & Threshold Sealants       | Approved | \$ 9,361.97     | \$ 9,361.97         |                              |
| PCCO 041 | Additional travel costs for K8 investigation    | Approved | \$ 843.16       | \$ 843.16           |                              |
| PCCO 042 | Storefront Remove & Replace                     | Approved | \$ 1,842.91     | \$ 1,842.91         |                              |
| PCCO 043 | Chem Lab Room Divider                           | Approved | \$ 5,088.47     | \$ 5,088.47         |                              |
| PCCO 044 | Final Contract Value Reconciliation             | PENDING  | \$ 15,918.47    | \$ 15,918.47        |                              |
|          |   |          |                 | <b>\$ -</b>         | <b>Remaining Contingency</b> |

**INTERNATIONAL LEADERSHIP OF TEXAS, INC.,**  
**BOARD RESOLUTION OF OCTOBER, 2021:**  
**AUTHORIZATION TO DISPOSE OF SURPLUS REAL PROPERTY**

**WHEREAS**, The Board of Directors of International Leadership of Texas, Inc., has authorized expansion of the ILTexas system;

**WHEREAS**, some personal property (e.g., furniture, refrigerators, stoves, etc.) has become obsolete and surplus for the needs of ILTexas; and,

**WHEREAS**, The Board of Directors desires to dispose of such surplus property in a manner that best suits the needs of ILTexas;

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of ILTexas, at a lawfully called meeting of the Board, held in compliance with the Texas Open Meetings Act, formally declares that:

1. There is significant surplus property belonging to ILTexas; and,
2. It is in the best interest of ILTexas and the public interest to allow the Superintendent/CEO and CFO to determine which property may be surplus; and
3. The Board of Directors of ILTexas authorizes the Superintendent/CEO and CFO to identify and arrange for disposal of ILTexas personal property in a manner which they deem best serves ILTexas, the public interest, and the needs of the community.

*[signature page follows]*

PASSED AND APPROVED BY THE MAJORITY OF MEMBERS OF THE BOARD OF DIRECTORS OF INTERNATIONAL LEADERSHIP OF TEXAS, INC. ON THE **21<sup>st</sup> DAY OF October, 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

\_\_\_\_\_  
Ms. Gabriela Smith, 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 **October 21, 2021**, which Resolution is in full force and effect and has not been revoked or amended.*

\_\_\_\_\_  
Secretary



# Tarrant County Area Offices Comparison of Leasing Options

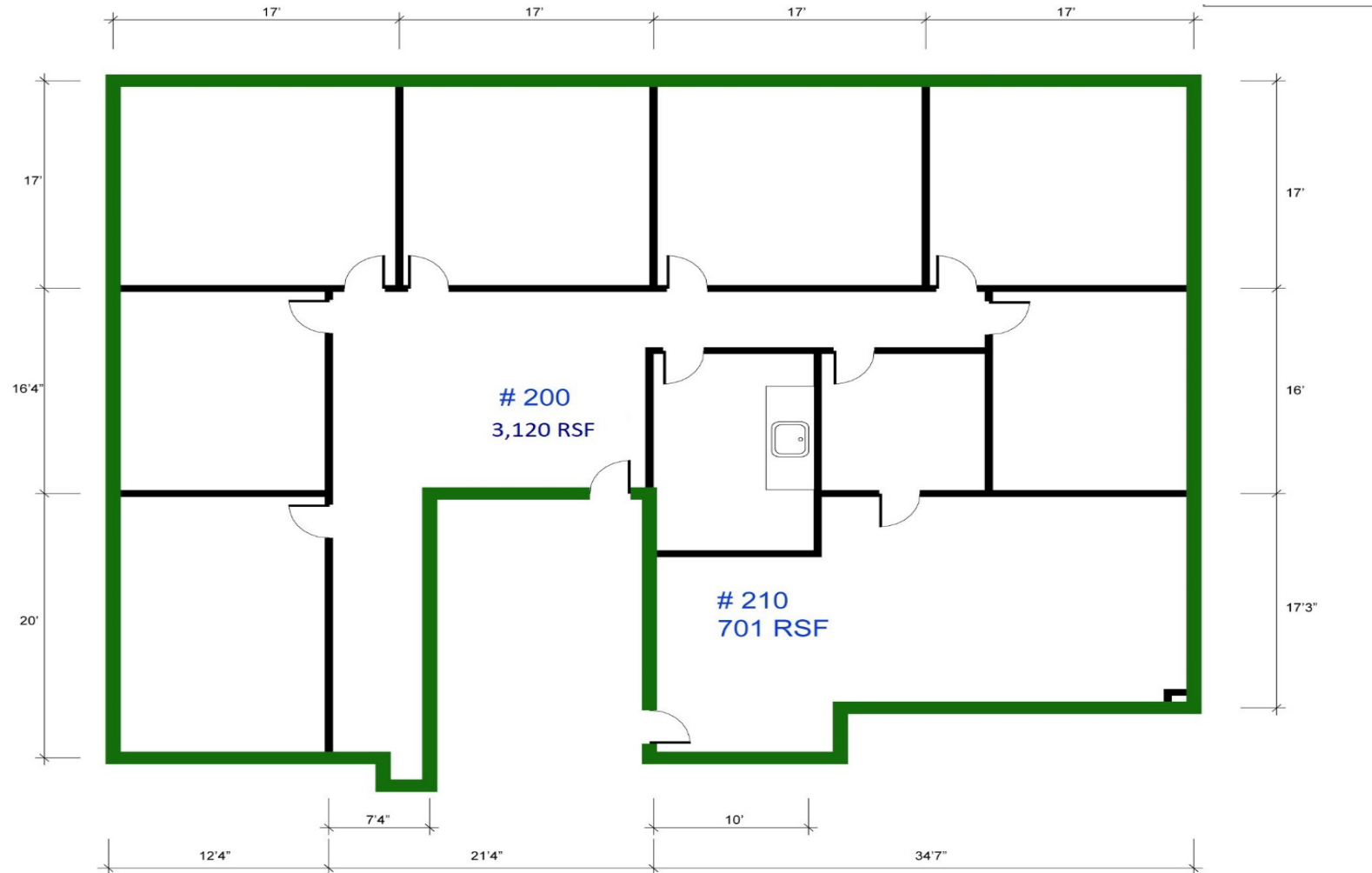
|                             | <b>Current Location</b>           | <b>Option 1</b>                  | <b>Option 2</b>                  | <b>Option 3</b>                  |
|-----------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>Physical Location</b>    | 1506 W. Pioneer Pkwy<br>Arlington | 2080 N. Hwy 360<br>Grand Prairie | 2080 N. Hwy 360<br>Grand Prairie | 2080 N. Hwy 360<br>Grand Prairie |
| <b>Suite #</b>              | <b>200, 205, 208 &amp; 222</b>    | <b>340</b>                       | <b>200</b>                       | <b>200 &amp; 210</b>             |
| <b>Rentable Square Feet</b> | 5000 est.                         | 3100                             | 3120                             | 3821                             |
| <b>Rent</b>                 | \$2,464                           | \$4,500                          | \$4,500                          | \$5,450                          |
| <b>Cleaning</b>             | 550                               |                                  |                                  |                                  |
| <b>Monthly - Current</b>    | <b>3,014</b>                      | <b>4,500</b>                     | <b>4,500</b>                     | <b>5,450</b>                     |
| <b>1st year (2021-2022)</b> | 36,165                            | 54,000                           | 54,000                           | 65,400                           |
| <b>2nd year</b>             | 36,888                            | 55,200                           | 55,200                           | 66,600                           |
| <b>3rd year</b>             | 37,626                            | 56,400                           | 56,400                           | 67,800                           |
| <b>4th year</b>             | 38,379                            | 57,600                           | 57,600                           | 69,000                           |
| <b>Four year total</b>      | <b>\$149,058</b>                  | <b>\$223,200</b>                 | <b>\$223,200</b>                 | <b>\$268,800</b>                 |

# CARRIER 360 OFFICE BUILDING

Suite 200

Grand Prairie, Texas 75050

3,821 RSF



**LEASE AGREEMENT**

**CARRIER 360 OFFICE BUILDING  
2080 N. Hwy 360  
Grand Prairie, Texas 75050**

THIS LEASE AGREEMENT made and entered into in triplicate as of the 16th day of September, 2021, between **ADP CARRIER 360, LLC**, a Texas limited liability company, acting herein by and through one of its authorized agents, herein designated as “Lessor”, and International Leadership of Texas herein designated as “Lessee”.

**WITNESSETH:**

Lessor, in consideration of the rent to be paid and of the covenants and agreements to be performed by Lessee hereinafter set forth, does hereby lease and demise unto Lessee certain space in the building known as the **CARRIER 360 OFFICE BUILDING**, which building is situated on a tract of land in Arlington, Tarrant County, Texas and having a street address of: **2080 N. Hwy 360, Grand Prairie, Texas 75050**, which space is more specifically described as being Suite Number(s) 200 of Floor No. 2 according to the official plat of suite designations on file in the Building Manager’s office. Such space is hereinafter called or referred to as the “Leased Premises”. The Leased Premises are stipulated for all purposes to contain approximately 3,821 square feet of net rentable area. The net rentable area of the Leased Premises is the square footage of the Leased Premises plus an allocation of the square footage of the building’s elevator and mechanical rooms, lobbies, restrooms and other common areas of the building. The Leased Premises are to be used and occupied by Lessee as general office and for no other purpose.

TO HAVE AND TO HOLD the said Leased Premises unto the said Lessee, its permitted successors and assigns, for the term beginning the 1st day of November, 2021 and ending the 31st day of October, 2025 unless sooner terminated as herein provided.

The Leased Premises are hereby leased by Lessor to Lessee and are accepted, or are to be accepted, and are to be used and possessed by Lessee upon and subject to the following terms, provisions, covenants, agreements and conditions, to-wit:

**1. RENTAL:**

(a) Lessee agrees and promises to pay to Lessor at **2080 North Highway 360, Suite #120, Grand Prairie, Texas 75050** (or at such other place as Lessor may designate) in lawful money of the U.S.A. as and for rental for the Leased Premises the sum of \$ 268,800.00 as the base rental for the entire term, payable \$ (See Base Monthly Rent Schedule, Item 1. Rental, paragraph (c)) monthly in advance and without demand on the first day of each calendar month during and throughout the stated term of this lease, and without any set-off or counter-claim whatsoever. Invoicing for monthly rental due is done by Email and only as a courtesy reminder. This service is not a requirement of the Lessor under this lease. Should this lease commence on a day other than the first day of a calendar month or terminate on a day other than the last day of a calendar month, the rent for such partial month shall be appropriately reduced. The first monthly rental installment together with the security deposit (hereinafter stated) shall be paid to Lessor in advance, upon the execution of this lease.

(b) Should Lessee, with Lessor’s consent, occupy the Leased Premises prior to the beginning of the term set forth above, all provisions of this lease shall be in full force and effect from the commencement of such occupancy and the rent for such early period shall be at the same monthly rate above provided. Such prior occupancy shall not, however, shorten the term of this lease, but to the contrary said lease shall continue in force and effect until the termination date stated herein, unless sooner terminated as provided herein.

**(c) Base Monthly Rent Schedule**

| <u>Month of Lease Term</u>                               | <u>Base Monthly Rent Amount</u> |
|--|---------------------------------|
| <b>November 1st, 2021</b> thru <b>October 30th, 2022</b> | <b>\$ 5,450.00</b>              |
| <b>November 1st, 2022</b> thru <b>October 30th, 2023</b> | <b>\$ 5,550.00</b>              |
| <b>November 1st, 2023</b> thru <b>October 30th, 2024</b> | <b>\$ 5,650.00</b>              |
| <b>November 1st, 2024</b> thru <b>October 30th, 2025</b> | <b>\$ 5,750.00</b>              |

**2. LATE PAYMENT CHARGE AND OTHER CHARGES:**

(a) In the event any monthly installment of rent is not paid within five (5) days after it is due and payable as set forth in this lease, Lessee agrees to pay as a late charge an amount equal to ten percent (10%) of the monthly installment of rent that is due and payable. In the event any other sum of money (other than monthly rental installment owing to Lessor by Lessee pursuant to the terms of this lease is not paid when due, Lessee agrees that such sum shall bear interest at the rate of eighteen percent (18%) per annum from the date due until the date such sum is paid in full to Lessor.

(b) In addition to any other fees or charges, including all applicable bank charges incurred by Lessor, a \$50.00 charge will assessed on all returned checks.

(c) If Lessee has not timely paid rentals and other sums due on two or more occasions, or if a check from Lessee is returned for insufficient funds or no account, Lessor may, for the next 12 months, require that all rent and other sums due be paid by cashier’s check, certified check, or money order, without prior notice.

Initial Here

**3. SECURITY DEPOSIT:**

Lessee has deposited with Lessor the sum of **\$ 5,450.00** as security for the full and faithful performance by Lessee of Lessee’s covenants and obligations hereunder. Such security deposit shall not bear interest and shall not be considered an advance payment of rent or a measure of Lessor’s damages in case of default by Lessee. In the event Lessee defaults in the performance of any of the covenants and obligations to be performed by it hereunder including but not limited to the payment of all rent to be paid hereunder, Lessor may, from time to time without prejudice to any other remedy, use such security deposit to the extent necessary to make good any arrearages in rent or any sum as to which Lessee is in default and any other damage, injury, expense, or liability caused to Lessor by such default, including any damages or deficiency in the reletting of the Leased Premises, whether such damages or deficiency may accrue before or after termination of this lease. Following any such application of the security deposit, Lessee shall pay to Lessor on demand the amount so applied in order to restore the security deposit to its original amount. Additionally, upon written notice by Lessor, Lessee shall increase the Security Deposit by an amount equal to the increase in the monthly rental pursuant to Paragraph 1 (c) hereof. If Lessee is not then in default hereunder, any remaining balance of the security deposit, less charges, if any, for damage to the Leased Premises, shall be returned by Lessor to Lessee within sixty (60) days following termination of this lease and after delivery of the entire possession of the Leased Premises to Lessor in accordance with this lease. If Lessor assigns its interest in the Leased Premises during the lease term, Lessor may assign the security deposit to the assignee and thereafter Lessor shall have no further liability for the return of such security deposit to the assignee and Lessee agrees to look solely to the assignee for the return of such security deposit.

**4. COMPLETION OF IMPROVEMENTS AND COMMENCEMENT OF RENT:**

(a) If for any reason the Leased Premises are not ready for occupancy by Lessee on the date of the commencement of the term hereof, the obligations of Lessor and Lessee shall continue in full force and effect; however, in such event, the rent provided for herein shall not commence until the earlier of (i) the date the Leased Premises are ready for occupancy by Lessee, or (ii) thirty (30) days after Lessor shall have notified Lessee in writing that the Leased Premises are available to Lessee for the installation of Lessee’s improvements to the Leased Premises. In such event, such abatement of rent shall constitute full settlement of all claims that Lessee might otherwise have against Lessor by reason of the Leased Premises not being ready for occupancy by Lessee on the date of the commencement of the term hereof, and the term of this lease shall not be extended beyond the termination date specified in this lease.

(b) If, through no fault of Lessee, Lessor is unable to deliver possession of the Leased Premises to Lessee on or before twelve (12) months from the projected beginning date of the term specified herein, this lease shall terminate and come to an end and Lessor and Lessee shall have no further rights or obligations hereunder except as otherwise provided for herein. In such event, abatement of rent from the projected beginning date of the term specified herein shall constitute full settlement of all claims that Lessee might otherwise have against Lessor by reason of the Leased Premises not being ready for occupancy.

**5. ACCEPTANCE OF LEASED PREMISES AND BUILDING BY LESSEE:**

The taking of possession of the Leased Premises by Lessee shall be conclusive evidence against Lessee: (i) that the Leased Premises are suitable for the purposes for which same are leased; (ii) that the building and each and every part and appurtenance thereof are in a good and satisfactory condition, and (iii) that Lessee waives any defects in the Leased Premises and its appurtenances and in all other parts of the building and the appurtenances thereto. Lessee hereby accepts the Leased Premises as suitable for the purposes for which they are leased and knowingly and voluntarily waives any implied warranty of suitability. Lessor shall not be liable to Lessee or to any of its agents, employees or invitees for any damage to persons or property due to the building or an part or appurtenance thereof being improperly constructed or being or becoming out of repair or arising from the leaking of gas, water, sewer, steam pipes, electricity or otherwise.

**6. SERVICES BY LESSOR:**

(a) Lessor agrees to furnish for the occupied portion of the Leased Premises at Lessor’s cost and expense, the following services: (1) Heating and air conditioning in season, at such temperatures and in such amounts as are considered by Lessor to be standard unless otherwise required by governmental authority; provided however heating and air conditioning service at times other than for “normal business hours” for the building (which are 8:00 a.m. to 6:00 p.m. Monday through Friday and 8:00 a.m. to 1:00 p.m. on Saturday except for normal business holidays) shall be furnished only upon written request of Lessee delivered to Lessor at least 24 hours in advance of the date such usage is requested and provided further that Lessee shall bear the entire cost of such additional service at rates set by Lessor from time to time and Lessee shall pay for such usage as additional rental upon receipt by Lessee of a statement therefor from Lessor; (2) cold water at the normal temperature of the supply of water to the building for lavatory and toilet purposes, refrigerated water for drinking purposes and hot water (from the regular supply of water to the building) through fixtures installed by Lessor or by Lessee with Lessor’s consent; and (3) electric lighting for all public areas and special service areas of the building in the manner and to the extent deemed by the Lessor to be reasonable and standard.

(b) Lessor shall furnish to Lessee sufficient electrical current for normal office use. The obligation of the Lessor hereunder to furnish such electrical service shall be subject to the rules and regulations of the supplier of such electricity and of any municipal or other governmental authority regulating the business of providing electrical utility service. Lessee agrees that at all times its use of electric current shall never exceed the capacity of existing feeders to the building or the risers or wiring installations. Without Lessor’s prior consent, Lessee shall not install any equipment that shall require for its use other than the normal electric current and electrical equipment supplied by Lessor.

(c) Lessor does not warrant that the service provided for herein will be free from surges, interruption or stoppage caused by the maintenance, replacement or improvement of any of the equipment involved in the furnishing of any such services, or caused by labor controversies, accidents, acts of God or the elements or any other cause beyond the reasonable control of Lessor, and specifically no interruption or stoppage of any of such services shall ever be construed as an eviction of Lessee nor shall same cause any abatement of the rent payable hereunder or in any manner or for any purpose relieve Lessee from any of its obligations hereunder, and in any event Lessor shall not be liable for any interruption or stoppage of any such services or for any damage to persons or property resulting therefrom provided Lessor uses reasonable diligence to resume the service or to cause same to be resumed.

Initial Here



(d) Janitorial cleaning service **(is)** ~~(is not)~~ provided by Lessor under the lease. If provided by Lessor, janitorial service shall be scheduled for five days per week.

**7. QUIET ENJOYMENT:**

Lessor agrees to warrant and defend Lessee in the quiet enjoyment and possession of the Leased Premises during the term of this lease provided Lessee (i) pays, as and when due and payable, the rent payable hereunder, and (ii) keeps and fulfills all of the terms, covenants, agreements and conditions on its part hereunder.

**8. USE AND OCCUPANCY:**

Lessee agrees that the Leased Premises shall be used and occupied by Lessee only as specified in this lease, and Lessee agrees, to use and maintain the Leased Premises in a clean, careful, safe and proper manner and to comply with all applicable laws (including environmental laws), ordinances, orders, rules and regulations of all governmental bodies (state, federal and municipal). If required, Lessee shall obtain a Certificate of Occupancy from the municipality in which the building is located prior to occupancy of the Leased Premises. Lessee agrees to pay on demand, for any damage to the Leased Premises or to any other part of the building caused by any negligence or willful act or any misuse or abuse (whether or not any such misuse or abuse results from negligence or willful act) by the Lessee or any of its agents, employees or invitees or any other person not prohibited, express or implied, by Lessee from entering upon the Leased Premises. Lessee agrees not to use or to allow or permit the Leased Premises to be used for any purpose prohibited by any law of the United States or of the State of Texas or by any ordinance of the City of Grand Prairie, Texas, and Lessee agrees not to commit waste, cause or permit any hazardous materials to be brought upon, kept or used on the Leased Premises, or suffer or permit waste to be committed or to allow or permit any nuisance on or in the Leased Premises. Lessee will not occupy or use nor permit any portion of the premises leased hereunder to be occupied or used for any business or purpose which is deemed to be unlawful or disreputable in any manner. At the termination of this lease, whether by lapse of time or otherwise, Lessee shall deliver the Leased Premises to Lessor broom clean and in as good condition as the same are as of the date of the taking of possession thereof by Lessee, ordinary wear and tear only excepted, and upon such termination of this lease, Lessor shall have the right to re-enter and resume possession of the Leased Premises. Lessee will conduct its business and occupy the Leased Premises and will control its agents, employees and invitees in such a manner so as not to create any nuisance or interfere with, annoy or disturb any of the other tenants in the building, or Lessor in its management of the building. Lessee shall not use the Leased Premises or allow or permit same to be used in any way or for any purpose that Lessor may deem to be extra hazardous on account of the possibility of fire, or other casualty or which will increase the rate of fire or other insurance for the building or its contents or in respect to the operation of the building or which may render the building uninsurable at normal rates by responsible insurance carriers authorized to do business in the State of Texas or which may render void or voidable any insurance on the building. In the event that by reason of Lessee's acts or conduct of business there shall be an increase in the rate of insurance on the building or contents, then Lessee hereby agrees to pay such increase. Lessee hereby covenants and agrees with Lessor that it will not engage in the sale of vending machine items including, but not limited to cold drinks, coffee, etc.

**9. ASSIGNMENT AND SUBLETTING:**

Lessee shall not, without the prior written consent of Lessor, (a) assign or in any manner transfer this lease or any estate or interest therein or (b) permit any assignment of this lease or any estate or interest therein by operation of law, or (c) sublet the Leased Premises or any part thereof, or (d) grant any license, concession or other right of occupancy of any portion of the Leased Premises, or (e) permit the use of the Leased Premises by any parties other than Lessee and its employees, and any such acts without Lessor's prior written consent shall be void and of no effect.

**10. ALTERATIONS AND ADDITIONS BY LESSEE:**

Lessee shall not make alterations in or additions to the Leased Premises without the prior written consent of Lessor, and all alterations and improvements and additions made to or fixtures or other improvements placed in or upon the Leased Premises by either party (except only movable office furniture and equipment not attached to the building) shall be deemed a part of the building and the property of Lessor at the time same are placed in or upon the Leased Premises and same shall remain upon and be surrendered with the Leased Premises as a part thereof at the termination of this lease, unless Lessor requests their removal, in which event Lessee shall remove the same and restore the Leased Premises to their original condition at Lessee's expense. Lessee shall not, without Lessor's prior written consent (a) make any changes to or paint the building front or (b) install any exterior lighting, decorations or paintings, or (c) erect or install any signs, window or door lettering, placards, decorations or advertising media of any type which can be viewed from the exterior of the Demised Premises. All signs, decorations and advertising media shall conform in all respects to the sign criteria established by Lessor for the building from time to time in the exercise of its sole discretion, and shall be subject to the prior written approval of Lessor as to construction, method of attachment, size, shape, height, lighting, color and general appearance. All signs shall be kept in good condition and in proper operating order at all times. Lessor reserves the right to designate a uniform type of sign for the building to be installed and paid for by Lessee. Lessee, upon vacation of the Leased Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, or replacement, of the building fascia surface where signs are attached.

