

## CREDIT OPINION

12 January 2021

 Rate this Research

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# International Leadership of Texas, TX

New issuer

## Summary

International Leadership of Texas (Baa3 stable) is a charter school network with a large and growing scale of operations, fueled by its advantageous locations within Texas' rapidly growing metropolitan areas. Academic performance based on standardized testing is broadly comparable to competitors, though its unique trilingual leadership program offering provides a competitive edge. The network operates under one charter with expiry in 2028. Charter renewal risk over the long term is mitigated by the network's current strong performance on authorizer metrics and a generally supportive environment for charters within the state. Financial performance has historically been uneven, though the network's budgetary performance and liquidity is now a credit strength with liquidity at 138 days as of fiscal 2020 that is expected to be maintained going forward. The impact from coronavirus has thus far been minimal due to continued enrollment growth and no issues transitioning to remote learning when required. Negatively, the debt burden is elevated and will remain so due to an extended maturity schedule combined with continued issuances expected to fuel future growth.

On January 7, 2020, Moody's assigned an initial Baa3 rating with a stable outlook to the charter network's series 2021 education revenue debt.

## Credit strengths

- » Large and growing scope of operations
- » Healthy liquidity and cash flow
- » Supportive charter authorization environment

## Credit challenges

- » Elevated debt burden with additional debt likely
- » Historical volatility in financial position
- » Thin student waitlists at some facilities

## Rating outlook

The stable outlook reflects our expectation that the charter network will maintain its healthy liquidity relative to its operations as enrollment grows over the next several years, however elevated debt will remain a constraining factor for the foreseeable future.

## Factors that could lead to an upgrade

- » Reduced leverage and improved debt service coverage
- » Continued improvement in liquidity

## Factors that could lead to a downgrade

- » Draws on liquidity, particularly if caused by operational issues or difficulties making debt service payments
- » Deterioration of competitive profile (waitlist, enrollment, etc.) due to increased competition or reduced performance

## Key indicators

Exhibit 1

### International Leadership of Texas

	2017	2018	2019	2020
<b>Scale and Demand</b>				
Enrollment	16,131	18,665	19,359	20,856
Operating revenue (\$000)	99,517	139,219	189,689	211,423
Net Revenues Available for Debt Service (\$000)	12,543	42,441	52,089	61,030
<b>Operating performance and liquidity</b>				
Annual change in operating revenue%	-	40%	36%	11%
Two year avg. operating cash flow margin (%)	-	21%	29%	28%
Total cash and investments (\$000)	21,008	3,399	20,495	57,500
Days cash on hand	82	12	49	138
<b>Leverage and Coverage</b>				
Total Debt (\$000)	848,357	419,474	530,960	545,945
Pro forma debt	-	-	567,870	567,870
Annual debt service coverage (x)	0.78	1.62	1.78	1.49
Pro forma MADS coverage (x)	-	-	1.22	1.44
Cash and investments to debt (%)	-	1%	4%	11%
Pro forma Cash and investments to debt (%)	-	-	4%	10%

Source: ILTexas audited financial statements

## Profile

International Leadership of Texas (ILTexas) is a K-12 charter school organization that operates 33 schools on 19 campuses located in the Dallas/Fort Worth and Houston/College Station metropolitan areas. The organization has experienced rapid growth and currently serves 20,856 students.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

## Detailed credit considerations

### Scale and demand: growing charter network with unique academic offering

The charter network's unique academic offerings are expected to support continued growth over the long term. The schools' primary differentiating factor is that all students receive academic instruction in English, Spanish, and Mandarin Chinese. Instruction also focuses on leadership development and fitness. ILTexas also offers dual credit classes, where students receive credit at a local community college and have the opportunity to graduate with an associate's degree. These unique offerings have allowed the network to grow to serve both the Dallas/Fort Worth and Houston/College Station markets, though market penetration is likely to be limited compared to more traditional instruction models - particularly in expansion areas such as College Station. Nevertheless, enrollment has been growing at a rapid pace and the network expects to continue building additional facilities over the long term.