**11. INSPECTION AND REPAIRS:**

Lessor shall have the right at any time to enter the Leased Premises for the purpose of examining and inspecting the same and to make such repairs, additions or alterations as Lessor may deem necessary or proper for the safety, improvement or preservation of the Leased Premises or of the building. Lessor shall have the right at any time to make such alterations or changes in other portions of the building as it may deem necessary or desirable so long as such alterations or changes do not unreasonably interfere with the use and occupancy by Lessee of the Leased Premises. Lessee shall, at its own cost and expense, promptly repair or replace any damage or injury done to the Leased Premises or any other part of the building by Lessee or its agents, employees or invitees, including but not limited to, repair and replacements to the windows, window glass, plate glass, doors and the interior of the Leased Premises in general, and if Lessee shall fail to make such repairs or replacements promptly, or at least within fifteen (15) days of the occurrence of the damage or injury, Lessor may, at its option, make such repair or replacement and the cost incurred by Lessor thereby shall constitute a demand obligation owing by Lessee to Lessor from the date of payment by Lessor.

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**12. LIABILITY OF LESSOR:**

Lessor shall not be liable, except in the event of gross negligence or willful misconduct, to Lessee or any of its agents, employees, servants or invitees for any damage to person or property due to the condition or design of any defect in the building or its mechanical systems and equipment which may exist or occur, and Lessee, with respect to itself and its agents, employees, servants and invitees, hereby expressly assumes all risks of damage to person or property by reason of the present or future condition of the Leased Premises or the building. Lessee agrees that all personal property upon the Leased Premises shall be at the risk of Lessee only, and that Lessor shall not be liable for any damage thereto or theft thereof. As used in this lease, the term "Lessor" means only the current owner or owners of the fee title to the Leased Premises at the time in question. Each Lessor is obligated to perform the obligations of Lessor under this lease only during the time such Lessor owns such interest or title. Any Lessor who transfers its title or interest is relieved of all liability with respect to the obligations of Lessor under this lease accruing on or after the date of transfer, and Lessee agrees to recognize the transferee as Lessor under this lease. The liability of Lessor to Lessee for any default by Lessor under the terms of this lease shall be limited to the interest of Lessor in the building and Lessee agrees to look solely to Lessor's interest in the building for recovery of any judgment from Lessor, it being intended that Lessor shall not be personally liable for any judgment or deficiency.

**13. INDEMNITY LIABILITY:**

Lessee will indemnify and save harmless Lessor of and from (i) all fines, suits, claims, demands and actions of any kind by reason of any breach, violations, or non-performance of any condition hereof on the part of Lessee and (ii) all claims, demands, actions, damages, loss, costs, liabilities, expenses and judgments suffered by, recovered from or asserted against Lessor on account of injury or damage to person or property to the extent that any such damage, or injury may be incident to, arise out of, or be caused, either proximately or remotely, wholly or in part, by an act, omission, negligence, or misconduct on the part of Lessee or any of its agents, servants, employees, contractors, patrons, guests, licensees, or invitees. Lessee is familiar with said premises, acknowledges that same are received by him in a good state of repair, accepts them in the condition in which they are now, and Lessee accepts said premises as suitable for the purposes for which same are leased.

**14. FIRE OR OTHER CASUALTY:**

If the Leased Premises or any part thereof shall be damaged by fire or other casualty, Lessee shall give prompt notice thereof to Lessor. In case the building shall be so damaged by fire or other casualty that substantial alteration or reconstruction of the building, shall in Lessor's sole opinion, be required (whether or not the Leased Premises shall have been damaged by such fire or other casualty) or in the event any mortgagee under a mortgage or deed of trust covering the building should require that the insurance proceeds payable as a result of said fire or other casualty be used to retire the mortgage debt, Lessor may, at its option, terminate this lease and the terms and estate hereby granted by notifying Lessee in writing of such termination within sixty (60) days after the date of such damage, in which event the rent hereunder shall be abated as of the date of such damage. If Lessor does not thus elect to terminate this lease, Lessor shall within sixty (60) days after the date of such damage commence to repair and restore the building and shall proceed with reasonable diligence to restore the building (except that Lessor shall not be responsible for delays outside its control) to substantially the same condition in which it was immediately prior to the happening of the casualty, except that Lessor shall not be required to rebuild, repair, or replace any part of Lessee's furniture or furnishings or of fixtures and equipment removable by lessee under the provisions of this lease. Lessor shall not be liable for any inconvenience or annoyance to Lessee or injury to the business of Lessee resulting in any way from such damage or the repair thereof; except that during the time and to the extent that the leased Premises are unfit for occupancy, Lessor shall, at its option, either furnish Lessee with comparable office space at prevailing market rates or a fair diminution of rent, the choice of which will be at Lessor's sole discretion. If the damages are caused by the negligence of Lessee, its agents, servants, employees, contractors, patrons, guests, licenses, or invitees there will be no abatement of rent and Lessee will be liable for any damages in excess of the amount paid by insurance proceeds received by Lessor. Any insurance which may be carried by Lessor or Lessee against loss or damage to the building or to the Leased Premises shall be for sole benefit of the party carrying such insurance and under its sole control.

**15. CONDEMNATION:**

If the whole or substantially the whole of the building or of the Leased Premises shall be lawfully condemned or taken in any manner for any lawful purpose, this lease shall, at the option of either Lessor or Lessee, cease and terminate as of the date of taking of possession for such purpose. If less than the whole or substantially the whole of the building or the Leased Premises shall be so condemned, the Lessor, whether or not the Leased Premises be affected, may, at its option terminate this lease as of the date of the taking of possession for such purpose by notifying Lessee in writing of such termination. If upon any such condemnation this lease shall continue in force as to any part of the Leased Premises, the rent payable hereunder shall be diminished by an amount representing that part of said rent as shall properly be applicable to the portion of the Leased Premises which was so condemned or taken and Lessor shall, at its expense, proceed with reasonable diligence to repair, alter and restore the remaining part of the building and the leased Premises substantially to its former condition to the extent that the same, in Lessor's judgment may be feasible. Lessor shall be entitled to receive the entire award in any condemnation proceedings including any award for the value of an unexpired term of this lease.

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**16. WAIVER OF SUBROGATION:**

Each party hereto hereby waives any and every claim which arises or may arise in its favor and against the other party hereto, or anyone claiming through or under them, by way of subrogation or otherwise, during the term of this lease or any extension or renewal thereof for any and all loss of, or damage to, any of its property (whether or not such loss or damage is caused by the fault or negligence of the other party or anyone for whom said other party may be responsible) which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recovered under said insurance policies. Said waivers shall be in addition to, and not in limitation or derogation of, any waiver or release contained in this lease with respect to any loss or damage to property of the parties hereto. Inasmuch as the above mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation (for otherwise to an insurance company for any other person) each party hereto hereby agrees immediately to give to each insurance company which has issued to it policies of fire and extended coverage insurance written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverages by reason of said waivers.

**17. EVENTS OF DEFAULT:**

The following events shall be deemed to be events of default by Lessee under this lease:

- (a) Lessee shall fail to pay any installment of the rent hereby reserved when due and such failure shall continue for a period of ten (10) days:
- (b) Lessee shall fail to comply with any term, provision or covenant of this lease, other than the payment of rent, and shall not cure such failure within then (10) days after written notice thereof to Lessee:
- (c) Lessee shall make an assignment for the benefit of creditors:
- (d) Lessee shall file a petition under any section or chapter of Nations Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Lessee shall be adjudged bankrupt or insolvent in any proceeding filed against Lessee there under and such adjudication shall not be vacated or set aside within thirty (30) days;
- (e) A receiver or Trustee shall be appointed for all or substantially all of the assets of Lessee and such receivership shall not be terminated or stayed within thirty (30) days; or
- (f) Lessee shall abandon or vacate any substantial portion of the Leased Premises for a period of five (5) or more days.

**18. REMEDIES:**

Upon the occurrence of any event of default hereunder, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

- (a) Terminate this lease in which event Lessee shall immediately surrender the Leased Premises to Lessor, and if Lessee fails to do so, Lessor, may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession and expel or remove Lessee and any other person who may be occupying the Leased Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages thereof. Lessee agrees to pay to Lessor on demand the amount of all loss and damage which Lessor may suffer by reason of such termination, whether through inability to relet the Leased Premises on satisfactory terms or otherwise, including the loss of the base rental for the remaining term of the lease;
- (b) Enter upon and take possession of the Lease Premises and expel or remove Lessee and any other person who may be occupying the Leased Premises or any part thereof, by force as is necessary, without being liable for prosecution or any claim for damages therefor, and if Lessor so elects, relet the Leased Premises on such terms as Lessor shall deem advisable and receive the rent thereof. Lessee agrees to pay to Lessor on demand any deficiency in base rental that may arise by reason of such reletting; and
- (c) Enter upon the Leased Premises by force if necessary, without being liable for prosecution or any claim for damages, therefor, and do whatever Lessee is obligated to do under the terms of this lease, and Lessee agrees to reimburse Lessor on demand for any expenses which Lessor may incur in thus effecting compliance with Lessor's obligations under this lease, and Lessee further agrees that Lessor shall not be liable for any damages resulting to the Lessee from such actions.

In addition to the foregoing remedies, in the event of the failure or refusal by Lessee to make the timely and punctual payment of any rent or other sums payable under this Lease when and as the same shall become due and payable, or in the event of an abandonment of the Leased Premises by Lessee, Lessor is entitled and is hereby authorized, without any notice to Lessee whatsoever, to enter upon the Leased Premises by use of master key, a duplicate key, picking the locks, or other peaceable means, and to change, alter, and/or modify the door locks on all entry doors of the Leased Premises, thereby excluding Lessee, and its officers, principals, agents, employees and representatives therefrom. In the event that Lessor has either permanently repossessed the Leased Premises pursuant to the foregoing provisions of this Lease, or has terminated the Lease by reason of Lessee's default, Lessor shall not thereafter be obligated to provide Lessee with a key to the Leased Premises at any time; provided however, that in any such instance, during Lessor's normal business hours and at the convenience of Lessor, and upon the written request of Lessee accompanied by such written waivers and releases as Lessor may require, Lessor will escort Lessee or it's authorized personnel to the Leased Premises to retrieve any personal belongings or other property of Lessee not subject to the landlord's lien or security interest described in this Lease. If Lessor elects to exclude Lessee from the Leased Premises without permanently repossessing or terminating pursuant to the foregoing provisions of this Lease, then Lessor (at any time prior to permanent repossession or termination) shall not be obligated to provide Lessee a key to re-enter the Leased Premises until such time as all delinquent rental and other amount due under this Lease have been paid in full (and all other defaults, if any, have been completely

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cured to Lessor’s satisfaction), and Lessor has been given assurance reasonably satisfactory to Lessor evidencing Lessee’s ability to satisfy its remaining obligations under this Lease. During any such temporary period of exclusion, Lessor will, during Lessor’s regular business hours and at Lessor’s convenience, upon written request by Lessee, escort Lessee or its authorized personnel to the Leased Premises to retrieve personal belongings of Lessee or its employees, and such other property of Lessee as is not subject to the landlord’s lien and security interest described in this Lease. This remedy of Lessor shall be in addition to, and not in lieu of, any of its other remedies set for in this Lease, or otherwise available to Lessor at law or in equity. The provisions hereof shall override and control any conflicting provisions of Section 93.002 of the Texas Property Code, as amended.

No re-entry or taking possession of the Leased Premises by Lessor shall be construed as an election on its part to terminate this lease, unless a written notice of such intention be given to Lessee. Notwithstanding any such reletting or re-enter or taking possession, Lessor may at any time thereafter elect to terminate this lease for a previous default. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Lessor hereunder or of any damages accruing to Lessor by reason of the violation of any of the terms, provisions and covenants herein contained. Lessor’s acceptance of rent following an event of default hereunder shall not be construed as Lessor’s waiver of such event of default. No waiver by Lessor of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Forbearance by Lessor to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. The loss or damage that Lessor may suffer by reason of termination of this lease or the deficiency from any reletting as provided for above shall include the expense of repossession and any repairs or remodeling undertaken by Lessor following possession. Should Lessor at any time terminate this lease for any default, in addition to any other remedy Lessor may have, Lessor may recover from Lessee all damages Lessor may incur by reason of such default, including the cost of recovering the Leased Premises and the loss of the base rental for the remaining term of the lease.

**19. LANDLORD’S LIEN:**

In addition to the statutory landlord’s lien and in order to secure payment of all rentals and other sums of money becoming due hereunder from Lessee, and to secure payment of any damages or loss which Lessor may suffer by reason of the breach by Lessee of any covenant, agreement, or condition contained herein, Lessee hereby grants unto Lessor a security interest in and an express contractual lien upon all goods, wares, equipment, fixtures, furniture, improvements, and other personal property of Lessee presently or which may hereafter be situated on the Leased Premises (except such part of such property as may be exchanged, replaced, or sold from time to time in the ordinary course of Lessee’s operations) and all proceeds therefrom, and such property shall not be removed therefrom without the consent of Lessor until all arrearages in rent as well as any and all other sums of money then due to Lessor hereunder shall first have been paid and discharged and all the covenants, agreements, and conditions hereof have been fully complied with and performed by Lessee. Upon the occurrence of an event of default by Lessee, and Lessor may, in addition to any other remedies provided herein, enter upon the Lease Premises and take possession of any and all such goods, wares, equipment, fixtures, furniture, improvements, and other personal property of Lessee situated on the Leased Premises, without liability for trespass or conversion (and Lessee hereby waives any right to notice or hearing prior to such taking of possession by Lessor) and sell the same at public or private sale, with or without having such property at the sale, after giving Lessee reasonable notice of the time and place of any public sale or of the time after which any private sale is made, at which sale Lessor or its assigns may purchase unless otherwise prohibited by law. Unless otherwise provided by law, and without intending to exclude any other manner of giving Lessee reasonable notice, the requirement of reasonable notice shall be met if such notice is given in the manner prescribed by this lease at least five (5) days before the day of sale. The proceeds from any such disposition, less any and all expenses connected with the taking of possession, holding, and selling of the property (including reasonable attorney’s fees and other expenses), shall be applied as credit against the indebtedness secured by the security interest granted in this paragraph. Any surplus shall be paid to Lessee or as otherwise required by law; and the Lessee shall pay any deficiency forthwith. Upon request by Lessor, Lessee agrees to execute and deliver to Lessor a financing statement in form sufficient to perfect the security interest of Lessor in the aforementioned property and proceeds thereof under the provisions of the Uniform Commercial Code in force in the State of Texas. This lease shall also be deemed a security agreement under the Uniform Commercial Code of Texas and Lessor shall additionally have the right and remedies provided by said Uniform Commercial Code. The statutory lien for rent is not hereby waived, the security interest herein granted being in addition and supplementary thereto.

**20. ABANDONED PROPERTY:**

All of Lessee’s fixtures and personal property not removed by Lessee from the Leased Premises within five (5) calendar days following the termination of this lease, whether termination shall occur by the lapse of time or otherwise, shall thereupon conclusively presumed to have been abandoned by Lessee, and shall become the property of the Lessor, and may be disposed by Lessor in its sole discretion.

**21. NO IMPLIED WAIVER:**

No provision of this lease shall be deemed to have been waived by Lessor unless such waiver be in writing signed by Lessor. No express waiver shall affect any condition other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

**22. HOLDING OVER BY LESSEE:**

Lessee shall not hold over beyond the termination of this lease, but should Lessee continue to hold the Leased Premises after the termination of this lease, whether the termination occurs by lapse of time or otherwise, Lessee shall pay to Lessor, as liquidated damages for each month of such holding over one and one-half (1 1/2) times the amount of the monthly installments of rent hereinabove provided for, which amounts shall be due and payable in advance on the first day of each calendar month. During such time as Lessee shall continue to hold the Leased Premises after the termination hereof, such holding over shall be a tenancy from month-to-month subject, and Lessee shall be regarded as a tenant from month-to-month subject, however, to all of the terms, provisions, covenants and agreements on the part of

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Lessee hereunder. No payments of money by Lessee to Lessor after the termination of this lease or after the giving of any notice by Lessor to Lessee shall reinstate, continue or extend the term of this lease or affect any notice given Lessor to Lessee, and no extension of this lease shall be valid unless and until the same shall be reduced to writing and signed by both Lessor and Lessee.

**23. SUBORDINATION:**

This lease and all rights of Lessee hereunder shall be subject and subordinate (i) to any mortgage and any deed of trust which do now or may hereafter affect the real property of which the Leased Premises forms a part, and (ii) to any and all increases, renewals, modifications, consolidations, replacements and extension of any of such mortgages and deeds of trust. This provision is hereby declared by Lessor and Lessee to be self-operative and no further instrument shall be required to effect such subordination of this lease. Lessee shall, however, upon demand at anytime or times execute, acknowledge and deliver to Lessor any and all instrument and certificates that may be necessary or proper to more effectively subordinate this lease and all rights of Lessee hereunder to any such mortgage or mortgages and/or deeds or deeds of trust or to confirm or evidence subordination.

This lease and all rights to Lessee hereunder are further subject and subordinate to the extent that the same relate to the Leased Premises, to all applicable ordinances of the City of Arlington, Texas, relating to easements, franchises and other interests or rights upon, across or appurtenant to the building or any of the land upon which the building is situated.

**24. RULES AND REGULATIONS:**

Lessee covenants and agrees that it will comply with the rules and regulations of Lessor contained in this agreement, same being expressly made a part hereof, as well as all reasonable changes and additions that may at any time be adopted by Lessor for the operation and protection of the building and the protection and welfare of its tenants. Lessor expressly reserves the right at any time to make such reasonable changes in and additions to such rules and regulations, provided, however, that same shall not become effective and part of this lease until a copy thereof shall have been delivered to Lessee.

**25. AMENDMENT:**

It is agreed between Lessor and Lessee that no amendment or modification of this lease shall be valid or binding unless expressed in a writing executed by both of the parties hereto. In addition, no provision of this lease shall be altered, waived, amended or extended except in writing executed by both Lessor and Lessee.

**26. MECHANIC’S AND MATERIALMAN’S LIENS:**

Lessee shall cause to be discharged, within ten (10) days after the filing thereof, any general contractor mechanic’s or material man’s lien that may be filed against the building, or any part thereof, on account of any work claimed to have been performed at the request of or for the account of Lessee or any materials claimed to have been furnished to, at the request of or for the account of Lessee. If Lessee shall fail to discharge such lien within such period, then in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit in court or bonding. Any amount paid by Lessor for any of the aforesaid purposes, or for the satisfaction of any other lien, not caused or claimed to be caused by Lessor, and all reasonable legal and other expenses of Lessor, including reasonable attorney’s fees, in defending any such action or in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, with interest thereon at the rate of eighteen per cent (18%) per annum from the date of payment shall be paid by Lessee to Lessor on demand.

**27. RELOCATION:**

Lessor expressly reserves the right at any time and from time to time to substitute, instead of the Leased Premises, other space (the “New Premises”) of Lessor’s choosing and to require that Lessee relocate to the New Premises, which New Premises shall be of approximately the same dimensions and size within the building. The New Premises shall also be decorated by Lessor at Lessor’s sole cost and expense so that the interior design and decoration of the New Premises shall be comparable to the then existing interior design and decoration of the Lease Premises. Prior to any relocation hereunder, Lessor shall give Lessee at lease thirty (30) days written notice specifying Lessor’s intention to relocate Lessee. Lessor shall reimburse Lessee for Lessee’s reasonable out-of-pocket expenses for moving Lessee’s furniture, equipment, supplies and telephones and telephone equipment from the Leased Premises to the New Premises. Lessee agrees that Lessor’s exercise of Lessor’s election to require that Lessee relocate shall not terminate this Lease or release Lessee, in whole or in part, from Lessee’s obligation to pay the rental and perform the covenants and agreements hereunder for the full term of this Lease. In the event of any such relocation, this Lease shall continue in full force and effect with no change in the terms, covenants or conditions hereof other than the substitution of the New Premises for the Leased Premises.

**28. LIABILITY INSURANCE:**

Lessee at all times during the Lease term shall, at its own expense, keep in full force and effect comprehensive general liability insurance with “personal injury” coverage and contractual liability coverage, with minimum limits of \$1,000,000.00 on account of bodily injuries to, or death of, one or more than one person as the result of any one accident or occurrence and \$500,000.00 on account of damage to property. Lessee shall also carry insurance against fire and such other risks as are from time to time included in Standard All-Risk Insurance (including coverage against vandalism and malicious mischief) for the full insurable value of Lessee’s merchandise, trade fixtures, furnishings, wall covering, carpeting, drapes, equipment and all items of personal property of Lessee located on or in the Leased Premises. Lessor shall be a named additional insured on said policy. All insurance policies or duly executed certificates for the same required to be carried by Lessee under this Lease, together with satisfactory evidence of the payment of the premium thereof, shall be deposited with Lessor on the date Lessee first occupies the Leased Premises and upon renewals

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of such policies not less than fifteen (15) days prior to the expiration of the term of such coverage. All insurance required to be carried by Lessee under this Lease shall be in form and content, and written by insurers acceptable to Lessor, in its sole discretion. If Lessee shall fail to comply with any of the requirements contained relating to insurance, Lessor may obtain such insurance and Lessee shall pay to Lessor, on demand as additional rent hereunder, the premium cost thereof.

**29. AUTHORITIES FOR ACTION AND NOTICES:**

Lessor may act in respect to any matter arising under this lease through any one of its executive officers or its manager of the building, and any notice given by Lessee or Lessor hereunder, in order to be effective and binding, must be in writing and sent to Lessor's manager of the building by United States certified mail, with adequate postage prepaid, addressed to the manager at **2080 North Highway 360, Suite #120, Grand Prairie, Texas 75050** or to such other person and/or other address as Lessor may designate by written notice to Lessee. Any notice given by Lessor to Lessee hereunder, in order to be effective and binding, must be in writing and hand delivered or sent by United States certified mail, with adequate prepaid postage, addressed to Lessee at the Leased Premises.

**30. GOVERNING LAW AND VENUE:**

This lease shall be governed by and subject to the laws of the State of Texas, and is performable in Arlington, Tarrant County, Texas.

**31. ATTORNEY'S FEES:**

If on account of any breach or default by any party to this lease in its obligations to any other party to this lease, it becomes necessary for a party to employ an attorney to enforce or defend any of its rights or remedies under this lease, the non-prevailing party agrees to pay the prevailing party its reasonable attorneys' fees and court costs, if any, whether or not suit is instituted in connection with the enforcement or defense.

**32. JOINT AND SEVERAL LIABILITY:**

If there be more than one Lessee, the obligation hereunder imposed upon Lessee shall be joint and several.

**33. SEVERABILITY:**

Each and every covenant and agreement contained in this lease is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this lease or the application thereof to any person or circumstances shall to any extent be invalid and unenforceable, the remainder of this lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby.

**34. FORCE MAJEURE:**

Whenever a period of time is herein prescribed for action to be taken by Lessor, Lessor shall not be liable or responsible for, and thereby shall be excluded from the computation for any such period of time, any delays due to strikes, acts of God, shortages of labor or materials, war, governmental laws, regulations, restrictions, or any other cause of any kind whatsoever which is beyond the control of Lessor.

**35. LESSEE'S FINANCIAL CONDITION:**

Within ten (10) days after written request from Lessor, Lessee shall deliver to Lessor financial statements as are reasonably required by Lessor to verify the net worth of Lessee, or any assignee, subtenant, or guarantor of Lessee. In addition, Lessee shall deliver to any lender designated by Lessor any financial statements required by the lender to facilitate the financing or refinancing of the Leased Premises. Lessee represents and warrants to Lessor that each financial statement is a true, complete, and accurate statement as of the date of the statement.

**36. BINDING EFFECT:**

All of the covenants, agreements, terms, and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective heirs, personal representatives, successors, and, to the extent assignment is permitted hereunder, their respective assigns.

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**37. ADDITIONAL TERMS AND CONDITIONS:**

- I. Exhibit "A" Floor Plan: Attached.**
- II. LESSOR'S IMPROVEMENTS: Lessor shall complete the following list of improvements to the leased premises using building standard materials and finishes at Lessor's sole cost and expense. Any costs associated with Change Order items required by Lessee other than those in the list below shall be paid for by Lessee upon submission of such Change Order.**
  - a. Provide new Door sign and directory strips.**
  - b. Re-Paint suite throughout.**
  - c. Clean carpets throughout suite.**
  - d. Complete Make-Ready Clean Up.**

**\*\*\* The terms in this Lease contain ALL of the agreements between the parties pertaining to the Leased Premises and no other agreements are effective unless made a part of this Lease. All additional agreements or amendments Must be made in Writing and Signed by All Parties.**

**LESSOR:**

ADP CARRIER 360, LLC  
A Texas limited liability company  
By: A-D Management, Inc.  
Its General Partner

By: \_\_\_\_\_ Date: \_\_\_\_\_  
GORDON P. ANDREWS, PRESIDENT

**LESSEE(S):**

International Leadership of Texas  
Individual or Company

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Address (Home Office or Residence)

\_\_\_\_\_  
City State Zip Code

Ph: \_\_\_\_\_

Tax I.D. Number \_\_\_\_\_

I.D. Number \_\_\_\_\_

Email Addr: \_\_\_\_@.com

### BUILDING RULES & REGULATIONS

1. Lessor shall provide all locks to doors in each Lessee's leased area, and no Lessee shall place any additional lock on any door in its leased area without Lessor's prior written consent. Lessor agrees to furnish Lessee two keys without charge. Additional keys will be furnished at a nominal charge.

2. Sidewalks, doorways, halls, stairways and other similar areas shall not be obstructed by Lessee or used by any Lessee for any purpose other than ingress and egress to and from the Leased Premises and for going from one to another part of the building.

3. Plumbing fixtures and appliances shall be used only for the purposes for which designed. Damage resulting to any such fixtures or appliances from misuse by Lessee shall be paid by him, and Lessor shall not in any case be responsible therefor.

4. All Lessees will refer all contractors, contractor's representatives and installation technicians rendering any service to them to Lessor for Lessor's supervision, approval and control before the performance of any contractual services. This provision shall apply to all work performed in the building including, but not limited to installations of telephones, telegraph equipment, electrical devices and attachments, and any and all installations of every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment and any other physical portion of the building. Should a Lessee require telegraphics, telephonic, or other communication service, Lessor will direct the electricians where and how wires are to be introduced and placed and none shall be introduced or placed except as Lessor shall direct. Electric current shall not be used for power or heating without Lessor's prior written consent.

5. Movement in or out of the building of furniture or office equipment, or dispatch or receipt by Lessees of any bulky material, merchandise or materials which require use of elevators or stairways, or movement through the building entrances or lobby shall be restricted to such hours as Lessor shall designate. All such movement shall be under the supervision of Lessor and in the manner agreed between the Lessee and Lessor by rearrangement before performance. The Lessees are to assume all risks as to the damage to articles moved and injury to persons or public engaged or not engaged in such movement, including equipment, property and personnel of Lessor if damaged or injured as a result of acts in connection with carrying out this service for a Lessee from time of entering property to completion of work, and Lessor shall not be liable for acts of any person engaged in, or any damage or loss to any said property or persons resulting from any act in connection with such service performed for a Lessee.

6. Lessor shall have the power to prescribe the weight and position of safes and other heavy equipment, which shall in all cases, to distribute weight, stand on supporting devices approved by Lessor. All damages done to the building by taking in or putting out any property of a Lessee, or done by Lessee's property while in the building, shall be repaired at the expense of such Lessee. Lessee shall notify the building manager when safes or other heavy equipment are to be taken in or out of the building, and the moving shall be done under the supervision of the building manager, after written permit from Lessor. Persons employed to move such property must be acceptable to Lessor.

7. Corridor doors, when not in use, shall be kept closed.

8. No person shall disturb the occupants of the Building by the use of any musical instruments, including stereo equipment, the making of unseemly noises, or any unreasonable use, or disruptive actions.

9. Lessor will not permit entrance to Tenant's office by use of passkeys controlled by Lessor, to any person at any time without written permission by Lessee, except employees, contractors, or service personnel directly supervised by Lessor.

10. Nothing shall be swept or thrown into the corridors, halls, elevator shafts, or stairways. No birds, or animals shall be brought into or kept in, on or about Lessee's area.

11. No machinery of any kind shall be operated by any Lessee on its leased area without the prior written consent of Lessor, nor shall any Lessee use or keep in the building any inflammable or explosive fluid or substance.

12. No portion of any Lessee's leased area shall at any time be used or occupied as sleeping or lodging quarters.

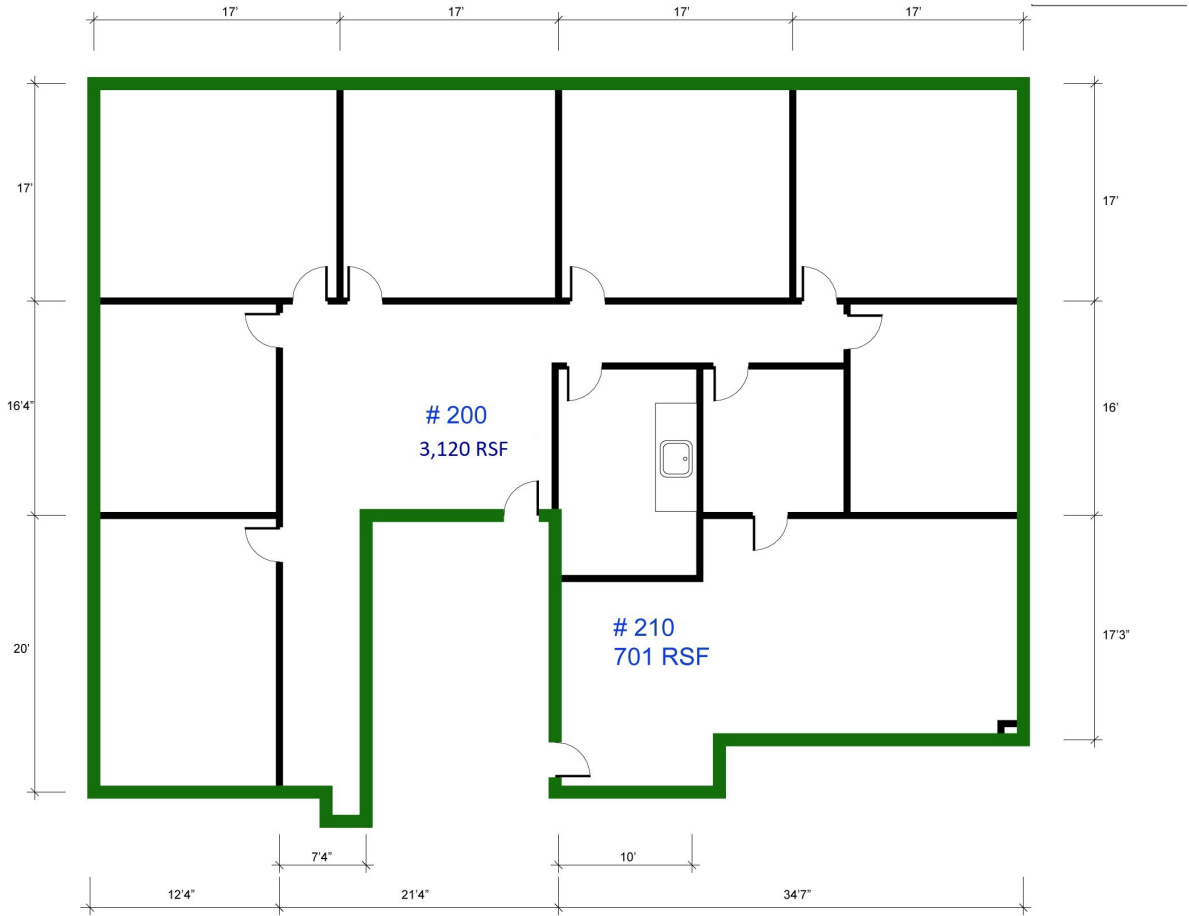
13. Lessor reserves the right to rescind any of these rules and regulations as in its judgment shall from time to time be needed for the safety, protection, care and cleanliness of the building, the operation thereof, the preservation of good order therein and the protection and comfort of the Lessees and their agents, employees and invitees, which rules and regulations, when made and written notice thereof is given to a Lessee, shall be binding upon it in like manner as if originally herein prescribed.

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**EXHIBIT "A"**  
**Floor Plan**  
**CARRIER 360 OFFICE BUILDING**  
**Suite 200**  
**Grand Prairie, Texas 75050**

**3,821 RSF**



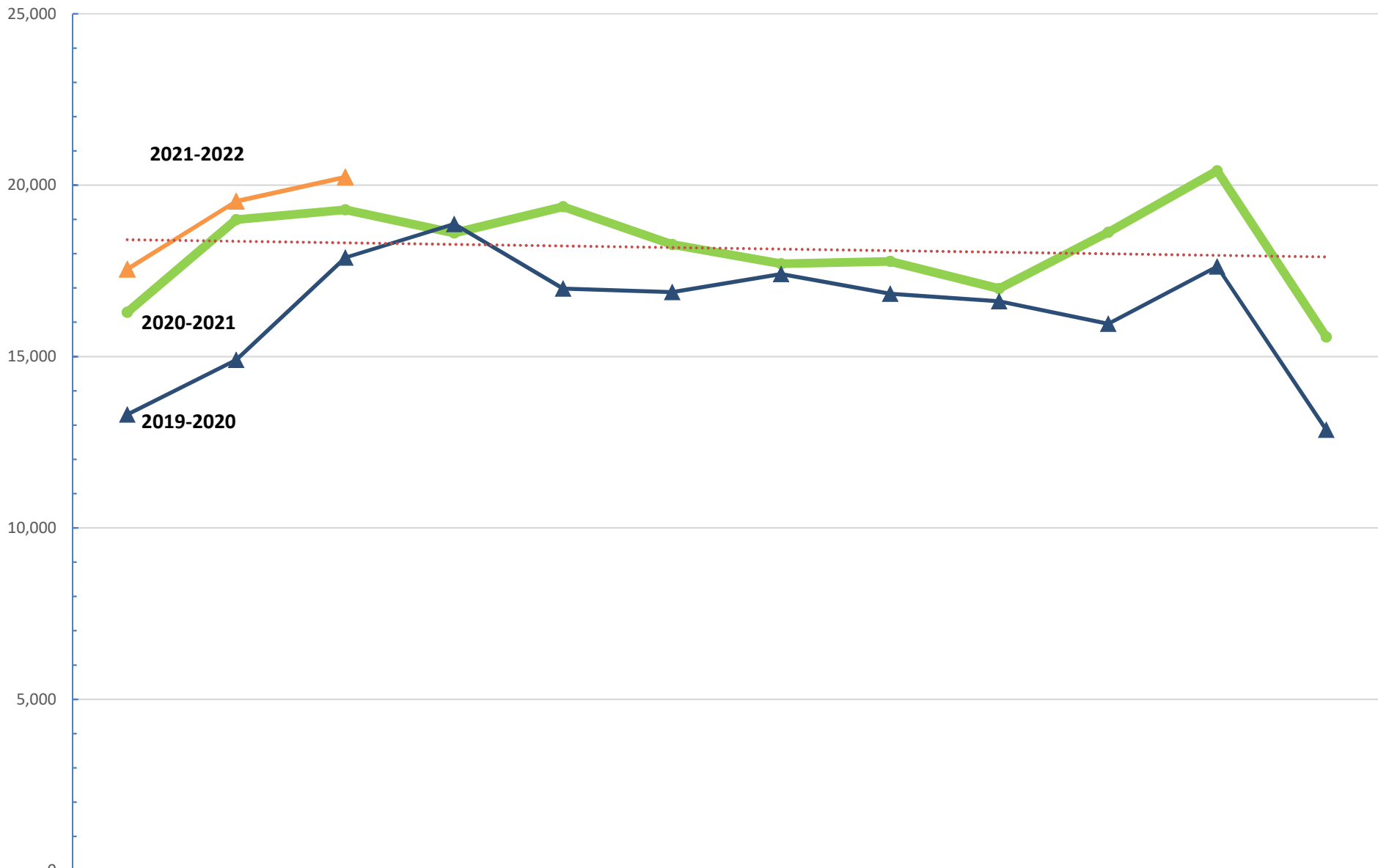
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## Coversheet

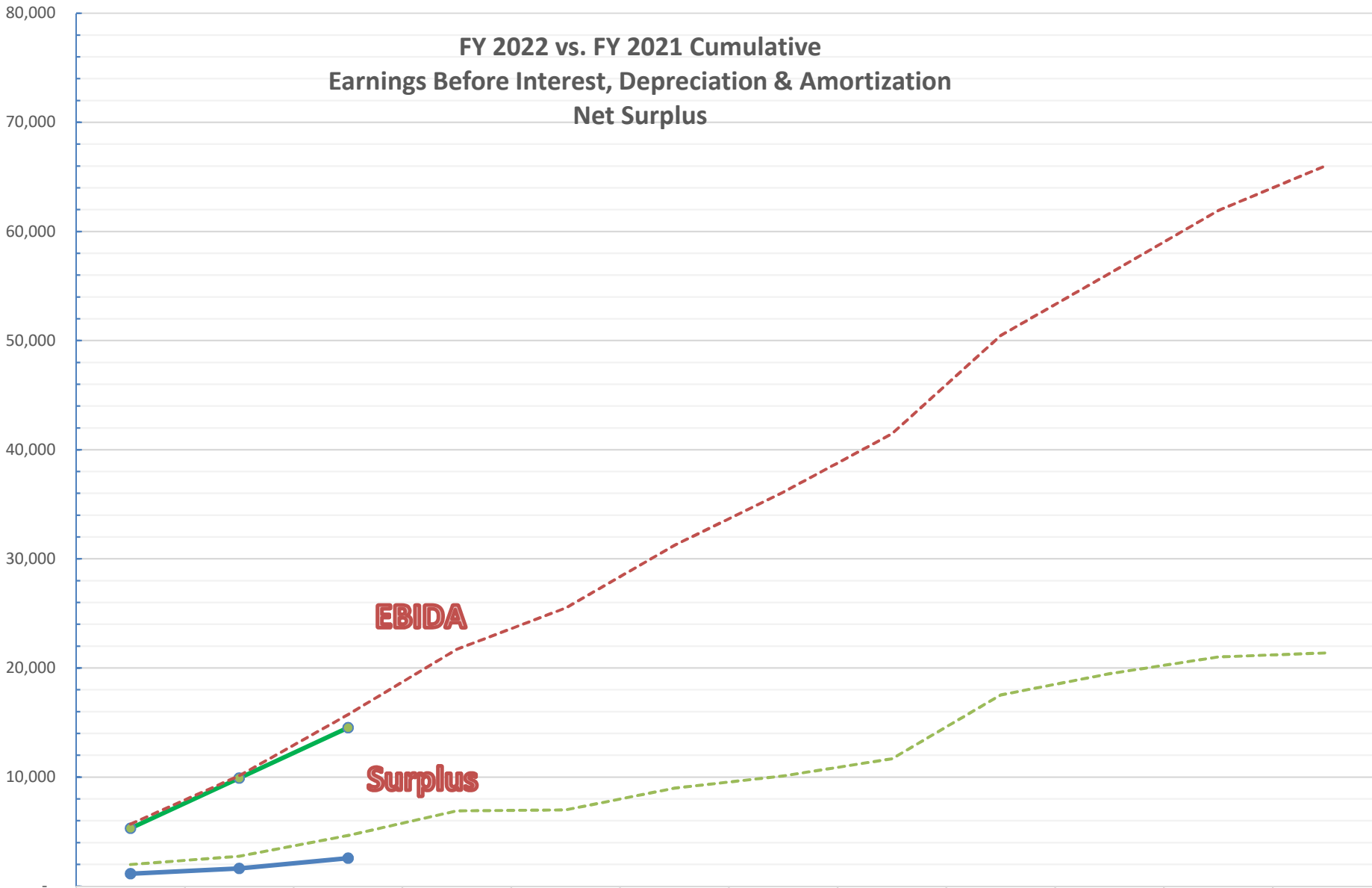
### CONSIDER/ACT ON SEPTEMBER, 2021 FINANCIAL REPORT

|                          |   |
|--------------------------|---|
| <b>Section:</b>          | VIII. Board Items for Discussion/Action                           |
| <b>Item:</b>             | A. CONSIDER/ACT ON SEPTEMBER, 2021 FINANCIAL<br>REPORT            |
| <b>Purpose:</b>          | Vote  |
| <b>Submitted by:</b>     |   |
| <b>Related Material:</b> | ILTexas FS 2021-09 Board.pdf<br>Cover for Audit - Board Intro.pdf |

### TOTAL MONTHLY EXPENSES



|         | JULY       | AUG        | SEPT       | OCT        | NOV        | DEC        | JAN        | FEB        | MAR        | APR        | MAY        | JUNE       |
|---------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 2021-22 | 17,545,456 | 19,527,215 | 20,233,527 |            |            |            |            |            |            |            |            |            |
| 2020-21 | 16,292,575 | 18,991,399 | 19,280,397 | 18,601,063 | 19,369,603 | 18,267,073 | 17,709,146 | 17,776,784 | 16,984,373 | 18,625,295 | 20,418,286 | 15,574,418 |
| 2019-20 | 13,306,685 | 14,902,934 | 17,887,960 | 18,866,142 | 16,982,487 | 16,876,725 | 17,406,249 | 16,833,481 | 16,612,201 | 15,957,893 | 17,624,013 | 12,864,370 |



|                    | JULY      | AUG        | SEPT       | OCT        | NOV        | DEC        | JAN        | FEB        | MAR        | APR        | MAY        | JUNE       |
|--------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>FY-22 EBIDA</b> | 5,310,246 | 9,895,262  | 14,522,637 |            |            |            |            |            |            |            |            |            |
| <b>FY-21 EBIDA</b> | 5,689,037 | 10,112,916 | 15,727,469 | 21,707,415 | 25,498,772 | 31,239,484 | 36,108,031 | 41,456,280 | 50,460,195 | 56,156,954 | 61,908,383 | 66,076,296 |
| <b>FY-22 NI</b>    | 1,138,956 | 1,622,371  | 2,562,959  |            |            |            |            |            |            |            |            |            |
| <b>FY-21 NI</b>    | 1,986,285 | 2,741,600  | 4,647,200  | 6,914,070  | 6,984,612  | 8,976,801  | 10,094,214 | 11,687,498 | 17,533,518 | 19,478,978 | 21,010,638 | 21,379,915 |

**INTERNATIONAL LEADERSHIP OF TEXAS**  
**UNAUDITED**  
**Financial Summary**

|   | Jul-21<br>2021-2022 | Aug-21<br>2021-2022 | Sep-21<br>2021-2022 | Oct-21<br>2021-2022 | Nov-21<br>2021-2022 | Dec-21<br>2021-2022 | Year-to-Date<br>2021-2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|
| <b>Total Ending Cash</b>                | \$ 52,988,110       | \$ 46,577,344       | \$ 51,933,111       |                     |                     |                     |                           |
| <i>Days Cash (excl. Bond Int. Fund)</i> | 100.2               | 83.0                | 89.6                |                     |                     |                     |                           |
| Bond Project Fund                       | 6,274,749           | 6,274,749           | 6,274,749           |                     |                     |                     |                           |
| Lease & Notes Payable                   | \$ 147,993          | \$ 138,142          | \$ 128,291          |                     |                     |                     |                           |
| \$10 million BBVA Revolver              | -                   | -                   | 10,000,000          |                     |                     |                     |                           |
| \$35 million BBVA Revolver              | -                   | -                   | -                   |                     |                     |                     |                           |
| <b>Revenues</b>                         | \$ 18,684,412       | \$ 20,010,629       | \$ 21,174,116       |                     |                     |                     | \$ 59,869,157             |
| <b>Less Expenses:</b>                   |                     |                     |                     |                     |                     |                     |                           |
| <b>Payroll Costs</b>                    | 9,602,559           | 11,337,631          | 12,441,494          |                     |                     |                     | 33,381,685                |
| <b>Other Operating</b>                  | 3,771,606           | 4,087,982           | 4,105,247           |                     |                     |                     | 11,964,835                |
| <b>Interest &amp; Amort.</b>            | 2,710,493           | 2,639,187           | 2,186,098           |                     |                     |                     | 7,535,778                 |
| <b>Depreciation</b>                     | 1,460,798           | 1,462,415           | 1,500,688           |                     |                     |                     | 4,423,900                 |
| <b>Other Gain (Loss)</b>                |                     |                     |                     |                     |                     |                     |                           |
| <b>Change in Net Assets</b>             | <b>1,138,956</b>    | <b>483,415</b>      | <b>940,588</b>      |                     |                     |                     | <b>2,562,959</b>          |
| <b>EBIDA</b>                            | \$ 5,310,246        | \$ 4,585,016        | \$ 4,627,375        |                     |                     |                     | \$ 14,522,637             |
| Total Liabilities                       | 589,256,492         | 589,595,813         | 596,048,609         |                     |                     |                     |                           |
| Total Equity                            | 40,831,502          | 41,314,917          | 42,255,505          |                     |                     |                     |                           |
| <b>D/E</b>                              | <b>14 : 1</b>       | <b>14 : 1</b>       | <b>14 : 1</b>       |                     |                     |                     |                           |
| <b>Equity Percent</b>                   | <b>6.5%</b>         | <b>6.5%</b>         | <b>6.6%</b>         |                     |                     |                     |                           |
| <b>Interest = % of Revenue</b>          | <b>14.5%</b>        | <b>13.8%</b>        | <b>12.6%</b>        |                     |                     |                     |                           |