Texas requires open enrollment charter schools to admit students based on a lottery system and the waitlist is refreshed each year. For the 2020-21 school year, the network admitted 20,856 students and placed 2,700 students on the waitlist (13% excess demand). Demand is uneven among the schools, however. The network's oldest and most established campus in Garland has a waitlist equal to 29% of enrollment while the newer Lancaster campus has a waitlist of less than 1%. Generally, the various schools show improvement in demand metrics as they age and establish themselves in their respective markets by establishing their reputation. Statewide standardized testing was canceled due to coronavirus for 2019-20, however prior year's test results were broadly comparable to state averages. The network's focus on language learning and leadership development will likely prevent significant outperformance on state testing as the schools devote time on areas such as Mandarin Chinese that are not assessed by the state.

### Operating performance and liquidity: historically volatile finances improved and stabilized

ILTexas has healthy liquidity at present and management intends to continue boosting liquidity by maintaining strong operating performance. While financial performance was poor in fiscal 2017 and 2018 due to a rapid expansion of the network's operations, results have significantly improved. Operating cash flow relative to revenue is very strong at 29% in fiscal 2020 and 28% in fiscal 2019. This strong operating performance allowed liquidity to jump from \$20.5 million in fiscal 2019 to \$57.5 million in fiscal 2020. Days cash on hand as of fiscal 2020 is approximately 140 days, which is in line with similarly rated peers. Budgetary performance information for fiscal 2021 indicates that liquidity is again likely to improve. No draws on reserves are planned by school officials based on the most recent financial forecast provided by management.

ILTexas' revenues are primarily derived from state per-pupil formula funding. State Foundation School Program Act funding comprised 85% of the organization's fiscal 2020 revenue. Unlike many other charter organizations, philanthropy is not a significant source of revenue for the organization. While this insulates the network from fluctuating economic conditions to some degree, it is presently unknown to what, if any, extent state funding could be impacted by declines in tax revenue due to coronavirus. No impact is expected for the present fiscal year as the state has pledged to maintain funding levels and Texas operates under a biennial budget. The next budget will be adopted during the next legislative session in the summer of 2021.

### Debt and pensions: elevated debt burden due to rapid growth

The network's debt service coverage is expected to remain relatively narrow due to a large amount of debt outstanding, though present revenues are sufficient to pay all maturities on outstanding debt. Fiscal 2020 operating cash flow of \$61 million (inclusive of all state funding available for debt service) provided 1.5x coverage of reported principal, interest, and lease expense. Coverage of the projected maximum annual debt service (MADS) requirement is similar at 1.44x. Fiscal 2020 spendable cash to pro forma debt is low at only 10% despite the organization's improving liquidity due to its rapid pace of debt financed growth. This leverage metric will improve to some degree in fiscal 2021, though over the long range leverage will remain quite elevated as the network continues to expand and debt slowly amortizes.

Covenants associated with the organization's debt require that the network maintain 1.1x debt service coverage in each fiscal year. The organization is required to maintain 45 days cash on hand. An additional bonds test requires 1.1x debt service coverage in the present fiscal year and projected 1.2x coverage in the fiscal year following completion of the financed project. Alternatively, the school can demonstrate 1.2x MADS coverage, inclusive of proposed debt, based on the most recently completed fiscal year.

**Legal security**

The bonds are special limited obligations of the Clifton Higher Education Finance Corporation, secured solely by revenues derived from a loan agreement with International Leadership of Texas. The charter network's principal source of revenue is state funding derived from its charter school operations. The school has also executed a deed of trust pledging all owned real estate as security for the debt.

**Debt structure**

All of the charter network's debt is fixed rate and amortizes over the long term, though management does have access to two short term lines of credit for interim financing or operating cash flow needs. Historical usage of developer loans/leases resulted in elevated debt service costs, though these have been refinanced and will not be utilized in future. Debt service is essentially flat throughout the majority of the schedule, with MADS of \$42.4 million scheduled for 2043. Amortization is very slow with only 19% of principal scheduled to be repaid within 10 years. The network's series 2021 issuance totals \$47 million and will be used to finance various school expansions, land purchases, and a headquarters building. Following that issuance, the network will have approximately \$567 million of debt outstanding.