**UNAUDITED**

|                                    | July 2021            | Aug-21               | Sep-21               | Oct-21      | Nov-21      | Dec-21      | Unaudited            |
|------------------------------------|----------------------|----------------------|----------------------|-------------|-------------|-------------|----------------------|
|                                    | FY 2021              | FY 2021              | FY 2021              | FY 2021     | FY 2021     | FY 2021     | Year-to-Date         |
| <b>Enrollment</b>                  |                      |                      |                      |             |             |             |                      |
| <b>Total Local Support</b>         | 4,938                | 44,118               | 14,373               | -           | -           | -           | 63,429               |
| <b>Total State Funds</b>           | 16,815,897           | 18,078,622           | 19,505,791           | -           | -           | -           | 54,400,310           |
| <b>Federal Program Revenues</b>    |                      |                      |                      |             |             |             |                      |
| Title I (Part A & SIP)             | 500,638              | 362,576              | 288,722              | -           | -           | -           | 1,151,936            |
| Title II                           | 65,423               | -                    | 66,916               | -           | -           | -           | 132,339              |
| Title III & Immigrant              | 20,134               | 17,242               | 13,075               | -           | -           | -           | 50,451               |
| Title IV                           | 14,086               | 105,283              | 30,403               | -           | -           | -           | 149,772              |
| IDEA B                             | 223,596              | 189,682              | 200,165              | -           | -           | -           | 613,443              |
| Carl Perkins Grant                 | -                    | -                    | (0)                  | -           | -           | -           | (0)                  |
| Teacher Leadership / Cycle 2       | 10,000               | -                    | -                    | -           | -           | -           | 10,000               |
| Instructional Continuity Grant     | 17,498               | -                    | -                    | -           | -           | -           | 17,498               |
| ESSER II                           | -                    | -                    | -                    | -           | -           | -           | -                    |
| ESSER III                          | -                    | -                    | -                    | -           | -           | -           | -                    |
| Health+Related Svc (SHARS)         | -                    | -                    | 10,730               | -           | -           | -           | 10,730               |
| Medicaid Admin. Claim              | 10,214               | 517                  | (10,790)             | -           | -           | -           | (59)                 |
| JROTC                              | 13,630               | 13,630               | 13,630               | -           | -           | -           | 40,889               |
| Child Nutrition                    | 988,360              | 1,198,959            | 1,041,101            | -           | -           | -           | 3,228,420            |
| <b>Total Federal Program Rev.</b>  | <b>1,863,577</b>     | <b>1,887,889</b>     | <b>1,653,952</b>     | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>5,405,419</b>     |
| <b>Total Revenues</b>              | <b>\$ 18,684,412</b> | <b>\$ 20,010,629</b> | <b>\$ 21,174,116</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 59,869,157</b> |
| <b>Expenses</b>                    |                      |                      |                      |             |             |             |                      |
| 11 Instructional                   | 7,154,922            | 9,096,215            | 9,522,034            | -           | -           | -           | 25,773,170           |
| 12 Inst. resources & media         | 86,532               | 100,997              | 104,610              | -           | -           | -           | 292,139              |
| 13 Curriculum & inst. staff devel. | 534,429              | 596,277              | 580,194              | -           | -           | -           | 1,710,900            |
| 21 Instructional leadership        | 231,776              | 329,904              | 411,812              | -           | -           | -           | 973,492              |
| 23 School leadership               | 796,542              | 1,042,591            | 1,063,852            | -           | -           | -           | 2,902,985            |
| 31 Guidance counseling & eval.     | 388,457              | 403,126              | 460,006              | -           | -           | -           | 1,251,590            |
| 32 Social work services            | 5,365                | 5,595                | 12,625               | -           | -           | -           | 23,585               |
| 33 Health services                 | 118,652              | 129,313              | 149,444              | -           | -           | -           | 397,409              |
| 34 Student transportation          | 95,445               | 107,622              | 309,478              | -           | -           | -           | 512,544              |
| 35 Food services                   | 683,027              | 903,853              | 751,185              | -           | -           | -           | 2,338,065            |
| 36 Extracurricular activities      | 170,000              | 92,961               | 105,436              | -           | -           | -           | 368,397              |
| 41 General administration          | 1,462,189            | (363,654)            | (69,276)             | -           | -           | -           | 1,029,259            |
| 51 Facilities maintenance & ops.   | 2,502,911            | 3,062,950            | 3,925,181            | -           | -           | -           | 9,491,043            |
| 52 Security and Monitoring         | 134,850              | 215,662              | 110,146              | -           | -           | -           | 460,658              |
| 53 Data processing services        | 235,084              | 587,627              | 323,158              | -           | -           | -           | 1,145,869            |
| 61 Community services              | 206,155              | 547,625              | 257,061              | -           | -           | -           | 1,010,841            |
| 71 Debt service                    | 2,710,493            | 2,639,187            | 2,186,098            | -           | -           | -           | 7,535,778            |
| 81 Fundraising                     | 28,627               | 29,364               | 30,483               | -           | -           | -           | 88,474               |
| <b>Total Expenses</b>              | <b>\$ 17,545,456</b> | <b>\$ 19,527,215</b> | <b>\$ 20,233,527</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 57,306,198</b> |
| <b>Change in Total Net Assets</b>  | <b>\$ 1,138,956</b>  | <b>\$ 483,415</b>    | <b>\$ 940,588</b>    | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 2,562,959</b>  |

**INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED****Expenses by Object Code**

|   | Jul-21               | Aug-21               | Sep-21               | Oct-21      | Nov-21      | Dec-21      | ILTexas              |
|---|----------------------|----------------------|----------------------|-------------|-------------|-------------|----------------------|
|   | FY 2021              | FY 2021              | FY 2021              | FY 2021     | FY 2021     | FY 2021     | 2020-2021            |
| <b>61-- Payroll Costs</b>                     | <b>9,602,559</b>     | <b>11,337,631</b>    | <b>12,441,494</b>    | -           | -           | -           | <b>33,381,685</b>    |
|   | 51.4%                | 56.7%                | 58.8%                |             |             |             | 55.8%                |
| 6211 Legal Services                           | 6,987                | 32,419               | 12,230               | -           | -           | -           | 51,636               |
| 6212 Audit Services                           | 10,000               | 61,100               | -                    | -           | -           | -           | 71,100               |
| 6219 Professional Services                    | -                    | -                    | -                    | -           | -           | -           | -                    |
| 6239 ESC Services                             | 10,300               | 2,850                | 6,236                | -           | -           | -           | 19,386               |
| 6249 Contracted Maint/Repair                  | 211,444              | 760,618              | 168,939              | -           | -           | -           | 1,141,002            |
| 6254 Internet Services                        | 20,359               | 18,352               | 9,783                | -           | -           | -           | 48,494               |
| 6255 Cell Phones                              | 6,332                | 6,332                | -                    | -           | -           | -           | 12,664               |
| 6256 Water/Waste Mgmt                         | 66,715               | 79,268               | 69,794               | -           | -           | -           | 215,776              |
| 6257 Phone                                    | 35,139               | 21,481               | 31,425               | -           | -           | -           | 88,045               |
| 6258 Electric                                 | 165,966              | 266,690              | 190,689              | -           | -           | -           | 623,345              |
| 6259 Gas                                      | 3,186                | 2,251                | 2,459                | -           | -           | -           | 7,896                |
| 6269 Rentals-Op Leases                        | 75,469               | 101,537              | 102,546              | -           | -           | -           | 279,553              |
| 6291 Consulting Services                      | -                    | 75,222               | -                    | -           | -           | -           | 75,222               |
| 6297 Security Service/Student                 | 134,850              | 159,177              | 28,271               | -           | -           | -           | 322,298              |
| FOOD Child Nutrition Contr. Svcs.             | 639,868              | 651,588              | 691,471              | -           | -           | -           | 1,982,927            |
| 6299 Misc. Contracted Service                 | 796,434              | 1,739,762            | 991,557              | -           | -           | -           | 3,527,753            |
| <b>62-- Professional And Contracted Svcs.</b> | <b>2,183,049</b>     | <b>3,978,647</b>     | <b>2,305,401</b>     | -           | -           | -           | <b>8,467,097</b>     |
| 6311 Fuel                                     | 5,833                | 12,929               | 23,666               | -           | -           | -           | 42,428               |
| 6319 Supplies M/O                             | 10,447               | 46,943               | 87,445               | -           | -           | -           | 144,835              |
| 6321 Textbooks                                | 249                  | 5,943                | 16,068               | -           | -           | -           | 22,261               |
| 6329 Reading Materials                        | 154,123              | 73,998               | 20,804               | -           | -           | -           | 248,925              |
| 6339 Testing Materials                        | -                    | 3,106                | 3,701                | -           | -           | -           | 6,807                |
| 6344 USDA Commodities                         | -                    | 233,110              | -                    | -           | -           | -           | 233,110              |
| 6395 IT Repair Equipment                      | -                    | 11,036               | 9,155                | -           | -           | -           | 20,191               |
| 6396 Student Credits                          | -                    | (87,977)             | (11,994)             | -           | -           | -           | (99,971)             |
| 6398 General Expense                          | 1,000,000            | (1,000,000)          | -                    | -           | -           | -           | -                    |
| 6399 General Supplies                         | 294,894              | 617,912              | 193,017              | -           | -           | -           | 1,105,823            |
| 66xx Asset Purchases                          | -                    | -                    | -                    | -           | -           | -           | -                    |
| <b>63+66 Other Supplies &amp; Materials</b>   | <b>1,465,546</b>     | <b>(83,001)</b>      | <b>341,864</b>       | -           | -           | -           | <b>1,724,409</b>     |
| 6411 Employee Travel                          | 109,286              | 23,694               | 39,155               | -           | -           | -           | 172,135              |
| 6412 Travel-Students                          | -                    | -                    | 4,669                | -           | -           | -           | 4,669                |
| 6419 Travel-Non-Emp                           | -                    | -                    | -                    | -           | -           | -           | -                    |
| 6429 Ins/Bonding Costs                        | 64                   | (6,728)              | 1,630,177            | -           | -           | -           | 1,623,513            |
| 6449 Depr Exp                                 | 1,460,798            | 1,462,415            | 1,500,688            | -           | -           | -           | 4,423,900            |
| 6494 Reclass Transp Exp                       | -                    | -                    | -                    | -           | -           | -           | -                    |
| 6495 Memberships And Dues                     | 780                  | 13,420               | 217,870              | -           | -           | -           | 232,070              |
| 6497 Dyslexia                                 | -                    | -                    | -                    | -           | -           | -           | 0                    |
| 6498 Campus Discr. Fund                       | 3,933                | 21,118               | 32,565               | -           | -           | -           | 57,617               |
| 6499 Misc Op Costs                            | 8,948                | 140,832              | (466,455)            | -           | -           | -           | (316,675)            |
| <b>64-- Other Operating Expenses</b>          | <b>1,583,809</b>     | <b>1,654,751</b>     | <b>2,958,670</b>     | -           | -           | -           | <b>6,197,230</b>     |
| 6521 Interest on Bonds                        | 2,663,166            | 2,629,741            | 2,176,652            | -           | -           | -           | 7,469,559            |
| 6522 Capital Lease Interest                   | 416                  | 411                  | 411                  | -           | -           | -           | 1,238                |
| 6523 Interest on Other Debt                   | 37,875               | -                    | -                    | -           | -           | -           | 37,875               |
| 6524 Amort. Bond Issue Costs                  | 42,512               | 42,512               | 42,512               | -           | -           | -           | 127,536              |
| 6525 Amort. Bond Disc.(Prem.)                 | (33,476)             | (33,477)             | (33,477)             | -           | -           | -           | (100,430)            |
| 6529 Bond Issuance & Maint.                   | -                    | -                    | -                    | -           | -           | -           | -                    |
| 6598 Penalties+Net Pay Discounts              | -                    | -                    | -                    | -           | -           | -           | -                    |
| 6599 Other Debt Fees                          | -                    | -                    | -                    | -           | -           | -           | -                    |
| <b>Total Expenses</b>                         | <b>\$ 17,545,456</b> | <b>\$ 19,527,215</b> | <b>\$ 20,233,527</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 57,306,198</b> |

## INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

### Expenses by Object Code

|   | Jul-21           | Aug-21            | Sep-21            | Oct-21   | Nov-21   | Dec-21   | IL Texas          |
|---|------------------|-------------------|-------------------|----------|----------|----------|-------------------|
|   | FY 2021          | FY 2021           | FY 2021           | FY 2021  | FY 2021  | FY 2021  | 2020-2021         |
| 6111 Salary Control                       | -                | -                 | -                 | -        | -        | -        | -                 |
| 6112 Salaries/Wages Sub Teach             | 9,525            | 26,465            | 241,810           | -        | -        | -        | 277,799           |
| 6117 Extra Duty/Professional              | 284,920          | 45,246            | 77,834            | -        | -        | -        | 408,000           |
| 6118 Stipends/Professional                | 271,640          | 293,658           | 290,163           | -        | -        | -        | 855,461           |
| 6119 Salaries Teachers/Professional       | 6,728,419        | 8,466,194         | 8,742,625         | -        | -        | -        | 23,937,238        |
| 6121 O/T Support Personnel                | 38,779           | 88,483            | 78,111            | -        | -        | -        | 205,373           |
| 6127 Extra Duty Pay/Support Persnl        | 14,851           | 11,234            | 13,609            | -        | -        | -        | 39,695            |
| 6129 Salaries/Wages Sup Persnl            | 910,966          | 998,517           | 1,083,777         | -        | -        | -        | 2,993,260         |
| 6139 Employee Allowances                  | 36               | -                 | -                 | -        | -        | -        | 36                |
| 6141 FICA/Medicare                        | 115,351          | 137,903           | 145,991           | -        | -        | -        | 399,244           |
| 6142 GRP Health/Life Insurance            | 618,859          | 612,883           | 734,176           | -        | -        | -        | 1,965,917         |
| 6143 Workers'Comp                         | 12,308           | -                 | 242,683           | -        | -        | -        | 254,992           |
| 6146 TRS                                  | 396,904          | 457,048           | 590,716           | -        | -        | -        | 1,444,669         |
| 6149 Employee Benefits                    | -                | -                 | -                 | -        | -        | -        | -                 |
| 6179 Payroll Accrual                      | 200,000          | 200,000           | 200,000           | -        | -        | -        | 600,000           |
| <b>61-- Payroll Costs</b>                 | <b>9,602,559</b> | <b>11,337,631</b> | <b>12,441,494</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>33,381,685</b> |
|   | 51.4%            | 56.7%             | 58.8%             |          |          |          | 55.8%             |
| <b>PAYROLL BY DESIGNATED FUNDS SOURCE</b> |                  |                   |                   |          |          |          |                   |
| <b>4XX State General Funds</b>            | <b>8,810,171</b> | <b>10,748,052</b> | <b>11,913,649</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>31,471,871</b> |
| <b>240 Child Nutrition</b>                | <b>18,033</b>    | <b>17,573</b>     | <b>51,410</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>87,016</b>     |
| 211 Title I, A                            | 465,508          | 321,748           | 266,661           | -        | -        | -        | 1,053,916         |
| 224 IDEA B Formula                        | 214,452          | 181,925           | 137,338           | -        | -        | -        | 533,715           |
| 244                                       | -                | -                 | -                 | -        | -        | -        | -                 |
| 255 Title II, A                           | 62,748           | 34,469            | 30,458            | -        | -        | -        | 127,675           |
| 263 Title III, A                          | 18,139           | 13,737            | 12,819            | -        | -        | -        | 44,694            |
| 266                                       | -                | -                 | -                 | -        | -        | -        | -                 |
| 276                                       | -                | -                 | -                 | -        | -        | -        | -                 |
| 289                                       | 13,510           | 20,127            | 29,160            | -        | -        | -        | 62,797            |
| <b>Federal Funds</b>                      | <b>774,355</b>   | <b>572,006</b>    | <b>476,435</b>    | <b>-</b> | <b>-</b> | <b>-</b> | <b>1,822,797</b>  |
| <b>61-- Payroll Costs</b>                 | <b>9,602,559</b> | <b>11,337,631</b> | <b>12,441,494</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>33,381,685</b> |
|   | 51.4%            | 56.7%             | 58.8%             |          |          |          | 55.8%             |



**INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED****BALANCE SHEET**

| <b>Assets</b>                           | <b>Beginning</b>         | <b>Jul-21</b>        | <b>Aug-21</b>        | <b>Sep-21</b>        |
|---|--------------------------|----------------------|----------------------|----------------------|
| <b>Current assets:</b>                  |                          |                      |                      |                      |
| Cash and cash equivalents               | \$ 71,469,063            | \$ 52,988,110        | \$ 46,577,344        | \$ 51,933,111        |
| Cash, bond project fund                 | 6,274,749                | 6,274,749            | 6,274,749            | 6,274,749            |
| Cash, bond maintenance fund             | 268,137                  | 276,471              | 284,804              | 293,137              |
| Cash, bond debt service funds           | 19,482,335               | 19,482,335           | 19,482,335           | 19,482,335           |
| Cash, debt service reserve fund         | 38,761,493               | 38,761,493           | 38,761,493           | 38,761,493           |
| Due from government agencies            | 36,530,541               | 36,965,996           | 38,039,193           | 36,693,507           |
| Other current assets                    | -                        | -                    | -                    | -                    |
| <b>Total current assets</b>             | <b>172,786,319</b>       | <b>154,749,154</b>   | <b>149,419,918</b>   | <b>153,438,332</b>   |
| <b>Non-current assets:</b>              |                          |                      |                      |                      |
| Land                                    | 46,346,699               | 46,346,699           | 46,346,699           | 46,346,699           |
| Buildings                               | 439,127,983              | 439,127,983          | 441,835,394          | 441,860,201          |
| Furniture and equipment                 | 8,427,557                | 8,427,557            | 9,175,841            | 9,175,841            |
| Vehicles                                | 4,479,061                | 4,576,079            | 4,688,700            | 4,727,616            |
| Less: Accumulated depreciation          | (55,353,785)             | (56,814,583)         | (58,276,997)         | (59,777,686)         |
| Construction in Process                 | 32,513,250               | 33,675,105           | 37,721,175           | 42,533,110           |
| <b>Total non-current assets</b>         | <b>475,540,764</b>       | <b>475,338,840</b>   | <b>481,490,811</b>   | <b>484,865,781</b>   |
| <b>Total assets</b>                     | <b>\$ 648,327,083</b>    | <b>\$630,087,994</b> | <b>\$630,910,730</b> | <b>\$638,304,114</b> |
| <b>Liabilities and Net Assets</b>       |                          |                      |                      |                      |
| <b>Current Liabilities:</b>             |                          |                      |                      |                      |
| Accounts payable                        | 12,590,626               | 6,828,382            | 8,903,800            | 5,877,380            |
| Accrued payroll                         | 14,505,092               | 14,700,401           | 14,903,732           | 15,102,228           |
| Accrued interest                        | 10,892,252               | 10,892,252           | 10,892,252           | 10,892,252           |
| Student activity funds                  | 760,730                  | 763,061              | 822,848              | 830,232              |
| Deferred revenue                        | 4,760,491                | 1,639,140            | 366,590              | 366,590              |
| Lease liabilities, current              | 118,223                  | 111,671              | 105,122              | 98,573               |
| Bonds, current maturities               | 8,295,182                | 8,342,743            | 8,390,293            | 8,437,843            |
| <b>Total current liabilities</b>        | <b>51,922,596</b>        | <b>43,277,651</b>    | <b>44,384,638</b>    | <b>41,605,099</b>    |
|   | 3.3                      | 3.6                  | 3.4                  | 3.7                  |
| <b>Long-term liabilities:</b>           |                          |                      |                      |                      |
| Lease liabilities, long-term            | 39,632                   | 36,322               | 33,020               | 29,718               |
| Notes payable, long-term                | 10,000,000               | -                    | -                    | 10,000,000           |
| Bonds payable, long-term                | 556,103,015              | 555,364,189          | 554,590,790          | 553,817,392          |
| Bonds payable, reserve and pmt funds    | -                        | -                    | -                    | -                    |
| Bonds payable, net premium (discount)   | 1,009                    | (32,467)             | (65,944)             | (99,421)             |
| Bonds payable, issue costs              | (9,431,715)              | (9,389,203)          | (9,346,691)          | (9,304,179)          |
| <b>Total long-term liabilities</b>      | <b>556,711,941</b>       | <b>545,978,841</b>   | <b>545,211,175</b>   | <b>554,443,509</b>   |
| <b>Total liabilities</b>                | <b>85.9% 608,634,537</b> | <b>589,256,492</b>   | <b>589,595,813</b>   | <b>596,048,609</b>   |
| <b>Net assts (deficit):</b>             |                          |                      |                      |                      |
| Beginning balance                       | 16,829,679               | 39,691,630           | 39,691,630           | 39,691,630           |
| Current year change in net assets       | 22,862,866               | 1,139,872            | 1,623,286            | 2,563,875            |
| <b>Total net assets</b>                 | <b>39,692,546</b>        | <b>40,831,502</b>    | <b>41,314,917</b>    | <b>42,255,505</b>    |
| <b>Total liabilities and net assets</b> | <b>\$ 648,327,083</b>    | <b>\$630,087,994</b> | <b>\$630,910,730</b> | <b>\$638,304,114</b> |

**INTERNATIONAL LEADERSHIP OF TEXAS**  
**UNAUDITED**  
**Financial Summary**

|   | <b>SEE AUDIT</b>      | <b>SEE AUDIT</b>      | <b>PRELIM</b>         | <b>AUDIT</b>          |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <b>Fiscal Year</b>    | <b>Fiscal Year</b>    | <b>2020-2021</b>      | <b>2020-2021</b>      |
|   | <b>2018-2019</b>      | <b>2019-2020</b>      |                       |                       |
| <b>Total Ending Cash</b>                | <b>\$ 20,494,346</b>  | <b>\$ 57,500,176</b>  | <b>\$ 70,391,481</b>  | <b>\$ 71,469,062</b>  |
| <i>Days Cash (excl. Bond Int. Fund)</i> | <i>44.7</i>           | <i>115.0</i>          | <i>125.0</i>          | <i>128.7</i>          |
| Bond Project Fund                       | 484,696               | 484,696               | 6,274,749             | 6,274,749             |
| Lease & Notes Payable                   | \$ 3,191,671          | \$ 304,301            | \$ 157,855            | \$ 157,855            |
| \$10 million BBVA Revolver              |                       | 10,000,000            | 10,000,000            | 10,000,000            |
| \$35 million BBVA Revolver              |                       | 15,000,000            |                       |                       |
| <b>Revenues</b>                         | <b>\$ 190,352,099</b> | <b>\$ 212,157,715</b> | <b>\$ 241,062,695</b> | <b>\$ 239,112,716</b> |
| <b>Less Expenses:</b>                   |                       |                       |                       |                       |
| <b>Payroll Costs</b>                    | 101,185,350           | 114,394,703           | 119,940,178           | 119,970,775           |
| <b>Other Operating</b>                  | 37,077,050            | 40,366,568            | 53,280,039            | 52,721,381            |
| <b>Interest &amp; Amort.</b>            | 29,167,323            | 27,783,011            | 30,286,451            | 30,040,542            |
| <b>Depreciation</b>                     | 14,951,070            | 13,796,892            | 16,456,026            | 14,409,930            |
| <b>Other Loss (Gain)</b>                | 70,809                | (220,033)             |                       | (31,969)              |
| <b>Change in Net Assets</b>             | <b>7,900,497</b>      | <b>16,036,574</b>     | <b>21,100,000</b>     | <b>22,002,057</b>     |
| <b>EBIDA</b>                            | <b>\$ 52,018,890</b>  | <b>\$ 57,616,477</b>  | <b>\$ 67,842,478</b>  | <b>\$ 66,452,529</b>  |
| Total Liabilities                       | 547,701,242           | 563,558,131           | 603,236,226           | 605,895,582           |
| Total Equity                            | 2,121,945             | 18,158,519            | 39,266,513            | 40,192,545            |
| <b>D/E</b>                              | <b>258 : 1</b>        | <b>31 : 1</b>         | <b>15 : 1</b>         | <b>15 : 1</b>         |
| <b>Equity Percent</b>                   | <b>0.4%</b>           | <b>3.1%</b>           | <b>6.1%</b>           | <b>6.1%</b>           |
| <b>Interest = % of Revenue</b>          | <b>14.1%</b>          | <b>13.2%</b>          | <b>12.6%</b>          | <b>12.6%</b>          |

## Coversheet

### CONSIDER/ACT TO ADOPT RESOLUTION ON PURCHASE AUTHORITY DELEGATED TO SUPERINTENDENT AND CFO

**Section:** VIII. Board Items for Discussion/Action  
**Item:** B. CONSIDER/ACT TO ADOPT RESOLUTION ON  
PURCHASE AUTHORITY DELEGATED TO SUPERINTENDENT AND CFO  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** Resolution -- Procurement Authority -- for vote 20211021.pdf

**INTERNATIONAL LEADERSHIP OF TEXAS, INC., BOARD**  
**RESOLUTION OF OCTOBER, 2021**  
**WAIVER OF PROCUREMENT POLICIES**

**WHEREAS**, it is the desire of the Board that the Administration be prepared and authorized to act swiftly and decisively in order to deal with expanding student populations and revenue;

**WHEREAS**, response to anticipated increases in campus needs and to rapidly make purchases to ensure campuses have sufficient resources and to meet and circumvent supply chain shortages for those items and resources; and,

**WHEREAS**, the Board believes it to be in the best interest of ILTexas and serves the public interest to allow the Superintendent/CEO and CFO to have the authority to act rapidly in purchasing personal property (e.g., books, equipment, furniture, etc.) for the benefit of ILTexas;

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of ILTexas, at a lawfully called meeting of the Board, held in compliance with the Texas Open Meetings Act, formally declares that:

**Procurement Waiver:** The delays posed by **purchasing policy and regulatory procurement process** and the need to likely procure services and support to respond to growing needs and potential supply chain shortfalls will prevent or substantially impair student safety and or other essential school activities; therefore, the Board is authorizing the Superintendent/CEO and CFO to make procurements reasonably necessary to respond to those issues related to growth and supply chain shortages and other applicable law and policy. The Board further authorizes and approves such procurements, with the exception of REAL Property, as determined necessary by the Superintendent or CFO. **However, to the degree necessary to nonetheless comply with the federal procurement standards established under the Code of Federal Regulations, Title 2, Part 200, Subpart D, the Superintendent or designee must nevertheless first determine that the present emergency circumstances warrant an exception to competitive procurement requirements and, if such a determination is made, adequately document the justification for using noncompetitive procurements. In utilizing the procurement by noncompetitive proposals method, the Superintendent or designee must still comply with other procurement requirements, ensure that costs are reasonable and ensure that the work performed under the noncompetitively procured contracts is specifically related to the present emergency circumstances.**

*[signature page follows]*

PASSED AND APPROVED BY THE MAJORITY OF MEMBERS OF THE BOARD OF DIRECTORS OF INTERNATIONAL LEADERSHIP OF TEXAS, INC. ON THE **21<sup>st</sup> DAY OF October, 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

\_\_\_\_\_  
Ms. Gabriela Smith, 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 **October 21, 2021**, which Resolution is in full force and effect and has not been revoked or amended.*

\_\_\_\_\_  
Secretary

## Coversheet

### CONSIDER/ACT TO APPROVE THE 2020-2021 AUDIT REPORT

|                          |  |
|--------------------------|--|
| <b>Section:</b>          | VIII. Board Items for Discussion/Action                  |
| <b>Item:</b>             | C. CONSIDER/ACT TO APPROVE THE 2020-2021 AUDIT<br>REPORT |
| <b>Purpose:</b>          | Vote   |
| <b>Submitted by:</b>     |  |
| <b>Related Material:</b> | Audit Draft final 10.20.21.pdf                           |

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**International Leadership of Texas, Inc.**

**Consolidated Financial Statements with Supplemental Information  
and Compliance Reports  
June 30, 2021 and 2020**

## International Leadership of Texas, Inc. Contents

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## International Leadership of Texas, Inc.

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**International Leadership of Texas, Inc.**  
**Federal Employer Identification No. 27-4549127**  
**County District No. 057-848**  
**Certificate of Board**

We, the undersigned, certify that the attached Financial and Compliance Report of International Leadership of Texas, Inc. was reviewed and (check one) \_\_\_ approved \_\_\_ disapproved for the year ended June 30, 2021, at a meeting of the governing body of the charter holder on the 21st day of October, 2021.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

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## **Independent Auditors' Report**

To the Board of Directors of  
International Leadership of Texas, Inc.

### ***Report on Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of International Leadership of Texas, Inc. and affiliate (a nonprofit Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of International Leadership of Texas – Global were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Leadership of Texas, Inc. and affiliate as of June 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### ***Other Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### ***Report Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021 on our consideration of International Leadership of Texas, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering International Leadership of Texas, Inc.'s internal control over financial reporting and compliance.

A Limited Liability Partnership

Arlington, Texas  
October 21, 2021

draft

**International Leadership of Texas, Inc.**  
**Consolidated Statements of Financial Position**  
**June 30, 2021 and 2020**

| <b>Assets</b>                                 |                |                |
|---|----------------|----------------|
|   | 2021           | 2020           |
| <b>Current assets:</b>                        |                |                |
| Cash and cash equivalents                     | \$ 72,000,602  | \$ 58,456,344  |
| Restricted cash and cash equivalents          | 64,796,498     | 56,469,244     |
| Due from government agencies                  | 32,030,542     | 27,413,333     |
| Accounts receivable                           | -              | 6,500          |
| Other current assets                          | 10,013         | 194,376        |
| <b>Total current assets</b>                   | 168,837,655    | 142,539,797    |
| Property and equipment, net                   | 477,805,102    | 440,263,611    |
| <b>Total assets</b>                           | \$ 646,642,757 | \$ 582,803,408 |
| <b>Liabilities and Net Assets</b>             |                |                |
| <b>Current liabilities:</b>                   |                |                |
| Accounts payable                              | \$ 10,356,549  | \$ 1,059,571   |
| Accrued payroll                               | 14,505,092     | 14,014,967     |
| Accrued interest                              | 12,016,232     | 13,365,876     |
| Student activity funds                        | 760,730        | 763,207        |
| Deferred revenue                              | 415,455        | 564,486        |
| Other liabilities                             | 2,897,749      | 649,062        |
| Current maturities of finance lease liability | 118,223        | 146,446        |
| Current maturities of long-term debt          | 8,295,182      | 5,831,373      |
| <b>Total current liabilities</b>              | 49,365,212     | 36,394,988     |
| <b>Long-term liabilities:</b>                 |                |                |
| Finance lease liability                       | 39,632         | 157,855        |
| Long-term debt, net of debt issuance costs    | 556,751,993    | 527,561,232    |
| <b>Total liabilities</b>                      | 606,156,837    | 564,114,075    |
| <b>Net assets:</b>                            |                |                |
| Without donor restrictions                    | 2,926,915      | 2,396,423      |
| With donor restrictions                       | 37,559,005     | 16,292,910     |
| <b>Total net assets</b>                       | 40,485,920     | 18,689,333     |
| <b>Total liabilities and net assets</b>       | \$ 646,642,757 | \$ 582,803,408 |

See notes to consolidated financial statements.

**International Leadership of Texas, Inc.**  
**Consolidated Statement of Activities**  
**Year Ended June 30, 2021**

|  | Without donor<br>restrictions | With donor<br>restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Revenue and support:</b>                                      |                               |                            |                      |
| <b>Local support:</b>  |                               |                            |                      |
| SSA - Local revenues from member districts                       | \$ 984,820                    | \$ -                       | \$ 984,820           |
| Interest, dividends, gains, and losses                           | 68,491                        | -                          | 68,491               |
| Rent   | 9,500                         | -                          | 9,500                |
| Foundations, other non-profit organizations, gifts, and bequests | 15,811                        | -                          | 15,811               |
| Other revenues from local sources                                | 482,851                       | -                          | 482,851              |
| Food service activity  | (139,242)                     | -                          | (139,242)            |
| <b>Total local support</b>                                       | <b>1,422,231</b>              | <b>-</b>                   | <b>1,422,231</b>     |
| <b>State program revenues:</b>                                   |                               |                            |                      |
| Per capita apportionment   | -                             | 9,146,435                  | 9,146,435            |
| Foundation school program act revenue                            | -                             | 194,075,741                | 194,075,741          |
| State program revenue distributed by TEA                         | -                             | 4,722,170                  | 4,722,170            |
| <b>Total state program revenues</b>                              | <b>-</b>                      | <b>207,944,346</b>         | <b>207,944,346</b>   |
| <b>Federal program revenue:</b>                                  |                               |                            |                      |
| National school breakfast and lunch program                      | -                             | 717,912                    | 717,912              |
| Federal program revenue distributed by TEA                       | -                             | 18,360,489                 | 18,360,489           |
| Federal revenues distributed by other State of Texas agencies    | -                             | 11,354,007                 | 11,354,007           |
| <b>Total federal program revenue</b>                             | <b>-</b>                      | <b>30,432,408</b>          | <b>30,432,408</b>    |
| Net assets released from restrictions-                           |                               |                            |                      |
| Restrictions satisfied by payments                               | 217,110,659                   | (217,110,659)              | -                    |
| <b>Total revenue and support</b>                                 | <b>218,532,890</b>            | <b>21,266,095</b>          | <b>239,798,985</b>   |
| <b>Expenses:</b>   |                               |                            |                      |
| Instruction  | 100,389,510                   | -                          | 100,389,510          |
| Instruction resources and media                                  | 1,033,326                     | -                          | 1,033,326            |
| Curriculum and instructional staff development                   | 6,962,181                     | -                          | 6,962,181            |
| Instructional leadership   | 1,944,695                     | -                          | 1,944,695            |
| School leadership  | 9,970,527                     | -                          | 9,970,527            |
| Guidance, counseling and evaluation services                     | 5,501,444                     | -                          | 5,501,444            |
| Social work services   | 76,343                        | -                          | 76,343               |
| Health services  | 1,845,363                     | -                          | 1,845,363            |
| Student transportation   | 1,213,837                     | -                          | 1,213,837            |
| Food services  | 11,498,105                    | -                          | 11,498,105           |
| Extracurricular activities                                       | 1,584,470                     | -                          | 1,584,470            |
| General administration   | 6,443,704                     | -                          | 6,443,704            |
| Facilities maintenance and operations                            | 27,084,823                    | -                          | 27,084,823           |
| Security and monitoring services                                 | 2,432,040                     | -                          | 2,432,040            |
| Data processing services   | 7,067,364                     | -                          | 7,067,364            |
| Community services   | 2,818,419                     | -                          | 2,818,419            |
| Debt service   | 30,040,539                    | -                          | 30,040,539           |
| Fundraising  | 127,677                       | -                          | 127,677              |
| <b>Total expenses</b>  | <b>218,034,367</b>            | <b>-</b>                   | <b>218,034,367</b>   |
| <b>Excess of revenues over expenses from operations</b>          | <b>498,523</b>                | <b>21,266,095</b>          | <b>21,764,618</b>    |
| <b>Non-operating activities:</b>                                 |                               |                            |                      |
| Other gain   | 31,969                        | -                          | 31,969               |
| <b>Total non-operating activities</b>                            | <b>31,969</b>                 | <b>-</b>                   | <b>31,969</b>        |
| <b>Change in net assets</b>                                      | <b>530,492</b>                | <b>21,266,095</b>          | <b>21,796,587</b>    |
| <b>Net assets at beginning of year</b>                           | <b>2,396,423</b>              | <b>16,292,910</b>          | <b>18,689,333</b>    |
| <b>Net assets at end year</b>                                    | <b>\$ 2,926,915</b>           | <b>\$ 37,559,005</b>       | <b>\$ 40,485,920</b> |

See notes to consolidated financial statements.

## International Leadership of Texas, Inc.

### Consolidated Statement of Activities

#### Year Ended June 30, 2020

|  | Without donor<br>restrictions | With donor<br>restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Revenue and support:</b>                                      |                               |                            |                      |
| <b>Local support:</b>  |                               |                            |                      |
| SSA - Local revenues from member districts                       | \$ 2,131,394                  | \$ -                       | \$ 2,131,394         |
| Interest, dividends, gains, and losses                           | 629,581                       | -                          | 629,581              |
| Foundations, other non-profit organizations, gifts, and bequests | 109,648                       | -                          | 109,648              |
| Other revenues from local sources                                | 867,223                       | -                          | 867,223              |
| Food service activity  | 1,103,931                     | -                          | 1,103,931            |
| <b>Total local support</b>                                       | <b>4,841,777</b>              | <b>-</b>                   | <b>4,841,777</b>     |
| <b>State program revenues:</b>                                   |                               |                            |                      |
| Per capita apportionment   | -                             | 5,640,996                  | 5,640,996            |
| Foundation school program act revenue                            | -                             | 180,681,158                | 180,681,158          |
| State program revenue distributed by TEA                         | -                             | 1,653,550                  | 1,653,550            |
| <b>Total state program revenues</b>                              | <b>-</b>                      | <b>187,975,704</b>         | <b>187,975,704</b>   |
| <b>Federal program revenue:</b>                                  |                               |                            |                      |
| National school breakfast and lunch program                      | -                             | 7,733,983                  | 7,733,983            |
| Federal program revenue distributed by TEA                       | -                             | 6,251,270                  | 6,251,270            |
| Federal revenues distributed by other State of Texas agencies    | -                             | 6,906,250                  | 6,906,250            |
| <b>Total federal program revenue</b>                             | <b>-</b>                      | <b>20,891,503</b>          | <b>20,891,503</b>    |
| Net assets released from restrictions-                           |                               |                            |                      |
| Restrictions satisfied by payments                               | 196,341,174                   | (196,341,174)              | -                    |
| <b>Total revenue and support</b>                                 | <b>201,182,951</b>            | <b>12,526,033</b>          | <b>213,708,984</b>   |
| <b>Expenses:</b>   |                               |                            |                      |
| Instruction  | 92,334,474                    | -                          | 92,334,474           |
| Instruction resources and media                                  | 883,303                       | -                          | 883,303              |
| Curriculum and instructional staff development                   | 6,638,021                     | -                          | 6,638,021            |
| Instructional leadership   | 1,320,821                     | -                          | 1,320,821            |
| School leadership  | 9,408,778                     | -                          | 9,408,778            |
| Guidance, counseling and evaluation services                     | 4,871,333                     | -                          | 4,871,333            |
| Social work services   | 88,658                        | -                          | 88,658               |
| Health services  | 1,429,905                     | -                          | 1,429,905            |
| Student transportation   | 1,229,552                     | -                          | 1,229,552            |
| Food services  | 10,102,452                    | -                          | 10,102,452           |
| Extracurricular activities                                       | 1,338,815                     | -                          | 1,338,815            |
| General administration   | 6,794,713                     | -                          | 6,794,713            |
| Facilities maintenance and operations                            | 25,010,072                    | -                          | 25,010,072           |
| Security and monitoring services                                 | 1,487,898                     | -                          | 1,487,898            |
| Data processing services   | 5,202,734                     | -                          | 5,202,734            |
| Community services   | 1,617,074                     | -                          | 1,617,074            |
| Debt service   | 27,901,366                    | -                          | 27,901,366           |
| Fundraising  | 6,360                         | -                          | 6,360                |
| <b>Total expenses</b>  | <b>197,666,329</b>            | <b>-</b>                   | <b>197,666,329</b>   |
| <b>Excess of revenues over expenses from operations</b>          | <b>3,516,622</b>              | <b>12,526,033</b>          | <b>16,042,655</b>    |
| <b>Non-operating activities:</b>                                 |                               |                            |                      |
| Other gain   | 220,033                       | -                          | 220,033              |
| <b>Total non-operating activities</b>                            | <b>220,033</b>                | <b>-</b>                   | <b>220,033</b>       |
| <b>Change in net assets</b>                                      | <b>3,736,655</b>              | <b>12,526,033</b>          | <b>16,262,688</b>    |
| <b>Net assets at beginning of year</b>                           | <b>(1,340,232)</b>            | <b>3,766,877</b>           | <b>2,426,645</b>     |
| <b>Net assets at end year</b>                                    | <b>\$ 2,396,423</b>           | <b>\$ 16,292,910</b>       | <b>\$ 18,689,333</b> |

See notes to consolidated financial statements.



**International Leadership of Texas, Inc.**  
**Consolidated Statements Cash Flows**  
**Year Ended June 30, 2021 and 2020**

|  | 2021           | 2020           |
|--|----------------|----------------|
| <b>Cash flows from operating activities:</b>   |                |                |
| Change in net assets   | \$ 21,796,587  | \$ 16,262,688  |
| Adjustments to reconcile change in net assets to net cash provided by operating activities   |                |                |
| Depreciation   | 14,413,222     | 13,800,184     |
| Amortization of bond discount  | (20,253)       | (361,708)      |
| Amortization of debt issuance costs  | 431,551        | 448,335        |
| PPP loan forgiveness   | (67,478)       |                |
| Changes in assets and liabilities:   |                |                |
| Due from government agencies   | (4,617,209)    | 124,639        |
| Accounts receivable  | 6,500          | 97,028         |
| Other receivable   | -              | 116,779        |
| Other current assets   | 184,363        | 52,653         |
| Accounts payable   | 4,352,504      | (1,304,066)    |
| Accrued payroll  | 490,125        | 1,325,253      |
| Accrued interest   | (1,349,644)    | 472,993        |
| Student activity funds   | (2,477)        | (32,453)       |
| Deferred revenue   | (149,031)      | (698,394)      |
| Other liabilities  | 2,248,687      | 649,062        |
| Net cash provided by operating activities  | 37,717,447     | 30,952,993     |
| <b>Cash flows from investing activities:</b>   |                |                |
| Proceeds from sale of investments  | -              | 16,098,557     |
| Purchases of property and equipment  | (47,010,239)   | (4,743,402)    |
| Net cash provided (used) by investing activities   | (47,010,239)   | 11,355,155     |
| <b>Cash flows from financing activities:</b>   |                |                |
| Net proceeds from issuance of long-term debt   | 54,574,656     | 25,067,478     |
| Payments of debt issuance costs  | (2,458,451)    | -              |
| Principal payments on finance lease liabilities  | (146,446)      | (3,246,290)    |
| Principal payments on long-term debt   | (20,805,455)   | (7,194,614)    |
| Net cash provided by financing activities  | 31,164,304     | 14,626,574     |
| Net increase in cash and restricted cash and cash equivalents  | 21,871,512     | 56,934,722     |
| <b>Cash and restricted cash and cash equivalents at beginning of year</b>  | 114,925,588    | 57,990,866     |
| <b>Cash and restricted cash and cash equivalents at end of year</b>  | \$ 136,797,100 | \$ 114,925,588 |
| <b>Reconciliation of cash and restricted cash and cash equivalents reported within the statement of financial position to the statement of cash flows:</b> |                |                |
| Cash and cash equivalents  | \$ 72,000,602  | \$ 58,456,344  |
| Restricted cash and cash equivalents   | 64,796,498     | 56,469,244     |
| <b>Cash and restricted cash and cash equivalents reported on the statement of cash flows</b>   | \$ 136,797,100 | \$ 114,925,588 |
| <b>Supplemental disclosure of cash flow information:</b>   |                |                |
| Cash paid for interest   | \$ 29,563,069  | \$ 30,566,314  |
| <b>Supplemental schedule of noncash investing and financing activities:</b>  |                |                |
| Property and equipment acquired through finance lease  | \$ -           | \$ 358,920     |
| Construction in progress accrued in accounts payable at year end   | \$ 4,944,474   | \$ -           |

See notes to consolidated financial statements.

# International Leadership of Texas, Inc.

## Notes to Consolidated Financial Statements

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### 1. School and Nature of Activities

International Leadership of Texas, Inc. (Corporation), is a Texas not-for-profit corporation formed in 2011 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Effective October 20, 2020, the Corporation changed its name from International American Education Federation, Inc. to International Leadership of Texas, Inc. The Corporation is governed by a Board of Directors comprised of five members. The Board of Directors is selected pursuant to the bylaws of the Corporation and has the authority to make decisions, appoint the chief executive officer of the Corporation, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the Corporation. The Corporation operates a single charter school, International Leadership of Texas (ILTexas) and conducts other non-charter activities with and through International Leadership of Texas – Global (ILTexas Global), a separate not-for-profit corporation.

ILTexas is a state authorized, open enrollment charter school incorporating leadership and culture into all student classrooms. Students are given leadership roles teaching the concept of others before self. Each year, students put their dedication into action in a community service project and spend time learning 12 important character traits that foster a good leader. These traits empower students to overcome challenges to create a better, and more productive society in which to live and work. Stated directly, 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. In 2018, the Texas Education Agency approved the ILTexas charter renewal through 2028.

In 2013, its first year of operations, ILTexas opened its doors to over 2,400 students. This rapid growth has continued and, for the school year ended June 2021, ILTexas served over 22,500 students at 33 campuses among 20 locations. Now, at the opening of the 2021-2022 school year, ILTexas currently serves over 20,600 enrolled students.

ILTexas Global is a Texas not-for-profit corporation formed in 2014 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code with a mission to strengthen, enhance and support the advancement of ILTexas by engaging in fundraising and other charitable activities. ILTexas Global also operates a private school to serve ninth through twelfth grades with a primary focus of offering a Chinese cultural exchange program for the benefit of students in Texas and China. ILTexas Global partners with the Corporation's open-enrollment charter school to further support and facilitate cross-cultural educational models and methods.

ILTexas Global is included in these consolidated financial statements since the Corporation has a direct controlling interest and receives economic benefit from ILTexas Global. Intercompany transactions and balances are eliminated in the consolidation process. Unless otherwise noted, these consolidated entities are hereinafter referred to as the School. ILTexas receives support from the State of Texas Foundation School Fund, government grants and contributions. ILTexas Global is funded through tuition revenue, fees and donations.

## **International Leadership of Texas, Inc.**

### **Notes to Consolidated Financial Statements**

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## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting and Financial Statement Presentation***

The School prepares its consolidated financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Net assets and revenues, expenses, gains and losses are classified based on the existence and nature or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net assets without donor restrictions* - Net assets not subject to donor or grantor imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors. Where applicable, net assets without donor restrictions remain subject to state accountability.

*Net assets with donor restrictions* - Net assets subject to donor or grantor restrictions that will be met by actions of the School and/or the passage of time. When a restriction expires, net assets with donor or grantor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

### ***Credit and Market Risk Concentrations***

Financial instruments which are potentially subject to concentrations of credit risk consist of cash and cash equivalents and accounts receivable. Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021 the School had no bank balances that were uninsured or without pledged collateral in the School's name.

During the years ended June 30, 2021 and 2020, the School earned revenues of \$219,527,710 and \$201,960,957, respectively, from the Texas Education Agency (TEA). These amounts constitute approximately 92% and 95%, respectively, of total revenues earned. Any unforeseen loss of the charter agreement with TEA or changes in legislative funding could have a material effect on the ability of the School to continue to provide the current level of educational services to its students.

### ***Cash and Cash Equivalents***

The School considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Restricted cash and cash equivalents is limited as to use under the terms of the bond indentures.

## **International Leadership of Texas, Inc.**

### **Notes to Consolidated Financial Statements**

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#### ***Property and Equipment***

Property and equipment are stated at cost, if purchased, and at fair market value, if donated. Assets with a cost of \$5,000 or more and a useful life greater than one year are capitalized.

Property and equipment acquired with public funds received for the operation of the School constitute public property pursuant to Chapter 12 of the Texas Education Code. Depreciation of these assets is calculated on a straight-line method over the estimated useful lives of 3 to 40 years. Expenditures for additions, major renewals, and betterments are capitalized, and maintenance and repairs are charged to expense as incurred.

#### ***Impairment of Long Lived Assets***

The School reviews the carrying value of long-lived assets to determine if facts and circumstances suggest that they may be impaired. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. There were no indications of asset impairment during the years ended June 30, 2021 and 2020.

#### ***Debt Issuance Costs and Original Issue Discounts or Premiums***

Debt issuance costs and original issue discounts or premiums represent costs incurred related to the issuance of bonds payable and are deferred as a direct deduction from or addition to the carrying amount of bonds payable and amortized using the interest method over the related bond period. Amortization expense is included in debt service in the accompanying consolidated statement of activities.

#### ***Revenue Recognition***

Revenues from the state of Texas are earned based on reported attendance. Public and private grants received are recognized in the period received and when the terms of the grant are met. If public and private terms are not met revenues are reimbursed to funder. Conditional promises to give are contingent upon the School meeting certain criteria specified by the donors. Revenues from conditional promises to give are not recognized until the condition has been fulfilled, advances received from donors are recorded as deferred revenues until the condition has been fulfilled.

A portion of the School's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. The School was awarded cost-reimbursable grants of \$2,260,060 that have not been received or recognized at June 30, 2021 because qualifying expenditures have not yet been incurred.

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

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The School recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Numerous individuals donate significant amounts of time to the School. No donated services were utilized that met the criteria to be recorded as revenue in the School's financial statements.

Tuition revenue is recognized over the period ILTexas Global provides services to students. Revenue is reported at the expected transaction price for customers based on historical experience and current market conditions. The estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience.

Revenue is recognized as performance obligations are satisfied, which is primarily ratably over the academic year. Generally, ILTexas Global bills students prior to the beginning of the academic year and student accounts receivable are due in full before classes begin unless the student has entered into a monthly payment plan. If a student withdraws during the academic year, the student is refunded based on a defined refund schedule. At year-end, there is no refund liability as the academic year is substantially complete. Accounts receivable are stated at the amount of consideration from students, of which the ILTexas Global has an unconditional right to receive. Balances are comprised of individually insignificant uncollateralized amounts from students and generally require payment either annually, semi-annually or monthly during the fiscal year. Accounts receivable balances older than sixty days are considered delinquent triggering collection efforts. Deferred tuition and fees consist of tuition and other fees collected in advance and are recognized as revenue over the school year.