**Debt-related derivatives**

The network is not party to any interest rate swaps or other derivative agreements.

**Pensions and OPEB**

Texas law requires charter schools to participate in the Teacher Retirement System of Texas (TRS), a multiple-employer plan administered by the state. Moody's adjusted net pension liability (ANPL) for International Leadership of Texas, calculated under our methodology for adjusting reported pension data, was \$118.4 million. This represents a moderate 55% of fiscal 2020 operating revenue. Budgetary pressure related to participation in the plan is expected to remain minimal for the foreseeable future. The school's \$2.1 million fiscal 2020 pension contribution represented a low 1% of operating revenue, though this only represents 62% of the Moody's determined "tread water" contribution level - this indicates unfunded liabilities will continue to rise using reported assumptions and the network will pay higher costs in future.

**Government relations and charter renewal: good performance on authorizer metrics**

International Leadership of Texas operates under a charter originally granted by the Texas Education Agency in 2013. The most recent detailed review occurred in 2018 and expedited renewal was granted for a term of 10 years, as is common in Texas for charter schools with high academic performance. All of the schools operate under a combined charter and charter enrollment authorization is sufficient to meet projected enrollment in currently financed facilities. Texas is supportive of its charter schools and has a well-developed set of policies, processes, and practices for overseeing charters. Monitoring of financial health and academic performance is continual. ILTexas's most recent academic accountability rating was "B (85)" and its financial rating was "A - Superior", indicating strong prospects for continued renewal.

**ESG considerations****Environmental**

ILTexas is subject to a variety of environmental pressures due to its geographically dispersed operations within Texas, though environmental events have not historically proven to be an obstacle. The facilities in the Dallas/Fort Worth metropolitan area are subject to tornados, extreme heat, and drought. The locations within the Houston area are additionally prone to hurricanes and flooding events such as Hurricane Harvey in 2017. While the Houston area schools were closed for 12 days due to Hurricane Harvey the facilities suffered no damage.

**Social**

ILTexas is not subject to any unusual social pressures relative to other charter schools. Demographically, the student population seems in line with many other charters with 64% economically disadvantaged and 29% classified as English learners. The large number of campuses introduce a variety of unique environments, however the metropolitan areas served have generally growing populations and are attractive economically, which supports demand for the services offered.

**Governance**

ILTexas's governance is strong overall. All Texas charter schools are authorized by the state education agency, which is supportive of charters and transparent as to its criteria. The charter school operates under a 10 year charter currently valid until 2028. The charter

organization is governed by a six member board of directors. Daily administrative tasks are delegated to the hired leadership team, lead by the organization's founder/superintendent.

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# ILTexas Board Report

Chief Financial Officer

December 31, 2020

Key Ratios / Indicators	Results	Stat	Notes
Days Cash On Hand Day's Cash	68 Days \$569,200	G	Goal = 120 days Bonds = 45 days FIRST >20 days
Debt Service Coverage Ratio	1.6x	G	1.10x
D/E Ratio DS % of Revenue	21 : 1 16%	G	
Current Enrollment (As of end of Month)	20,869 (-7) ADA 19,801 (TEA)	G	Hold Harmless = ADA: 20,212

## Treasury

### BANKING

• BBVA	38,900,000	0.25%/0.30%
• TexPool	60,000	0.143%

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• Total Cash	\$ 38,960,000	(↓ \$ 15,420,000)
• Less: Accel Pmts	38,200,000	(↓ \$ 7,370,000)
• Less: Revolver	-----	( no change )

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**= Base-line Cash \$ 760,000** (↓\$ 8,050,000)

(1.3 days base + 67.2 Accelerated Payments + 0 Revolver)  
December Fixed Assets purchased = \$13,290,000

## YTD Fixed Assets

### Real Property & Improvements

<b>ADMIN / 2021 Lakeside</b>	<b>\$ 7,255,000</b>
<b>Southern Dallas Land</b>	<b>\$ 3,530,000</b>
WML Church Purchase	\$13,060,000
CS Land	\$ 3,200,000
Houston/CS Projects	\$ 4,370,000
Keller/Saginaw	\$ 2,483,000 (Expansion+)
Saginaw/EFW Dehumid	\$ 757,000 (plus prior year)