#### **Leases**

The School accounts for two distinct types of leases, finance and operating which (i) requires lessees to record a right-of-use asset and a related liability for the rights and obligations associated with a lease, regardless of lease classification, and recognize lease expense in a manner similar to current accounting, (ii) eliminates current real estate specific lease provisions, (iii) modifies the lease classification criteria and (iv) aligns many of the underlying lessor model principles with those in the new revenue standard.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain premeasurements for the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the School's incremental borrowing rate. Generally, the School uses its incremental borrowing rate as a discount rate.

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

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Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under the purchase option that the School is reasonably certain to exercise, lease payments in an optional renewal period if the School is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the School is reasonably certain not to early terminate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the School's estimate of the amount expected to be payable under a residual value guarantee, or if the School changes its assessment of whether it will exercise a purchase, extension or termination option.

The School has elected not to recognize right-of-use assets and lease liabilities for short term leases of furniture and equipment that have a lease term of 12 months or less and leases of low-value assets. The School recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### ***Federal Income Taxes***

ILTexas and ILTexas Global are organized as Texas nonprofit corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. For the year ended June 30, 2021, the entities did not conduct unrelated business activities that would be subject to federal income taxes and had no uncertain tax positions. Therefore, no tax provision or liability has been reported in the accompanying consolidated financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing each entity's annual Form 990 and recognition of a tax liability (or asset) if the entity has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by each entity, and has concluded that as of June 30, 2021 and 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

#### ***Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Contract Compliance***

The School is responsible for compliance with provisions of contracts and grant agreements. Noncompliance could result in the disallowance of expenditures and a request for reimbursement. In the opinion of the School's management, such disallowance, if any, would not be significant to the School's consolidated financial statements.

#### ***Personal Leave***

All employees of the School earn five days of state personal and sick leave per year and three days of local personal sick leave per year. There is no material liability for unpaid accumulated sick leave since the schools do not have a policy to pay any amount when the employees separate from service with the schools, and any unused balance of state days is transferable to other schools. The local days, if not used, are forfeited at the end of each year.

### **3. Restricted Cash and Cash Equivalents**

Certain cash and cash equivalents are held in trust, which includes amounts required to be maintained in separate bank accounts in accordance with the 2015, 2018 and 2021 Series Master Trust Indenture and Security Agreements. Cash and cash equivalents held in trust and interest income earned on these funds are limited as to use under the terms of the bond indentures.

Restricted cash and cash equivalents held in trust were restricted as follows at June 30:

|   | 2021                                    |  | 2020                                    |  |
|---|---|--|---|--|
|   | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global |
| Debt service reserve fund                         | \$ 38,761,493                           | \$ -   | \$ 38,393,858                           | \$ -   |
| Bond debt service fund (interest)                 | 12,274,431                              | -  | 10,489,349                              | -  |
| Bond debt service fund (principal)                | 7,207,904                               | -  | 6,815,740                               | -  |
| Bond project and maintenance fund                 | 6,542,886                               | -  | 652,792                                 | -  |
| Classroom consortium                              | -                                       | 9,784  | -                                       | 117,505  |
| <b>Total restricted cash and cash equivalents</b> | <b>\$ 64,786,714</b>                    | <b>\$ 9,784</b>                                  | <b>\$ 56,351,739</b>                    | <b>\$ 117,505</b>                                |

## International Leadership of Texas, Inc. Notes to Consolidated Financial Statements

### 4. Property and Equipment

Property and equipment consist of the following as of June 30:

|                                     | 2021                                    |  | 2020                                    |  |
|-------------------------------------|---|--|---|--|
|                                     | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global |
| Land                                | \$ 46,346,699                           | \$ -   | \$ 38,839,724                           | \$ -   |
| Buildings and improvements          | 439,127,982                             | -  | 429,746,529                             | -  |
| Furniture and equipment             | 8,427,557                               | 9,878  | 16,338,873                              | 9,878  |
| Vehicles                            | 4,479,061                               | -  | 3,133,998                               | -  |
| Construction in progress            | 34,774,296                              | -  | 3,978,239                               | -  |
| <b>Total property and equipment</b> | <b>533,155,595</b>                      | <b>9,878</b>                                     | <b>492,037,363</b>                      | <b>9,878</b>                                     |
| Less accumulated depreciation       | (55,353,786)                            | (6,585)  | (51,780,337)                            | (3,293)  |
| <b>Property and equipment, net</b>  | <b>\$ 477,801,809</b>                   | <b>\$ 3,293</b>                                  | <b>\$ 440,257,026</b>                   | <b>\$ 6,585</b>                                  |

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$14,413,222 and \$13,800,184, respectively.

At June 30, 2021, construction in progress includes costs incurred to purchase land and construct three new educational facilities. At June 30, 2021, the School had open construction contracts for the construction of new educational facilities of approximately \$15,622,000, of which \$13,264,450 had been paid or incurred at year end.

### 5. Deferred Revenue

Deferred revenue consists of the following as of June 30:

|                                   | 2021                                    |  | 2020                                    |  |
|-----------------------------------|---|--|---|--|
|                                   | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global |
| Refundable advance                | \$ 260,490                              | \$ -   | \$ 156,587                              | \$ -   |
| Deferred tuition and related fees | -                                       | 154,965  | -                                       | 407,899  |
|                                   | <b>\$ 260,490</b>                       | <b>\$ 154,965</b>                                | <b>\$ 156,587</b>                       | <b>\$ 407,899</b>                                |

### 6. Leases

#### *Finance Leases*

ILTexas leases furniture and equipment totaling \$334,044 under finance leases at June 30, 2021 and 2020. Accumulated depreciation on these assets totaled \$185,580 and \$74,232 at June 30, 2021 and 2020, respectively.

As of June 30, 2021 and 2020 ILTexas has a finance lease liability totaling \$157,855 and \$304,301, respectively, bearing interest at the incremental borrowing rate of 4.625%.



## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

Future expected payments for the years ending June 30 are as follows:

|  |  |    |                      |
|--|--|----|----------------------|
| 2022   |  | \$ | 123,160              |
| 2023   |  |    | 39,880               |
| Less amounts representing interest                 |  |    | <u>(5,185)</u>       |
| Present value of future minimum lease payments     |  |    | 157,855              |
| Less current maturities                            |  |    | <u>118,223</u>       |
| Finance lease liability, net of current maturities |  | \$ | <u><u>39,632</u></u> |

The majority of the leases contain purchase options exercisable by ILTexas. ILTexas intends to exercise these purchase options. ILTexas assesses at lease commencement whether it is reasonably certain to exercise its purchase options. The School reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

## 7. Long-Term Debt

The following is a summary of changes in the School's total long-term debt for the year ended June 30, 2021:

|                                 | Beginning<br>Balances        | Additions                   | Reductions                    | Ending<br>Balances           | Amounts<br>Due Within<br>One Year |
|---------------------------------|------------------------------|-----------------------------|-------------------------------|------------------------------|-----------------------------------|
| <b>ILTexas</b>                  |                              |                             |                               |                              |                                   |
| <b>Bonds payable:</b>           |                              |                             |                               |                              |                                   |
| Series 2015A                    | \$ 105,680,000               | \$ -                        | \$ (410,000)                  | \$ 105,270,000               | \$ 2,160,000                      |
| Series 2015B                    | 1,630,000                    | -                           | (1,630,000)                   | -                            | -                                 |
| Series 2018A                    | 53,580,000                   | -                           | -                             | 53,580,000                   | -                                 |
| Series 2018B                    | 1,225,000                    | -                           | (465,000)                     | 760,000                      | 590,000                           |
| Series 2018C                    | 1,383,652                    | -                           | (245,455)                     | 1,138,197                    | 260,182                           |
| Series 2018D                    | 344,220,000                  | -                           | -                             | 344,220,000                  | 2,000,000                         |
| Series 2018E                    | 12,855,000                   | -                           | (3,055,000)                   | 9,800,000                    | 3,285,000                         |
| Series 2021                     | -                            | 49,630,000                  | -                             | 49,630,000                   | -                                 |
| <b>Total bonds payable</b>      | <b>520,573,652</b>           | <b>49,630,000</b>           | <b>(5,805,455)</b>            | <b>564,398,197</b>           | <b>8,295,182</b>                  |
| Bond premiums/discounts         | (4,843,711)                  | (20,253)                    | 4,864,973                     | 1,009                        | -                                 |
| Debt issuance costs             | <u>(7,404,814)</u>           | <u>(2,458,451)</u>          | <u>431,550</u>                | <u>(9,431,715)</u>           | <u>-</u>                          |
| <b>Total bonds payable, net</b> | <b>508,325,127</b>           | <b>47,151,296</b>           | <b>(508,932)</b>              | <b>554,967,491</b>           | <b>8,295,182</b>                  |
| Lines of credit                 | <u>25,000,000</u>            | <u>-</u>                    | <u>(15,000,000)</u>           | <u>10,000,000</u>            | <u>-</u>                          |
| <b>Total ILTexas</b>            | <b>533,325,127</b>           | <b>47,151,296</b>           | <b>(15,508,932)</b>           | <b>564,967,491</b>           | <b>8,295,182</b>                  |
| <b>ILTexas - Global</b>         |                              |                             |                               |                              |                                   |
| PPP Loan                        | <u>67,478</u>                | <u>79,684</u>               | <u>(67,478)</u>               | <u>79,684</u>                | <u>-</u>                          |
| <b>Total</b>                    | <b><u>\$ 533,392,605</u></b> | <b><u>\$ 47,230,980</u></b> | <b><u>\$ (15,576,410)</u></b> | <b><u>\$ 565,047,175</u></b> | <b><u>\$ 8,295,182</u></b>        |

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

The following is a summary of changes in the School's total long-term debt for the year ended June 30, 2020:

|                                 | Beginning<br>Balances | Additions            | Reductions            | Ending<br>Balances    | Amounts<br>Due Within<br>One Year |
|---------------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------------------|
| <b>ILTexas</b>                  |                       |                      |                       |                       |                                   |
| <b>Bonds payable:</b>           |                       |                      |                       |                       |                                   |
| Series 2015A                    | \$ 105,680,000        | \$ -                 | \$ -                  | \$ 105,680,000        | \$ 410,000                        |
| Series 2015B                    | 3,550,000             | -                    | (1,920,000)           | 1,630,000             | 1,630,000                         |
| Series 2018A                    | 53,580,000            | -                    | -                     | 53,580,000            | -                                 |
| Series 2018B                    | 1,570,000             | -                    | (345,000)             | 1,225,000             | 465,000                           |
| Series 2018C                    | 1,615,213             | -                    | (231,561)             | 1,383,652             | 245,455                           |
| Series 2018D                    | 344,220,000           | -                    | -                     | 344,220,000           | -                                 |
| Series 2018E                    | 12,855,000            | -                    | -                     | 12,855,000            | 3,055,000                         |
| <b>Total bonds payable</b>      | 523,070,213           | -                    | (2,496,561)           | 520,573,652           | 5,805,455                         |
| Bond discounts                  | (4,482,003)           | (361,708)            | -                     | (4,843,711)           | -                                 |
| Debt issuance costs             | (7,853,149)           | -                    | 448,335               | (7,404,814)           | -                                 |
| <b>Total bonds payable, net</b> | 510,735,061           | (361,708)            | (2,048,226)           | 508,325,127           | 5,805,455                         |
| Notes payable                   | 4,698,053             | -                    | (4,698,053)           | -                     | -                                 |
| Lines of credit                 | -                     | 25,000,000           | -                     | 25,000,000            | -                                 |
| <b>Total ILTexas</b>            | 515,433,114           | 24,638,292           | (6,746,279)           | 533,325,127           | 5,805,455                         |
| <b>ILTexas - Global</b>         |                       |                      |                       |                       |                                   |
| PPP Loan                        | -                     | 67,478               | -                     | 67,478                | 25,918                            |
| <b>Total</b>                    | <u>\$ 515,433,114</u> | <u>\$ 24,705,770</u> | <u>\$ (6,746,279)</u> | <u>\$ 533,392,605</u> | <u>\$ 5,831,373</u>               |

On June 1, 2015 ILTexas issued \$105,680,000 Education Revenue Bonds – Series 2015A and \$5,360,000 of taxable Education Revenue Bonds – Series 2015B. The bonds mature serially each August 15, starting 2018 until 2045. The bonds were issued as education revenue bonds, and have interest rates ranging from 4.625% to 6.25%, and are collateralized by a deed of trust and pledge of revenues of ILTexas.

On September 15, 2018 ILTexas issued \$53,580,000 Education Revenue Bonds – Series 2018A, \$1,570,000 of Taxable Education Revenue Bonds – Series 2018B, \$1,615,213 Subordinate Education Revenue Bonds – Series 2018C. The bonds mature serially each March 1, starting 2019 until 2043. The bonds were issued as education revenue bonds, and have interest rates ranging from 6% to 8.5%, and are collateralized by a deed of trust and pledge of revenues of ILTexas.

On December 20, 2018 ILTexas issued \$344,220,000 Education Revenue Bonds – Series 2018D and \$12,855,000 of Taxable Education Revenue Bonds – Series 2018E. The bonds mature serially each August 15, starting 2020 until 2048. The bonds were issued as education revenue bonds, and have interest rates ranging from 5% to 6.125%, and are collateralized by a deed of trust and pledge of revenues of ILTexas.

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

On June 1, 2021 ILTexas issued \$49,630,000 Education Revenue Bonds – Series 2021. The bonds mature serially each August 15, starting 2023 until 2041. The bonds were issued as education revenue bonds, have interest rates ranging from 3% to 5%, and are collateralized by a deed of trust and pledge of revenues of ILTexas.

Proceeds of the bonds were used for capital asset purchases, construction, repayment of previously issued debt and establishing reserves for future debt service. The bonds are secured by notes issued under the master trust indentures, and such notes are secured by real estate.

The master trust indentures establish that the School must maintain operating reserves in an amount equal to at least forty five days of actual expenses for the year ended June 30, 2021 as well as a debt service coverage ratio, which stipulates that available revenues for each fiscal year must be equal to at least 1.10 times the annual debt service of the School as of the end of the first fiscal year after the date of issuance and thereafter until the individual bond or notes have been paid in full. During the year ended June 30, 2021, the School was in compliance with the requirements in accordance with the master trust indentures.

The required debt service payments to satisfy the requirements of the bonds are as follows for the years ending June 30:

|           | Principal             | Interest              | Total                   |
|-----------|-----------------------|-----------------------|-------------------------|
| 2022      | \$ 8,295,182          | \$ 29,237,593         | \$ 37,532,775           |
| 2023      | 8,865,793             | 30,389,894            | 39,255,687              |
| 2024      | 10,322,341            | 29,904,521            | 40,226,862              |
| 2025      | 10,859,881            | 29,402,406            | 40,262,287              |
| 2026      | 11,185,000            | 28,869,095            | 40,054,095              |
| 2027-2031 | 110,080,000           | 129,536,507           | 239,616,507             |
| 2032-2036 | 78,185,000            | 102,537,057           | 180,722,057             |
| 2037-2041 | 103,320,000           | 78,560,981            | 181,880,981             |
| 2042-2046 | 137,540,000           | 46,511,288            | 184,051,288             |
| 2047-2051 | 83,230,000            | 10,144,576            | 93,374,576              |
| 2052      | 2,515,000             | 148,800               | 2,663,800               |
| Total     | <u>\$ 564,398,197</u> | <u>\$ 515,242,718</u> | <u>\$ 1,079,640,915</u> |

In May 2020, ILTexas Global entered into an unsecured loan (PPP Loan) in the aggregate amount of \$67,478 with a bank pursuant to the Paycheck Protection Program (PPP), which is sponsored by the Small Business Administration (SBA), and is part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as amended by the Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act). ILTexas Global received notification of full forgiveness of the PPP Loan on April 13, 2021. Accordingly, ILTexas Global has recognized \$67,478 as a gain in the other revenues section of the consolidated statement of activities for the year ended June 30, 2021.

**International Leadership of Texas, Inc.**  
**Notes to Consolidated Financial Statements**

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In March 2021, ILTexas Global received a second PPP loan (PPP2 Loan) in the amount of \$79,684. The PPP2 Loan may be forgiven partially or in full, if certain conditions are met. If the PPP2 Loan is not forgiven, it will accrue interest at 1% and will be due in 2 years. Management of ILTexas Global believes the PPP2 Loan will be fully forgiven. At June 30, 2021, the balance of the PPP2 Loan totaling \$79,684 is reported as long-term debt.

In April 2020, ILTexas entered into a line of credit agreement with a bank whereby it may borrow up to \$35,000,000, with interest due at the greater of 3.15% or LIBOR (.24% at June 30, 2021). Interest payments are due monthly with principal due upon maturity on April 23, 2023. As of June 30, 2020, \$15,000,000 in advances were outstanding on the agreements. The line is collateralized under the master trust indentures.

In April 2020, ILTexas entered into a separate line of credit agreement with a bank whereby it may borrow up to \$10,000,000, with interest due at the greater of 4.00% or LIBOR (.24% at June 30, 2021). Interest payments are due monthly with principal due upon maturity on April 23, 2023. As of June 30, 2021 and 2020, \$10,000,000 in advances were outstanding on the line of credit. The line is collateralized under the master trust indenture.

Future maturities on the lines of credit and note payable are as follows for the years ending June 30:

|      |    |                   |
|------|----|-------------------|
| 2022 | \$ | -                 |
| 2023 |    | 10,079,684        |
|      |    | <u>10,079,684</u> |
|      | \$ | <u>10,079,684</u> |

Interest expense on long-term debt for the years ended June 30, 2021 and 2020 totaled \$29,549,198 and \$27,279,763, respectively.

**8. Net Assets with Donor Restrictions**

Net assets with donor restrictions represent state resources to be used for educational purposes.

**9. Defined Benefit Pension Plan**

***Plan Description***

The School contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the charter school, but are the liability of the State of Texas. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

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the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications Heading.

#### ***Funding Policy***

Plan members contributed 8% of their annual covered salary in 2021. The school contributes 7.75% for new members of the first 90 days of employment, and the state of Texas contributes 7.75%. Additionally, the School makes a 1.7% non-OASDI payment for all TRS eligible employees. The School contributions do not represent more than 5% of the TRS' total contributions. For the year ended June 30, 2021 and 2020, the School contributed \$854,251 and \$2,101,501 to TRS, respectively.

The risks of participating in a multi-employer, defined benefit plan are different from single-employer plans because (a) amounts contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers and (b) if an employer stops contributing to TRS, unfunded obligations of TRS may be required to be borne by the remaining employers. There is not withdrawal penalty for leaving TRS.

Total TRS plan assets as of August 31, 2020 and 2019 were \$184 billion and \$181 billion, respectively. Accumulated benefit obligation as of August 31, 2020 and 2019 was \$219 and \$210 billion. The plan was 75.54% and 75.24% funded as of August 31, 2020 and 2019, respectively.

## **10. Health Care Coverage**

During the years ended June 30, 2021 and 2020, full-time employees of the School were covered by a health insurance plan. The School contributed \$397 per month per employee for the period from September 1, 2020 to June 30, 2021 and \$367 per month per employee for the period from September 1, 2019 to June 30, 2020 to the plan.

Employees, at their option, authorized payroll withholdings to pay contributions or premiums for their dependents. All premiums were paid to licensed insurers.

## **11. Contingencies**

The School receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to TEA and is subject to audit and adjustment.

## **International Leadership of Texas, Inc.**

### **Notes to Consolidated Financial Statements**

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Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the School have complex compliance requirements and, should state or federal auditors discover areas of noncompliance, funds may be subject to refund if so determined by the TEA or other grantor agency.

During the year ended June 30, 2021, ILTexas performed an internal review of the child nutrition program. As a result of the internal review, ILTexas returned approximately \$350,000 to the Texas Department of Agriculture in July 2021. This amount plus approximately \$663,000 in questioned costs is included in other liabilities at June 30, 2021.

#### ***Litigation***

The School is contingently liable in connection with certain claims and contracts, including those currently in litigation, arising in the normal course of its activities. Although there are inherent uncertainties in any litigation, the School's management and general counsel are of the opinion that the outcome of such matters will not have a material effect on the School's financial position.

#### ***Uncertainties***

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the School. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

## **12. Functional Allocation of Expenses**

#### ***Functional allocation of expenses***

Expenses are reported by their functional classification as program services or management and general or fundraising. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the School exists. Fundraising activities include the solicitation of contributions of money, securities, material, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities.

Expenses that are attributable to one or more program or supporting activities are allocated among the activities benefited. Salaries and related costs are charged directly either to program services, fundraising or administration based on actual time worked in each area. Information technology costs, depreciation, interest expense, and occupancy costs are allocated based on whether the costs are associated with instructional campuses (program services) or with administrative buildings.

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

The School's expenses by natural classification and function are as follows for the year ended June 30, 2021:

|  | Payroll<br>Costs      | Professional<br>& Contracted<br>Services | Supplies &<br>Materials | Other<br>Operating<br>Costs | Debt                 | Total                 |
|--|-----------------------|--|-------------------------|-----------------------------|----------------------|-----------------------|
| <b>Program Services:</b>                         |                       |  |                         |                             |                      |                       |
| Instructional and Instructional related services | \$ 90,706,209         | \$ 3,800,832                             | \$ 11,863,673           | \$ 1,435,701                | \$ 17,341,448        | \$ 125,147,863        |
| Instructional and school leadership              | 11,406,196            | 170,799                                  | 158,451                 | 179,776                     | 311,671              | 12,226,893            |
| Support Services - Student                       | 8,448,053             | 10,367,266                               | 2,138,527               | 765,716                     | 3,480,937            | 25,200,499            |
| Support Services - Nonstudent based              | 4,158,243             | 15,006,825                               | 3,306,484               | 14,112,675                  | 4,730,591            | 41,314,818            |
| Ancillary services                               | 751,503               | 2,032,504                                | 12,615                  | 21,815                      | 451,704              | 3,270,141             |
| <b>Total program services</b>                    | <b>115,470,204</b>    | <b>31,378,226</b>                        | <b>17,479,750</b>       | <b>16,515,683</b>           | <b>26,316,351</b>    | <b>207,160,214</b>    |
| <b>Support Services:</b>                         |                       |  |                         |                             |                      |                       |
| Instructional and school leadership              | -                     | -  | -                       | -                           | 1,597,950            | 1,597,950             |
| Administrative support services                  | 4,817,966             | 1,281,541                                | 124,034                 | 798,744                     | 993,573              | 8,015,858             |
| Support services - nonstudent based              | -                     | -  | -                       | -                           | 1,132,668            | 1,132,668             |
| Fundraising                                      | 127,283               | -  | -                       | 394                         | -                    | 127,677               |
| <b>Total support services</b>                    | <b>4,945,249</b>      | <b>1,281,541</b>                         | <b>124,034</b>          | <b>799,138</b>              | <b>3,724,191</b>     | <b>10,874,153</b>     |
| <b>Total expenses</b>                            | <b>\$ 120,415,453</b> | <b>\$ 32,659,767</b>                     | <b>\$ 17,603,784</b>    | <b>\$ 17,314,821</b>        | <b>\$ 30,040,542</b> | <b>\$ 218,034,367</b> |

The School's expenses by natural classification and function are as follows for the year ended June 30, 2020:

|  | Payroll<br>Costs      | Professional<br>& Contracted<br>Services | Supplies &<br>Materials | Other<br>Operating<br>Costs | Debt                 | Total                 |
|--|-----------------------|--|-------------------------|-----------------------------|----------------------|-----------------------|
| <b>Program Services:</b>                         |                       |  |                         |                             |                      |                       |
| Instructional and Instructional related services | \$ 86,236,030         | \$ 3,953,580                             | \$ 7,715,559            | \$ 1,950,629                | \$ 20,940,043        | \$ 120,795,841        |
| Instructional and school leadership              | 1,199,095             | 72,560                                   | 6,123                   | 43,915                      | 326,796              | 1,648,489             |
| Support Services - Student                       | 7,786,876             | 10,320,213                               | 239,282                 | 714,344                     | 1,858,958            | 20,919,673            |
| Support Services - Nonstudent based              | 2,088,999             | 10,235,695                               | 752,742                 | 13,420,534                  | 535,696              | 27,033,666            |
| Ancillary services                               | 638,232               | 606,960                                  | 354,812                 | 17,070                      | 175,344              | 1,792,418             |
| <b>Total program services</b>                    | <b>97,949,232</b>     | <b>25,189,008</b>                        | <b>9,068,518</b>        | <b>16,146,492</b>           | <b>23,836,837</b>    | <b>172,190,087</b>    |
| <b>Support Services:</b>                         |                       |  |                         |                             |                      |                       |
| Instructional and school leadership              | 9,209,559             | 55,204                                   | 92,631                  | 50,512                      | 2,506,822            | 11,914,728            |
| Administrative support services                  | 4,464,679             | 871,333                                  | 76,684                  | 1,382,017                   | 1,127,473            | 7,922,186             |
| Support services - nonstudent based              | 1,639,302             | 1,369,963                                | 754,015                 | 1,439,454                   | 430,234              | 5,632,968             |
| Fundraising                                      | -                     | -  | -                       | 6,360                       | -                    | 6,360                 |
| <b>Total support services</b>                    | <b>15,313,540</b>     | <b>2,296,500</b>                         | <b>923,330</b>          | <b>2,878,343</b>            | <b>4,064,529</b>     | <b>25,476,242</b>     |
| <b>Total expenses</b>                            | <b>\$ 113,262,772</b> | <b>\$ 27,485,508</b>                     | <b>\$ 9,991,848</b>     | <b>\$ 19,024,835</b>        | <b>\$ 27,901,366</b> | <b>\$ 197,666,329</b> |

### 13. Liquidity and Availability of Resources

The School relies on state aid and federal grants to meet general expenditures related to operations. For purposes of analyzing resources available to meet general expenditures over a twelve-month period. The School considers all expenditures related to its ongoing activities of education as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of the School's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in cash.

## International Leadership of Texas, Inc.

### Notes to Consolidated Financial Statements

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The School's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows:

|  | 2021          | 2020          |
|--|---------------|---------------|
| Financial assets at June 30:                                 |               |               |
| Cash and cash equivalents                                    | \$ 72,000,602 | \$ 58,456,344 |
| Restricted cash and cash equivalents                         | 64,796,498    | 56,469,244    |
| Due from government agencies                                 | 32,030,542    | 27,413,333    |
| Accounts receivable  | -             | 6,500         |
|  | 168,827,642   | 142,345,421   |
| Less financial assets not available for general expenditure: |               |               |
| Restricted cash and cash equivalents                         | (64,796,498)  | (45,979,895)  |
| Total financial assets available for general expenditure     | \$104,031,144 | \$ 96,365,526 |

#### 14. Subsequent Events

Subsequent to year end, the School purchased two properties totaling approximately \$7,700,000 for the future construction of two new school buildings. Additionally, the School entered into agreements to purchase furniture and renovate headquarters totaling approximately \$4,700,000.

On August 31, 2021, the School received a donation of land with a fair value of \$560,000 to serve as the site for a school in Cleveland, Texas.

Effective July 1, 2021, the Corporation no longer has a controlling interest in ILTexas Global.

The School evaluated subsequent events through the date the financial statements were available to be issued, and concluded that no additional disclosures are required.



Supplemental Information

draft

**International Leadership of Texas, Inc.**  
**Consolidating Statement of Financial Position**  
**June 30, 2021**

|   | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global | Eliminations | Total                 |
|---|---|--|--------------|-----------------------|
| <b>Assets</b>                                 |   |  |              |                       |
| <b>Current assets:</b>                        |   |  |              |                       |
| Cash and cash equivalents                     | \$ 71,469,062                           | \$ 531,540                                       | \$ -         | \$ 72,000,602         |
| Restricted cash and cash equivalents          | 64,786,714                              | 9,784  | -            | 64,796,498            |
| Due from government agencies                  | 32,030,542                              | -  | -            | 32,030,542            |
| Other current assets                          | -                                       | 10,013   | -            | 10,013                |
| <b>Total current assets</b>                   | <b>168,286,318</b>                      | <b>551,337</b>                                   | <b>-</b>     | <b>168,837,655</b>    |
| Property and equipment, net                   | 477,801,809                             | 3,293  | -            | 477,805,102           |
| <b>Total assets</b>                           | <b>\$ 646,088,127</b>                   | <b>\$ 554,630</b>                                | <b>\$ -</b>  | <b>\$ 646,642,757</b> |
| <b>Liabilities and Net Assets</b>             |   |  |              |                       |
| <b>Current liabilities:</b>                   |   |  |              |                       |
| Accounts payable                              | \$ 10,329,943                           | \$ 26,606  | \$ -         | \$ 10,356,549         |
| Accrued payroll                               | 14,505,092                              | -  | -            | 14,505,092            |
| Accrued interest                              | 12,016,232                              | -  | -            | 12,016,232            |
| Student activity funds                        | 760,730                                 | -  | -            | 760,730               |
| Deferred revenue                              | 260,490                                 | 154,965  | -            | 415,455               |
| Other liabilities                             | 2,897,749                               | -  | -            | 2,897,749             |
| Current maturities of finance lease liability | 118,223                                 | -  | -            | 118,223               |
| Current maturities of long-term debt          | 8,295,182                               | -  | -            | 8,295,182             |
| <b>Total current liabilities</b>              | <b>49,183,641</b>                       | <b>181,571</b>                                   | <b>-</b>     | <b>49,365,212</b>     |
| <b>Long-term liabilities:</b>                 |   |  |              |                       |
| Finance lease liability                       | 39,632                                  | -  | -            | 39,632                |
| Long-term debt, net of debt issuance costs    | 556,672,309                             | 79,684   | -            | 556,751,993           |
| <b>Total liabilities</b>                      | <b>605,895,582</b>                      | <b>261,255</b>                                   | <b>-</b>     | <b>606,156,837</b>    |
| <b>Net assets:</b>                            |   |  |              |                       |
| Without donor restrictions                    | 2,633,540                               | 293,375  | -            | 2,926,915             |
| With donor restrictions                       | 37,559,005                              | -  | -            | 37,559,005            |
| <b>Total net assets</b>                       | <b>40,192,545</b>                       | <b>293,375</b>                                   | <b>-</b>     | <b>40,485,920</b>     |
| <b>Total liabilities and net assets</b>       | <b>\$ 646,088,127</b>                   | <b>\$ 554,630</b>                                | <b>\$ -</b>  | <b>\$ 646,642,757</b> |

See notes to consolidated financial statements.

**International Leadership of Texas, Inc.**  
**Consolidating Statement of Activities**  
**Year Ended June 30, 2021**

|  | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global | Eliminations     | Total              |
|--|---|--|------------------|--------------------|
| <b>Revenue and support:</b>                                      |   |  |                  |                    |
| <b>Local support:</b>  |   |  |                  |                    |
| SSA - Local revenues from member districts                       | \$ 381,842                              | \$ 984,820                                       | (381,842)        | \$ 984,820         |
| Interest, dividends, gains, and losses                           | 68,491                                  | -  | -                | 68,491             |
| Rent   | 9,500                                   | -  | -                | 9,500              |
| Foundations, other non-profit organizations, gifts, and bequests | 91                                      | 15,720   | -                | 15,811             |
| Other revenues from local sources                                | 415,280                                 | 67,571   | -                | 482,851            |
| Food service activity  | (139,242)                               | -  | -                | (139,242)          |
| <b>Total local support</b>                                       | <b>735,962</b>                          | <b>1,068,111</b>                                 | <b>(381,842)</b> | <b>1,422,231</b>   |
| <b>State program revenues:</b>                                   |   |  |                  |                    |
| Per capita apportionment   | 9,146,435                               | -  | -                | 9,146,435          |
| Foundation school program act revenue                            | 194,075,741                             | -  | -                | 194,075,741        |
| State program revenue distributed by TEA                         | 4,722,170                               | -  | -                | 4,722,170          |
| <b>Total state program revenue</b>                               | <b>207,944,346</b>                      | <b>-</b>   | <b>-</b>         | <b>207,944,346</b> |
| <b>Federal program revenues:</b>                                 |   |  |                  |                    |
| National school breakfast and lunch program                      | 717,912                                 | -  | -                | 717,912            |
| Federal program revenue distributed by TEA                       | 18,360,489                              | -  | -                | 18,360,489         |
| Federal revenues distributed by other State of Texas agencies    | 11,354,007                              | -  | -                | 11,354,007         |
| <b>Total federal program revenue</b>                             | <b>30,432,408</b>                       | <b>-</b>   | <b>-</b>         | <b>30,432,408</b>  |
| <b>Total revenue and support</b>                                 | <b>239,112,716</b>                      | <b>1,068,111</b>                                 | <b>(381,842)</b> | <b>239,798,985</b> |

See notes to consolidated financial statements.

**International Leadership of Texas, Inc.**  
**Consolidating Statement of Activities**  
**Year Ended June 30, 2021**

|   | International<br>Leadership<br>of Texas | International<br>Leadership<br>of Texas - Global | Eliminations     | Total                |
|---|---|--|------------------|----------------------|
| <b>Expenses:</b>  |   |  |                  |                      |
| Instruction   | \$ 99,710,035                           | \$ 1,061,317                                     | \$ (381,842)     | \$ 100,389,510       |
| Instruction resources and media                         | 1,033,326                               | -  | -                | 1,033,326            |
| Curriculum and instructional staff development          | 6,962,181                               | -  | -                | 6,962,181            |
| Instructional leadership                                | 1,944,695                               | -  | -                | 1,944,695            |
| School leadership                                       | 9,970,527                               | -  | -                | 9,970,527            |
| Guidance, counseling, evaluation services               | 5,501,444                               | -  | -                | 5,501,444            |
| Social work services                                    | 76,343                                  | -  | -                | 76,343               |
| Health services   | 1,845,363                               | -  | -                | 1,845,363            |
| Student transportation                                  | 1,213,837                               | -  | -                | 1,213,837            |
| Food services   | 11,498,105                              | -  | -                | 11,498,105           |
| Extracurricular activities                              | 1,584,470                               | -  | -                | 1,584,470            |
| General administration                                  | 6,199,471                               | 244,233  | -                | 6,443,704            |
| Facilities maintenance and operations                   | 27,084,823                              | -  | -                | 27,084,823           |
| Security and monitoring services                        | 2,432,040                               | -  | -                | 2,432,040            |
| Data processing services                                | 7,067,364                               | -  | -                | 7,067,364            |
| Community services                                      | 2,818,419                               | -  | -                | 2,818,419            |
| Debt service  | 30,040,539                              | -  | -                | 30,040,539           |
| Fundraising   | 127,677                                 | -  | -                | 127,677              |
| <b>Total expenses</b>                                   | <b>217,110,659</b>                      | <b>1,305,550</b>                                 | <b>(381,842)</b> | <b>218,034,367</b>   |
| <b>Excess of revenues over expenses from operations</b> | <b>22,002,057</b>                       | <b>(237,439)</b>                                 | <b>-</b>         | <b>21,764,618</b>    |
| <b>Non-operating activities:</b>                        |   |  |                  |                      |
| Other gain  | 31,969                                  | -  | -                | 31,969               |
| <b>Total non-operating activities</b>                   | <b>31,969</b>                           | <b>-</b>   | <b>-</b>         | <b>31,969</b>        |
| <b>Change in net assets</b>                             | <b>22,034,026</b>                       | <b>(237,439)</b>                                 | <b>-</b>         | <b>21,796,587</b>    |
| <b>Net assets at beginning of year</b>                  | <b>18,158,519</b>                       | <b>530,814</b>                                   | <b>-</b>         | <b>18,689,333</b>    |
| <b>Net assets at end of year</b>                        | <b>\$ 40,192,545</b>                    | <b>\$ 293,375</b>                                | <b>\$ -</b>      | <b>\$ 40,485,920</b> |

See notes to consolidated financial statements.

Supplemental Information Required by TEA

draft

**International Leadership of Texas**  
**Statement of Financial Position**  
**June 30, 2021**

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**Assets**

**Current assets:**

|                                      |                   |
|--------------------------------------|-------------------|
| Cash and cash equivalents            | \$ 71,469,062     |
| Restricted cash and cash equivalents | 64,786,714        |
| Due from government agencies         | <u>32,030,542</u> |

**Total current assets** 168,286,318

Property and equipment, net 477,801,809

**Total assets** \$ 646,088,127

**Liabilities and Net Assets**

**Current liabilities:**

|   |                  |
|---|------------------|
| Accounts payable                              | \$ 10,329,943    |
| Accrued payroll                               | 14,505,092       |
| Accrued interest                              | 12,016,232       |
| Student activity funds                        | 760,730          |
| Deferred revenue                              | 260,490          |
| Other liabilities                             | 2,897,749        |
| Current maturities of finance lease liability | 118,223          |
| Current maturities of long-term debt          | <u>8,295,182</u> |

**Total current liabilities** 49,183,641

**Long-term liabilities:**

|  |                    |
|--|--------------------|
| Finance lease liability                    | 39,632             |
| Long-term debt, net of debt issuance costs | <u>556,672,309</u> |

**Total liabilities** 605,895,582

**Net assets:**

|                            |                   |
|----------------------------|-------------------|
| Without donor restrictions | 2,633,540         |
| With donor restrictions    | <u>37,559,005</u> |

**Total net assets** 40,192,545

**Total liabilities and net assets** \$ 646,088,127

## International Leadership of Texas

### Statement of Activities

### Year Ended June 30, 2021

|   | Without<br>donor restrictions | With donor<br>restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| <b>Revenue and support:</b>   |                               |                            |                      |
| <b>Local support:</b>   |                               |                            |                      |
| 5722 SSA - Local revenues from member districts                       | \$ 381,842                    | \$ -                       | \$ 381,842           |
| 5742 Interest, dividends, gains, and losses                           | 68,491                        | -                          | 68,491               |
| 5743 Rent   | 9,500                         | -                          | 9,500                |
| 5744 Foundations, other non-profit organizations, gifts, and bequests | 91                            | -                          | 91                   |
| 5749 Other revenues from local sources                                | 415,280                       | -                          | 415,280              |
| 5751 Food service activity  | (139,242)                     | -                          | (139,242)            |
| <b>Total local support</b>  | <b>735,962</b>                | <b>-</b>                   | <b>735,962</b>       |
| <b>State program revenues:</b>  |                               |                            |                      |
| 5811 Per capita apportionment   | -                             | 9,146,435                  | 9,146,435            |
| 5812 Foundation school program act revenue                            | -                             | 194,075,741                | 194,075,741          |
| 5829 State program revenue distributed by TEA                         | -                             | 4,722,170                  | 4,722,170            |
| <b>Total state program revenue</b>                                    | <b>-</b>                      | <b>207,944,346</b>         | <b>207,944,346</b>   |
| <b>Federal program revenues:</b>                                      |                               |                            |                      |
| 5921 National school breakfast and lunch program                      | -                             | 717,912                    | 717,912              |
| 5929 Federal program revenue distributed by TEA                       | -                             | 18,360,489                 | 18,360,489           |
| 5939 Federal revenues distributed by other State of Texas agencies    | -                             | 11,354,007                 | 11,354,007           |
| <b>Total federal program revenue</b>                                  | <b>-</b>                      | <b>30,432,408</b>          | <b>30,432,408</b>    |
| Net assets released from restrictions                                 |                               |                            |                      |
| Restrictions satisfied by payments                                    | 217,110,659                   | (217,110,659)              | -                    |
| <b>Total revenue and support</b>                                      | <b>217,846,621</b>            | <b>21,266,095</b>          | <b>239,112,716</b>   |
| <b>Expenses:</b>  |                               |                            |                      |
| 11 Instruction  | 99,710,035                    | -                          | 99,710,035           |
| 12 Instruction resources and media                                    | 1,033,326                     | -                          | 1,033,326            |
| 13 Curriculum and instructional staff development                     | 6,962,181                     | -                          | 6,962,181            |
| 21 Instructional leadership   | 1,944,695                     | -                          | 1,944,695            |
| 23 School leadership  | 9,970,527                     | -                          | 9,970,527            |
| 31 Guidance, counseling, evaluation services                          | 5,501,444                     | -                          | 5,501,444            |
| 32 Social work services   | 76,343                        | -                          | 76,343               |
| 33 Health services  | 1,845,363                     | -                          | 1,845,363            |
| 34 Student transportation   | 1,213,837                     | -                          | 1,213,837            |
| 35 Food services  | 11,498,105                    | -                          | 11,498,105           |
| 36 Extracurricular activities   | 1,584,470                     | -                          | 1,584,470            |
| 41 General administration   | 6,199,471                     | -                          | 6,199,471            |
| 51 Facilities maintenance and operations                              | 27,084,823                    | -                          | 27,084,823           |
| 52 Security and monitoring services                                   | 2,432,040                     | -                          | 2,432,040            |
| 53 Data processing services   | 7,067,364                     | -                          | 7,067,364            |
| 61 Community services   | 2,818,419                     | -                          | 2,818,419            |
| 71 Debt service   | 30,040,539                    | -                          | 30,040,539           |
| 81 Fundraising  | 127,677                       | -                          | 127,677              |
| <b>Total expenses</b>   | <b>217,110,659</b>            | <b>-</b>                   | <b>217,110,659</b>   |
| <b>Excess of revenues over expenses from operations</b>               | <b>735,962</b>                | <b>21,266,095</b>          | <b>22,002,057</b>    |
| <b>Non-operating activities:</b>                                      |                               |                            |                      |
| 7959 Other gain   | 31,969                        | -                          | 31,969               |
| <b>Total non-operating activities</b>                                 | <b>31,969</b>                 | <b>-</b>                   | <b>31,969</b>        |
| <b>Change in net assets</b>   | <b>767,931</b>                | <b>21,266,095</b>          | <b>22,034,026</b>    |
| <b>Net assets at beginning of year</b>                                | <b>1,865,609</b>              | <b>16,292,910</b>          | <b>18,158,519</b>    |
| <b>Net assets at end of year</b>                                      | <b>\$ 2,633,540</b>           | <b>\$ 37,559,005</b>       | <b>\$ 40,192,545</b> |

## International Leadership of Texas

### Statement of Cash Flows

### Year Ended June 30, 2021

|  |                       |
|--|-----------------------|
| <b>Cash flows from operating activities:</b>   |                       |
| Change in net assets   | \$ 22,034,026         |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities  |                       |
| Depreciation   | 14,409,930            |
| Amortization of bond discount  | (20,253)              |
| Amortization of debt issuance costs  | 431,551               |
| Net gain on sale of vehicles   | 2,384                 |
| Changes in assets and liabilities:   |                       |
| Due from government agencies   | (4,617,209)           |
| Other current assets   | 194,376               |
| Accounts payable   | 4,328,448             |
| Accrued payroll  | 490,125               |
| Accrued interest   | (1,349,644)           |
| Student activity funds   | 26,478                |
| Deferred revenue   | 103,903               |
| Other liabilities  | <u>2,297,749</u>      |
| Net cash provided by operating activities  | 38,331,864            |
| <b>Cash flows from investing activities:</b>   |                       |
| Purchases of property and equipment  | <u>(47,012,623)</u>   |
| Net cash used by investing activities  | (47,012,623)          |
| <b>Cash flows from financing activities:</b>   |                       |
| Net proceeds from issuance of long-term debt   | 54,494,972            |
| Payment of debt issuance costs   | (2,458,451)           |
| Principal payments on finance lease liabilities  | (146,446)             |
| Principal payments on long-term debt   | <u>(20,805,455)</u>   |
| Net cash provided by financing activities  | <u>31,084,620</u>     |
| Net increase in cash and cash equivalents  | 22,403,861            |
| <b>Cash and restricted cash and cash equivalents at beginning of year</b>  | <u>113,851,915</u>    |
| <b>Cash and restricted cash and cash equivalents at end of year</b>  | <u>\$ 136,255,776</u> |
| <b>Reconciliation of cash and restricted cash and cash equivalents reported<br/>within the statement of financial position to the statement of cash flows:</b> |                       |
| Cash and cash equivalents  | \$ 71,469,062         |
| Restricted cash and cash equivalents   | <u>64,786,714</u>     |
| <b>Cash and restricted cash and cash equivalents reported on the statement of cash flows</b>   | <u>\$ 136,255,776</u> |
| <b>Supplemental disclosure of cash flow information:</b>   |                       |
| Cash paid for interest   | <u>\$ 29,563,069</u>  |
| <b>Supplemental schedule of noncash investing and financing activities:</b>  |                       |
| Construction in progress accrued in accounts payable at year end   | <u>\$ 4,944,474</u>   |



**International Leadership of Texas**  
**Schedule of Expenses**  
**Year Ended June 30, 2021**

| Object Code | Description                          | Amount                |
|-------------|--------------------------------------|-----------------------|
| 6100        | Payroll costs                        | \$ 119,970,775        |
| 6200        | Professional and contracted services | 32,563,980            |
| 6300        | Supplies and materials               | 17,514,640            |
| 6400        | Other operating costs                | 17,020,722            |
| 6500        | Debt service                         | 30,040,542            |
|             | Total expenses                       | <u>\$ 217,110,659</u> |

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**International Leadership of Texas**  
**Schedule of Capital Assets**  
**June 30, 2021**

| Description                     | Ownership Interest  |                       |
|---------------------------------|---------------------|-----------------------|
|                                 | Local               | State                 |
| 1510 Land                       | \$ 519,788          | \$ 45,826,911         |
| 1520 Buildings and improvements | 4,376,666           | 434,751,316           |
| 1531 Vehicles                   | 74,806              | 4,404,255             |
| 1549 Furniture and equipment    | 743,325             | 7,684,232             |
| 1580 Construction in progress   | -                   | 34,774,296            |
| 1570 Accumulated depreciation   | (1,022,634)         | (54,331,152)          |
|                                 | <u>\$ 4,691,951</u> | <u>\$ 473,109,858</u> |

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## International Leadership of Texas