### Equipment

9 Busses + 8 Other	\$ 1,058,000
Xerox Copiers	\$ 412,000
Computers & Hotspots	\$ 849,000

## Other Information

### BBVA Loans:

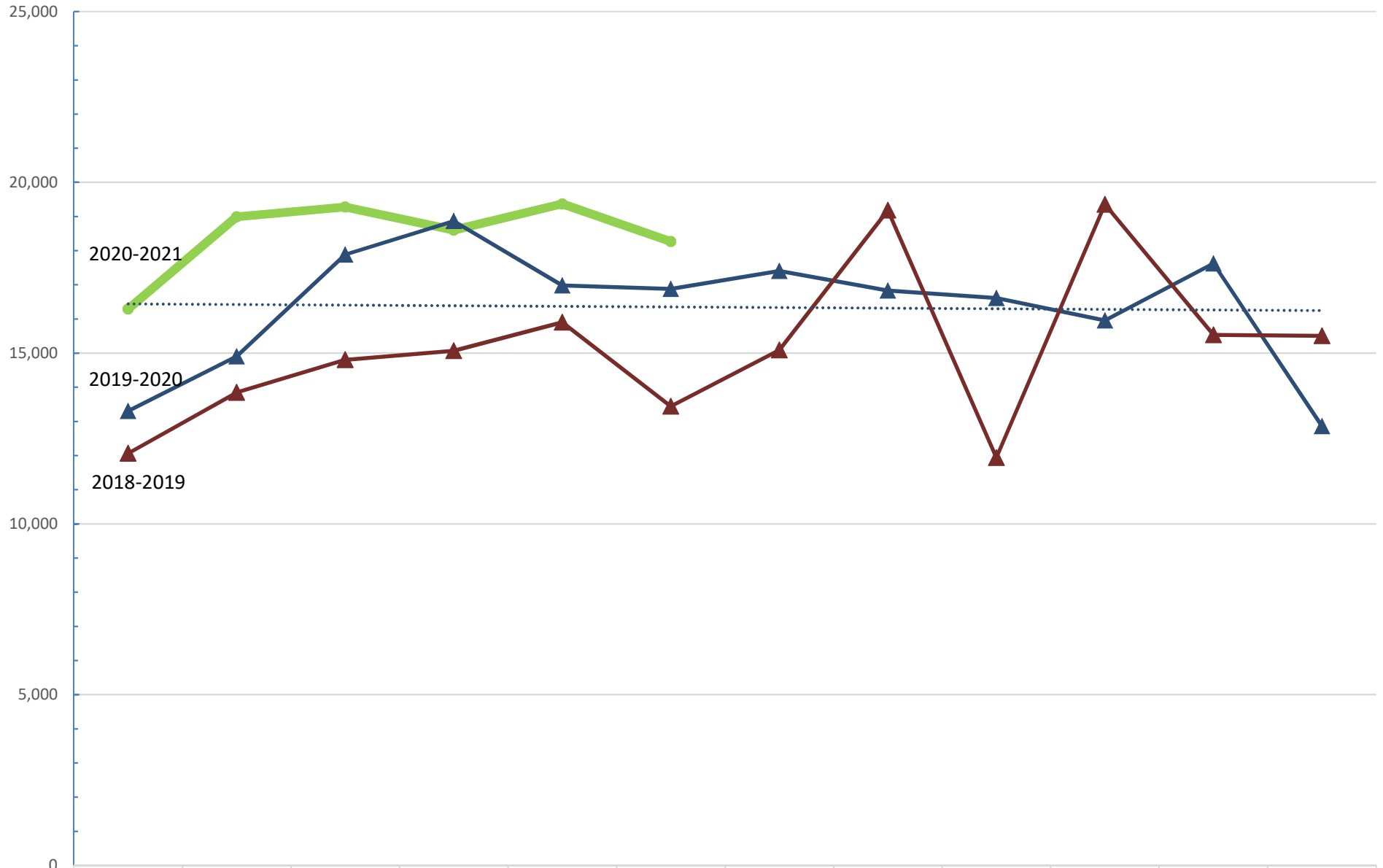
- \$-0- million drawn on \$35 million line (3.15%)
- \$-0- million drawn on \$10 million line (4.00%)

Credit Review – Moody's issued Baa3 credit rating for prospective \$47 million bond issue.

Key Indicators	Final 2020	2021 Budget	YTD 2021
Revenue	\$ 213,875,000	\$ 217,140,816	\$119,780,000
Expenses	\$ 197,881,000	\$ 215,217,736	\$110,800,000
Net Income	\$ 16,434,000	\$ 1,923,080	\$ 8,980,000

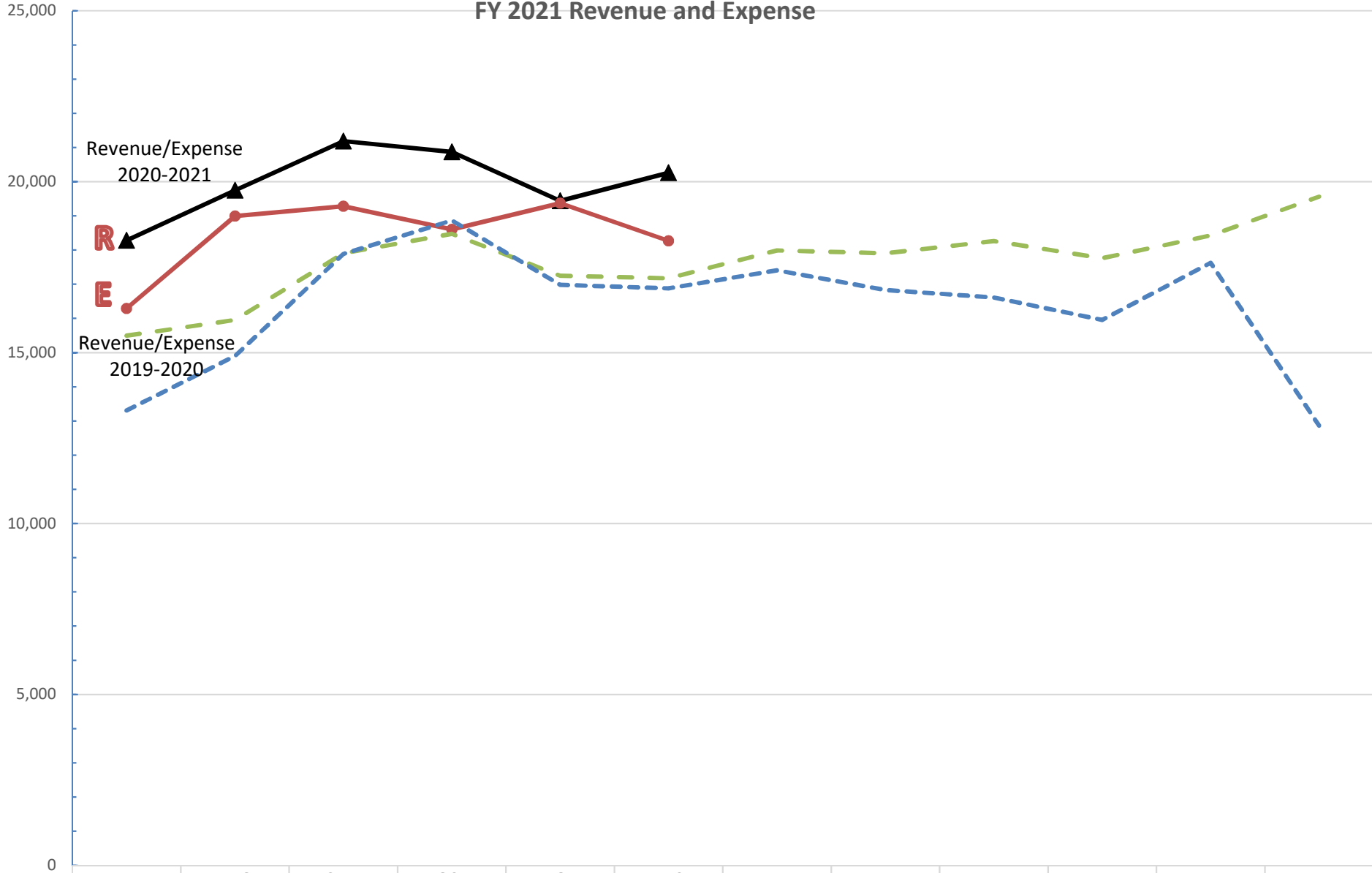


## TOTAL MONTHLY EXPENSES



	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
2020-21	16,292,575	18,991,399	19,280,397	18,601,063	19,369,679	18,267,073						
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
2018-19	12,064,266	13,846,414	14,803,071	15,066,973	15,906,248	13,443,654	15,087,697	19,185,321	11,941,085	19,356,312	15,535,001	15,506,318