### Budgetary Comparison Schedule

### Year Ended June 30, 2021

|   | Budgeted Amounts     |                      | Actual<br>Amounts    | Variance from<br>Final Budget |
|---|----------------------|----------------------|----------------------|-------------------------------|
|   | Original             | Final                |                      |                               |
| <b>Revenue and support:</b>   |                      |                      |                      |                               |
| <b>Local support:</b>   |                      |                      |                      |                               |
| 5722 SSA- Local revenues from member districts                        | \$ 800,000           | \$ 380,000           | \$ 381,842           | \$ 1,842                      |
| 5742 Interest, dividends, gains, and losses                           | 700,000              | 68,000               | 68,491               | 491                           |
| 5743 Rent   | -                    | 10,000               | 9,500                |                               |
| 5744 Foundations, other non-profit organizations, gifts, and bequests | -                    | -                    | 91                   | 91                            |
| 5749 Other revenues from local sources                                | 833,051              | 410,000              | 415,280              | 5,280                         |
| 5751 Food service activity  | 1,124,875            | -                    | (139,242)            | (139,242)                     |
| <b>State program revenues:</b>  |                      |                      |                      |                               |
| 5811 Per capita apportionment   | 9,000,000            | 9,000,000            | 9,146,435            | 146,435                       |
| 5812 Foundation school program act revenue                            | 177,370,669          | 194,613,368          | 194,075,741          | (537,627)                     |
| 5829 State program revenue distributed by TEA                         | 4,500,000            | 4,700,000            | 4,722,170            | 22,170                        |
| <b>Federal program revenues:</b>                                      |                      |                      |                      |                               |
| 5920 Federal program revenue distributed by TEA                       | 22,812,221           | 30,786,632           | 30,432,408           | (354,224)                     |
| <b>Total revenue and support</b>                                      | <b>217,140,816</b>   | <b>239,968,000</b>   | <b>239,112,716</b>   | <b>(854,784)</b>              |
| <b>Expenses:</b>  |                      |                      |                      |                               |
| 11 Instruction  | 101,198,547          | 101,900,000          | 99,710,035           | 2,189,965                     |
| 12 Instruction resources and media                                    | 1,080,377            | 1,034,000            | 1,033,326            | 674                           |
| 13 Curriculum and instructional staff development                     | 7,392,607            | 6,832,000            | 6,962,181            | (130,181)                     |
| 21 Instructional leadership   | 1,555,137            | 1,789,000            | 1,944,695            | (155,695)                     |
| 23 School leadership  | 10,377,796           | 9,937,000            | 9,970,527            | (33,527)                      |
| 31 Guidance, counseling, evaluation services                          | 5,509,208            | 5,537,000            | 5,501,444            | 35,556                        |
| 32 Social work services   | 98,088               | 78,000               | 76,343               | 1,657                         |
| 33 Health services  | 1,686,076            | 1,882,000            | 1,845,363            | 36,637                        |
| 34 Student transportation   | 1,545,273            | 1,210,000            | 1,213,837            | (3,837)                       |
| 35 Food services  | 10,377,002           | 14,495,000           | 11,498,105           | 2,996,895                     |
| 36 Extracurricular activities   | 1,593,899            | 1,572,000            | 1,584,470            | (12,470)                      |
| 41 General administration   | 6,173,190            | 6,299,000            | 6,199,471            | 99,529                        |
| 51 Facilities maintenance and operations                              | 26,883,395           | 27,836,000           | 27,084,823           | 751,177                       |
| 52 Security and monitoring service                                    | 1,682,668            | 2,488,000            | 2,432,040            | 55,960                        |
| 53 Data processing services   | 5,467,207            | 7,132,000            | 7,067,364            | 64,636                        |
| 61 Community services   | 1,847,315            | 2,776,000            | 2,818,419            | (42,419)                      |
| 71 Debt service   | 30,739,952           | 30,090,000           | 30,040,539           | 49,461                        |
| 81 Fundraising  | 10,000               | 113,000              | 127,677              | (14,677)                      |
| <b>Total expenses</b>   | <b>215,217,737</b>   | <b>223,000,000</b>   | <b>217,110,659</b>   | <b>5,889,341</b>              |
| <b>Excess revenues over expenses from operations</b>                  | <b>1,923,079</b>     | <b>16,968,000</b>    | <b>22,002,057</b>    | <b>(6,744,125)</b>            |
| <b>Non-operating activities:</b>                                      |                      |                      |                      |                               |
| 7959 Other gain   | -                    | 32,000               | 31,969               | 31                            |
| <b>Total non-operating activities</b>                                 | <b>-</b>             | <b>32,000</b>        | <b>31,969</b>        | <b>31</b>                     |
| <b>Change in net assets</b>   | <b>1,923,079</b>     | <b>17,000,000</b>    | <b>22,034,026</b>    | <b>(6,744,156)</b>            |
| <b>Net assets at beginning of year</b>                                | <b>18,158,519</b>    | <b>18,158,519</b>    | <b>18,158,519</b>    | <b>-</b>                      |
| <b>Net assets at end of year</b>                                      | <b>\$ 20,081,598</b> | <b>\$ 35,158,519</b> | <b>\$ 40,192,545</b> | <b>\$ (5,034,026)</b>         |

## International Leadership of Texas Education Programs Schedule Year Ended June 30, 2021

| Data Codes                                     | Section A: Compensatory Education Programs   | Responses    |
|--|--|--------------|
| AP1  | Did you LEA expend any state compensatory education program state allotment funds during the district's fiscal year?                               | Yes          |
| AP2  | Does the LEA have written policies and procedures for its state compensatory education program?  | Yes          |
| AP3  | List the total state allotment funds received for state compensatory education programs during the district's fiscal year.                         | \$20,333,899 |
| AP4  | List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PIC's 24, 26, 28, 29, 30, 34) | \$17,509,652 |
| <b>Section B: Bilingual Education Programs</b> |  |              |
| AP5  | Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?  | Yes          |
| AP6  | Does the LEA have written policies sand procedures for its bilingual education program?  | Yes          |
| AP7  | List the total state allotment funds received for bilingual education programs during the LEA's fiscal year  | \$4,614,017  |
| AP8  | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC's 25, 35)                          | \$3,109,364  |

draft

## International Leadership of Texas Schedule of Real Property Ownership Interest Year Ended June 30, 2021

| Description   | Property Address   | Total Assessed Value | Ownership Interest |              |         |
|---|--|----------------------|--------------------|--------------|---------|
|   |  |                      | Local              | State        | Federal |
| A005401, R STEVENSON (ICL), TRACT 5, 12.14 ACRES  | TBD - 4070 State Hwy 6 South, College Station, TX 77845                              | \$ 1,763,960         | \$ -               | \$ 1,763,960 | \$ -    |
| BOWEN ADDITION Block 1 Lot 2A   | 4950 S. Bowen Rd., Arlington, TX 76017   | 21,442,526           | -                  | 21,442,526   | -       |
| ILTexas GP ADDN Block 1 Lot 1   | 2851 Ragland Rd., Grand Prairie, TX 75052  | 15,596,422           | -                  | 15,596,422   | -       |
| SUNBELT ADD Block A Lot 3 AKA WHIDDON ADDN  | 6460 S. State Hwy 360, Grand Prairie, TX 75052                                       | 123,623              | -                  | 123,623      | -       |
| GANDY, BLOCK 1, LOT 1, ACRES 14.38  | 3610 Longmire Dr., College Station, TX 77845   | 13,448,849           | -                  | 13,448,849   | -       |
| WOODHAVEN CNTRY CLUB ESTATES Block 14A Lot 1  | 5901 Boca Raton Blvd., Ft. Worth, TX 76112   | 15,438,041           | -                  | 15,438,041   | -       |
| SPANISH OAKS APT ADDITION Block 1 Lot 1   | 5817 Boca Raton Blvd., Ft. Worth, TX 76112   | 303,831              | -                  | 303,831      | -       |
| ILTexas BLK 1 LT 1 ACS 13.174   | 3301 N. Shiloh Rd., Garland, TX 75041  | -                    | -                  | -            | -       |
| ILTexas HS BLK 1 LOT 1 ACS 14.204   | 4413 N Shiloh Rd. (listed as 4749), Garland, TX 75044                                | -                    | -                  | -            | -       |
| ILTexas HS BLK 1 LT 2 ACS 3.947   | 2650 Arapaho Rd. (listed as 2640), Garland, TX 75044                                 | -                    | -                  | -            | -       |
| CHARTER SCHOOL ADDN Block A Lot 1   | 3501 Great Southwest Pkwy. , Grand Prairie, TX 75052                                 | 22,568,751           | -                  | 22,568,751   | -       |
| GREENWAY BLK 1 LT 2A ACS 3.357  | 2021 Lakeside Blvd., Richardson, TX 75082  | 6,245,000            | -                  | 6,245,000    | -       |
| RES A BLK 1 PORTER FRANZ  | 24406 Franz Rd., Katy, TX 77493  | -                    | -                  | -            | -       |
| 0171 JNO FREDERICK, ACRES 21.2802, Katy Westpark High School, Block 1, Unrestricted Reserve "A"   | 20055 Beechnut St., Richmond, TX 77407   | 18,161,043           | -                  | 18,161,043   | -       |
| ILTexas ADDN Block 1 Lot 1 LESS PORTION IN TIF D214060708   | 2301 Heritage Trace Pkwy., Ft. Worth, TX 76177                                       | 19,287,541           | -                  | 19,287,541   | -       |
| ILTexas ADDN Block 1 Lot 1 PORTION IN TIF D214060708  | 2301 Heritage Trace Pkwy., Ft. Worth, TX 76177                                       | 23,398,587           | -                  | 23,398,587   | -       |
| RICHMOND ADDN - FT WORTH Block 36 Lot 1   | 10537 NW Hwy. 287, Ft. Worth, TX 76131   | 907,716              | -                  | 907,716      | -       |
| RICHMOND ADDN - FT WORTH Block 36 Lot 1 IMROVEMENT ONLY   | 10537 NW Hwy. 287, Ft. Worth, TX 76131   | 14,691,268           | -                  | 14,691,268   | -       |
| RICHMOND ADDN - FT WORTH Block 28 Lot 1 PLAT D220093983 (14.60 @)   | 10421 Lakemont Dr., Ft. Worth, TX 76131  | 954,236              | -                  | 954,236      | -       |
| PLEASANT RUN CHARTER SCHOOL BLK 1 LT 1 ACS 11.680   | 1900 W Pleasant Run Rd., Lancaster, TX 75146   | -                    | -                  | -            | -       |
| NORTHGLENN ADDN Block 1 Lot 1R  | 4131 Rufe Snow Dr., North Richland Hills, TX 76180                                   | 19,812,177           | -                  | 19,812,177   | -       |
| RES A BLK 1 EAST OREM CHARTER SCHOOL  | 5445 E Orem Dr., Houston, TX 77048   | -                    | -                  | -            | -       |
| SAGINAW CHARTER SCH SUBD Block 1 Lot 1  | 500 N. Old Decatur Rd., Saginaw, TX 76179  | 20,984,596           | -                  | 20,984,596   | -       |
| BLK 6629 TR 11 ACS 26.65  | 7811 University Hills Blvd., Dallas, TX 75241  | 533,000              | -                  | 533,000      | -       |
| .3500 U/D IN RES A BLK 1 (14.7958) WESTPARK CHARTER SCHOOL  | 15300 Bellaire Blvd., Houston, TX 77083  | -                    | -                  | -            | -       |
| RES B WINDMILL LAKES SEC 1 R/P  | 9898 Windmill Lakes Blvd. (listed as 9901), Houston, TX 77075                        | -                    | -                  | -            | -       |
| RES A WINDMILL LAKES SEC 1 R/P  | 9901 Windmill Lakes Blvd., Houston, TX 77075   | -                    | -                  | -            | -       |
| RES A3 WINDMILL LAKES SEC 1 R/P   | 9901 Windmill Lakes Blvd., Houston, TX 77075   | -                    | -                  | -            | -       |
| RES A2 WINDMILL LAKES SEC 1 R/P   | 9901 Windmill Lakes Blvd., Houston, TX 77075   | -                    | -                  | -            | -       |
| IN PROGRESS:  |  | -                    | -                  | -            | -       |
| RESERVE D, BLOCK 29, SANTA FE 6   | TBD - Road 5200 (Community Drive) and Road 5500 (Alameda Drive), Cleveland, TX 77327 | -                    | -                  | -            | -       |
| 616 J LAWRENCE 54.419 ACRES   | TBD - Double Oak Ave. at Davis Dr., Grand Prairie, TX 76065                          | -                    | -                  | -            | -       |
| Liberty at Broadway Marketplace (A0070 WDC Hall) (Pearland) BLK1 Lot 1 Acres 4.587 Front Acreage, BLK 1 Lot2 Acres 8.028 Primary Site Frontage Acreage, Lot Detention Reserve Acres 3.887 DET-RET Pond. | TBD - E. Broadway & Liberty Dr., Pearland, TX 77581                                  | -                    | -                  | -            | -       |
| 0062 WM MORTON, TRACT 1, ACRES 52.92  | TBD - 1202 FM 359, Richmond, TX 77406  | -                    | -                  | -            | -       |

**International Leadership of Texas  
Related Party Transactions  
Year Ended June 30, 2021**

| <u>Related Party Name</u> | <u>Name of Relation to the Related Party</u> | <u>Relationship</u> | <u>Type of Transaction</u> | <u>Description of Terms and Conditions</u> | <u>Source of Funds Used</u> | <u>Payment Frequency</u> | <u>Total Paid During Fiscal Year</u> | <u>Principal Balance Due</u> |
|---------------------------|--|---------------------|----------------------------|--|-----------------------------|--------------------------|--------------------------------------|------------------------------|
| None                      |  |                     |                            |  |                             |                          |                                      |                              |

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**International Leadership of Texas**  
**Schedule of Related Party Compensation and Benefits**  
**Year Ended June 30, 2021**

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| <u>Related Party Name</u> | <u>Name of Relation to the Related Party</u> | <u>Relationship</u> | <u>Compensation or Benefit</u> | <u>Payment Frequency</u> | <u>Description</u> | <u>Source of Funds Used</u> | <u>Total Paid During Fiscal Year</u> |
|---------------------------|--|---------------------|--------------------------------|--------------------------|--------------------|-----------------------------|--------------------------------------|
| None                      |  |                     |                                |                          |                    |                             |                                      |

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## Compliance Reports

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**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
International Leadership of Texas, Inc.

We have audited the consolidated financial statements of International Leadership of Texas, Inc. (School) (a nonprofit Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 21, 2021. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The consolidated financial statements of International Leadership of Texas – Global were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with International Leadership of Texas – Global.

***Internal Control over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

draft  
A Limited Liability Partnership

Arlington, Texas  
October 21, 2021

## **Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Directors of  
International Leadership of Texas, Inc.

### ***Report on Compliance for Each Major Federal Program***

We have audited International Leadership of Texas, Inc.'s (School) (a nonprofit Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

### ***Report on Internal Control over Compliance***

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-001 to be a material weakness. The School's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The School's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A Limited Liability Partnership

Arlington, Texas  
October 21, 2021

draft

## International Leadership of Texas, Inc. Schedule of Findings and Questioned Costs Year Ended June 30, 2021

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### **Section I – Summary of Auditors’ Results**

#### ***Consolidated Financial Statements***

|  |               |
|--|---------------|
| Type of auditor’s report issued:                                   | Unmodified    |
| Internal control over financial reporting:                         |               |
| • Material weaknesses identified?                                  | No            |
| • Significant deficiencies identified?                             | None reported |
| Noncompliance material to consolidated financial statements noted? | No            |

#### ***Federal Awards***

|  |               |
|--|---------------|
| Internal control over major programs:  |               |
| • Material weaknesses identified?  | Yes           |
| • Significant deficiencies identified?   | None reported |
| Type of auditors’ report issued on compliance for major programs:                                  | Unmodified    |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes           |
| Identification of major federal programs or cluster:   |               |
| Child and Adult Care Food Program  | CFDA 10.558   |
| Special Education Grants to States   | CFDA 84.027A  |
| Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act          | CFDA 84.425D  |
| Coronavirus Relief Fund  | CFDA 21.019   |
| Dollar threshold used to distinguish between type A and type B programs:                           | \$750,000     |
| Auditee qualified as low-risk auditee?   | Yes           |

### **Section II – Financial Statement Findings**

Audit findings: None

## **International Leadership of Texas, Inc. Schedule of Findings and Questioned Costs Year Ended June 30, 2021**

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### **Section III – Federal Award Findings and Questioned Costs**

2021-001: Internal Controls over Food Program Manual Meal Count Process

Criteria: Internal controls over the food program manual meal count process should be designed and implemented to ensure that the meal count is properly documented to reflect meals served to students and new campuses and service centers are approved as site locations by the Texas Department of Agriculture (TDA).

Condition: During the fiscal year, ILTexas operated a child nutrition program which delivered meals to campuses, homes, and other service centers throughout Texas. The food was for eligible children, funded by the U.S. Department of Agriculture, and administered by the TDA. Due to the pandemic, ILTexas served meals to students in a drive up grab and go manner and added additional sites for meal delivery. During an internal audit, ILTexas discovered a former employee had authorized food deliveries to sites not approved by the TDA. When funding claims were submitted, unauthorized sites were included with authorized sites. The sites utilized manual meal count sheets to record meals served to eligible students and families. ILTexas also discovered, the written meal count sheets were not properly documented in accordance with the TDA operating guidance.

Effect: Meals served at unapproved sites were not eligible for reimbursement and the documentation of meals served may not meet the requirements of TDA review.

Known costs: \$351,611 returned to TDA

Questioned costs: \$650,000 estimate under review

Cause: Internal controls over the food program site approvals were not properly followed to ensure meals were served only at approved sites. Manual meal counts were not administratively reviewed to ensure the check marks preferred by TDA reviewers were consistently applied to every meal served.

Perspective: During the pandemic, a former employee did not follow proper procedures to approve every new deliver site created to serve students. Additionally, the electronic meal count system was often unavailable and a manual tally sheet system had to be implemented. Drive-up grab-and-go lines created additional challenges as staff focused on delivering meals to students in a safe manner and employees reverted to drawing lines through tally sheets instead of applying the individual check marks preferred by TDA reviewers.

Recommendation: We recommend ILTexas increase training of employees on processes to document manually counted meals served to students. This includes ensuring manual meal count sheets are reviewed and signed by the Child Nutrition Manager and submitted to a Supervisor for review and approval. Additionally, as it has done in this instance, ILTexas needs to continue to hold itself and employees to the highest standards in all official matters.

## **International Leadership of Texas, Inc. Schedule of Findings and Questioned Costs Year Ended June 30, 2021**

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Management's Response: In an effort to strengthen the internal knowledge base and expertise within ILTexas, a new Child Nutrition Director with extensive background and experience with child nutrition programs was hired and begins in October 2021. Additional internal controls have been put in place for meal counts that now require validation by the site supervisor, Child Nutrition Director and Business Manager. Additionally, the Child Nutrition department will discuss and implement best practices to establish the highest level of controls for manual meal counts and adding new sites. All Child Nutrition staff will attend additional training to ensure the accuracy and completeness of all documentation.

Views of responsible officials and planned corrective actions: Management agrees with the finding. See Corrective Action Plan.

### **Section IV – Summary of Prior Year Audit Findings**

Audit findings: None

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## International Leadership of Texas, Inc.

### Schedule of Expenditures of Federal Awards

#### Year Ended June 30, 2021

| Federal Grantor/<br>Pass through Grantor/<br>Program or Cluster Title                                       | Federal<br>AL<br>Number | Pass-through<br>Entity Identifying<br>Number | Federal<br>Expenditures |
|---|-------------------------|--|-------------------------|
| U.S. Department of Agriculture:   |                         |  |                         |
| Passed through Texas Education Agency:  |                         |  |                         |
| School Breakfast Program  | 10.553                  | 71402001                                     | \$ 21,303               |
| School Breakfast Program - COVID-19   | 10.553                  | 52402001                                     | 77,156                  |
| National School Lunch Program   | 10.553                  | 71302001                                     | 43,961                  |
| National School Lunch Program - COVID-19  | 10.555                  | 52302001                                     | 126,203                 |
| Passed through Texas Department of Agriculture:   |                         |  |                         |
| National School Lunch Program - USDA Commodities  | 10.555                  | 3001201                                      | 449,289                 |
| Total Child Nutrition Cluster   |                         |  | 717,912                 |
| Child and Adult Care Food Program   | 10.558                  | N/A  | 11,354,007              |
| Total U.S. Department of Agriculture  |                         |  | 12,071,919              |
| U.S. Department of Education:   |                         |  |                         |
| Passed through Texas Education Agency:  |                         |  |                         |
| Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)                                  | 84.010A                 | 21610101057848 / 21610141057848              | 5,234,537               |
| Passed through Region X Education Service Center:   |                         |  |                         |
| Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)                                  | 84.010A                 | 2061014057848                                | 52,502                  |
| Total CFDA 84.010   |                         |  | 5,287,039               |
| Passed through Texas Education Agency:  |                         |  |                         |
| Special Education Grants to States (IDEA, Part B)   | 84.027A                 | 206600010578486000 / 216600010578486000      | 2,917,933               |
| Charter School Program  | 84.282A                 | 1859010171100                                | 1,976,900               |
| Career and Technical Education - Basic Grants to States (Perkins V)   | 84.048A                 | 20420006057848 / 21420006057848              | 241,980                 |
| Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - COVID-19        | 84.425D                 | 20521001057848                               | 3,614,359               |
| Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - COVID-19 (PPRP) | 84.425D                 | 52102135                                     | 1,566,910               |
| Total CFDA 84.425D  |                         |  | 5,181,269               |
| Student Support and Academic Enrichment Program   | 84.424A                 | 21680101057848                               | 350,547                 |
| Supporting Effective Instruction State Grants (Title II, Part A)  | 84.367A                 | 21694501057848                               | 552,118                 |
| English Language Acquisition State Grants (Title III, Part A)   | 84.365A                 | 21671001057848                               | 507,211                 |
| Total U.S. Department of Education  |                         |  | 17,014,997              |
| U.S. Department of Treasury   |                         |  |                         |
| Coronavirus Relief Fund   | 21.019                  | 2020-CF-21019                                | 779,388                 |
| Total Expenditures of Federal Awards  |                         |  | <u>\$ 29,866,304</u>    |

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See notes to schedule of expenditures of federal awards.

## **International Leadership of Texas, Inc.**

### **Notes to Schedule of Expenditures of Federal Awards**

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#### **1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) presents the activity of all applicable federal award programs of ILTexas. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of ILTexas, it is not intended to and does not present the financial position, changes in net assets or cash flows of ILTexas.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in Uniform Guidance, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. ILTexas has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **2. Food Commodities**

Food commodities are recognized as federal expenditures when distributed. Distributed food is reported in the Schedule under the National School Lunch Program and is valued based on amounts reported to ILTexas by the TDA. These amounts are considered to be non-cash assistance to ILTexas.

ILTexas received non-cash assistance in the form of food commodities totaling \$449,289 for the year ended June 30, 2021.

## Coversheet

### CONSIDER/TAKE ACTION TO ADOPT A RESOLUTION AUTHORIZING WAIVER TO DELAY CONSTRUCTION

**Section:** VIII. Board Items for Discussion/Action  
**Item:** D. CONSIDER/TAKE ACTION TO ADOPT A RESOLUTION  
AUTHORIZING WAIVER TO DELAY CONSTRUCTION  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:**  
Resolution - Waiver Delay Richmond Pearland Mansfield -- for vote 20211021.pdf

**INTERNATIONAL LEADERSHIP OF TEXAS, INC., BOARD**  
**RESOLUTION OF OCTOBER, 2021**  
**AUTHORIZATION TO FILE WAIVERS TO POSTPONE THE OPENING**  
**OF PREVIOUSLY APPROVED SCHOOLS**  
**IN RICHMOND, PEARLAND AND MANSFIELD**

**WHEREAS**, The Board of Directors of International Leadership of Texas, Inc., has authorized expansion of the ILTexas system;

**WHEREAS**, ILTexas had previously filed expansion amendments for K-5 and 6-8 campuses in Richmond, Pearland, Mansfield and New Caney (Cleveland), TX;

**WHEREAS**, those expansion amendments were approved by the Texas Education Agency; and,

**WHEREAS**, numerous supply chain shortages have developed throughout the country with respect to building supplies and such supply chain shortages are precluding ILTexas from obtaining the materials necessary to have all eight campuses built and ready to open in August of 2022;

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of ILTexas, at a lawfully called meeting of the Board, held in compliance with the Texas Open Meetings Act, formally declares that:

1. There are significant supply chain issues regarding construction supplies; therefore,
2. The Board of Directors of ILTexas authorizes the Superintendent/CEO to file any and all waivers necessary with the Texas Education Agency to move and delay the opening of the Richmond, Pearland and Mansfield campuses until August 2023.

*[signature page follows]*

PASSED AND APPROVED BY THE MAJORITY OF MEMBERS OF THE BOARD OF DIRECTORS OF INTERNATIONAL LEADERSHIP OF TEXAS, INC. ON THE **21<sup>st</sup> DAY OF October, 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

\_\_\_\_\_  
Ms. Gabriela Smith, 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 **October 21, 2021**, which Resolution is in full force and effect and has not been revoked or amended.*

\_\_\_\_\_  
Secretary