### FY 2021 Revenue and Expense



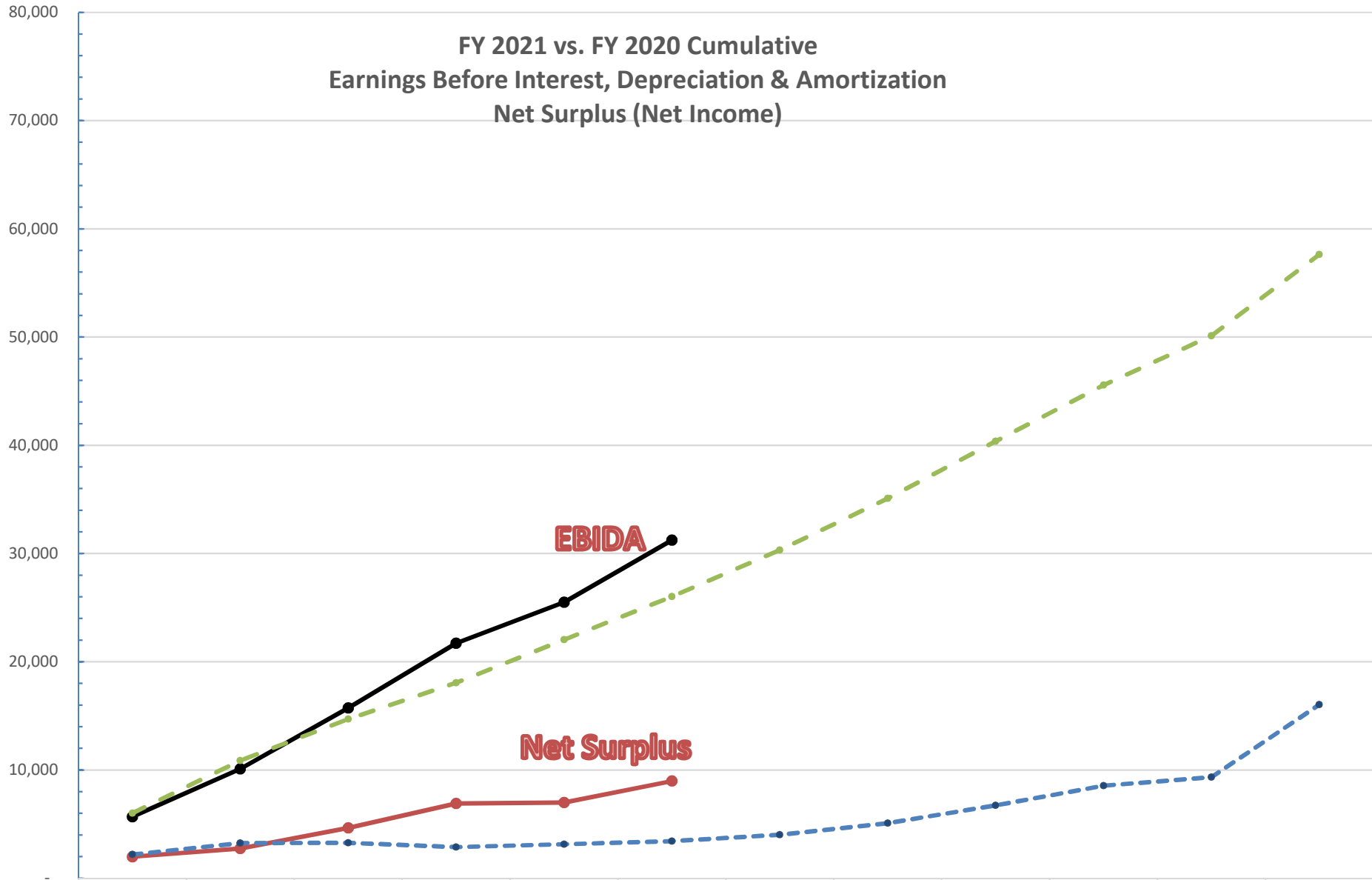
	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
<b>▲</b> FY21 Rev	18,278,859	19,746,714	21,185,998	20,867,933	19,440,146	20,259,262						
<b>●</b> 2020-21	16,292,575	18,991,399	19,280,397	18,601,063	19,369,679	18,267,073						
<b>■</b> FY20 Rev	15,494,578	15,955,879	17,906,962	18,470,825	17,250,663	17,173,369	17,989,492	17,903,384	18,264,391	17,759,333	18,427,481	19,561,352
<b>■</b> 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

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

	<b>Jul-20</b>	<b>Aug-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>	<b>FYTD 2021</b>
	<b>2020-2021</b>	<b>2020-2021</b>	<b>2020-2021</b>	<b>2020-2021</b>	<b>2020-2021</b>	<b>2020-2021</b>	<b>2020-2021</b>
Base Cash (excl. Excel. Pmt.)	\$ 29,384,172	\$ 28,072,008	\$ 25,089,974	\$ 9,003,344	\$ 8,810,811	\$ 761,902	
Accelerated TEA Payment	885,000	-	24,981,000	43,370,000	45,570,000	38,200,000	
<b>Total Ending Cash</b>	<b>\$ 30,269,172</b>	<b>\$ 28,072,008</b>	<b>\$ 50,070,974</b>	<b>\$ 52,373,344</b>	<b>\$ 54,380,811</b>	<b>\$ 38,961,902</b>	
<i>Days Cash (excl. Bond Int. Fund)</i>	60.7	51.7	89.3	92.9	95.3	68.5	
Bond Interest Fund							
Bond Project Fund	661,126	669,459	677,792	686,126	209,688	218,021	
Lease & Notes Payable	\$ 292,099	\$ 279,895	\$ 267,691	\$ 255,487	\$ 243,283	\$ 231,079	
\$10 million BBVA Revolver	-	-	-	-	-	-	
\$35 million BBVA Revolver	-	-	-	-	-	-	
<b>Revenues</b>	<b>\$ 18,278,859</b>	<b>\$ 19,746,714</b>	<b>\$ 21,185,998</b>	<b>\$ 20,867,933</b>	<b>\$ 19,440,146</b>	<b>\$ 20,259,262</b>	<b>\$ 119,778,913</b>
<b>Less Expenses:</b>							
<b>Payroll Costs</b>	9,232,293	10,190,727	10,298,273	9,814,488	11,246,121	10,571,868	61,353,771
<b>Other Operating</b>	3,358,635	5,133,213	5,274,278	5,074,605	4,403,774	3,947,787	27,192,292
<b>Interest &amp; Amort.</b>	2,580,264	2,546,582	2,551,035	2,551,035	2,551,035	2,551,035	15,330,987
<b>Depreciation</b>	1,121,383	1,120,876	1,156,811	1,160,935	1,168,749	1,196,383	6,925,137
<b>Change in Net Assets</b>	<b>1,986,285</b>	<b>755,315</b>	<b>1,905,601</b>	<b>2,266,870</b>	<b>70,467</b>	<b>1,992,189</b>	<b>8,976,726</b>
<b>EBIDA</b>	<b>\$ 5,687,932</b>	<b>\$ 4,422,774</b>	<b>\$ 5,613,447</b>	<b>\$ 5,978,840</b>	<b>\$ 3,790,251</b>	<b>\$ 5,739,607</b>	<b>\$ 31,232,850</b>
Total Liabilities	537,389,783	536,636,329	563,139,618	579,993,296	581,192,923	575,045,733	
Total Equity	20,152,798	20,908,113	22,813,713	25,080,583	25,151,050	27,143,239	
<i>D/E</i>	<b>27 : 1</b>	<b>26 : 1</b>	<b>25 : 1</b>	<b>23 : 1</b>	<b>23 : 1</b>	<b>21 : 1</b>	
<i>Interest = % of Revenue</i>	<b>14.1%</b>	<b>13.5%</b>	<b>13.0%</b>	<b>12.8%</b>	<b>12.8%</b>	<b>12.8%</b>	
Bond Cash Interest	\$ 2,540,516	\$ 2,510,569	\$ 2,515,022	\$ 2,515,022	\$ 2,515,022	\$ 2,515,022	\$ 15,111,175
Bond Principal	483,788	632,705	679,621	679,621	679,621	679,621	3,834,977
Other Debt Interest	4,891	1,156	1,156	1,156	1,156	1,156	10,671
Other Debt Principal	12,202	12,204	12,204	12,204	12,204	12,204	73,222
Cash Debt Service*	\$ 3,041,397	\$ 3,156,634	\$ 3,208,004	\$ 3,208,004	\$ 3,208,004	\$ 3,208,004	\$ 19,030,045
D-S Coverage (YTD)	1.9	1.6	1.7	1.7	1.6	1.6	1.6
D-S % of Revenue	16.6%	16.3%	15.9%	15.8%	15.9%	15.9%	15.9%

\* Excludes optional pre-payments

**FY 2021 vs. FY 2020 Cumulative  
Earnings Before Interest, Depreciation & Amortization  
Net Surplus (Net Income)**



	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
<b>FY-21 EBIDA</b>	5,687,932	10,110,705	15,724,152	21,702,992	25,493,243	31,232,850						
<b>FY-20 EBIDA</b>	6,005,065	10,863,898	14,701,825	18,059,105	22,036,943	26,030,356	30,320,383	35,095,011	40,375,231	45,563,864	50,109,377	57,616,473
<b>FY-21 NI</b>	1,986,285	2,741,600	4,647,200	6,914,070	6,984,537	8,976,726						
<b>FY-20 NI</b>	2,187,893	3,240,838	3,259,839	2,864,522	3,132,698	3,429,342	4,012,586	5,082,489	6,734,679	8,536,120	9,339,588	16,036,570

# INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

## BALANCE SHEET

Assets	Beginning	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
<b>Current assets:</b>							
Cash and cash equivalents	\$ 57,332,076	\$ 30,269,172	\$ 28,072,008	\$ 50,070,974	\$ 52,373,344	\$ 54,380,811	\$ 38,961,902
Cash, bond project and maintenanc fund	652,792	661,126	669,459	677,792	686,126	209,688	218,021
Cash, bond debt service funds	17,473,186	17,473,186	17,473,186	17,473,186	17,473,186	17,473,186	17,473,186
Cash, debt service reserve fund	38,393,859	38,393,859	38,393,859	38,393,859	38,393,859	38,393,859	38,393,859
Due from government agencies	30,998,333	30,863,695	33,142,272	35,722,708	38,784,901	38,452,870	37,608,476
Other current assets	194,376	97,188	-	-	3,833	7,667	11,500
<b>Total current assets</b>	<b>145,044,621</b>	<b>117,758,225</b>	<b>117,750,783</b>	<b>142,338,518</b>	<b>147,715,248</b>	<b>148,918,079</b>	<b>132,666,943</b>
<b>Non-current assets:</b>							
Land	38,839,724	38,839,724	38,839,724	38,839,724	38,839,724	42,839,724	46,346,699
Buildings	429,746,529	429,746,529	429,746,529	429,746,529	429,746,529	438,857,065	438,857,065
Furniture and equipment	16,338,873	16,338,873	17,673,789	18,005,998	18,005,998	18,005,998	18,005,998
Vehicles	3,133,997	3,133,997	3,133,997	3,301,987	4,052,114	4,275,462	4,484,599
Less: Accumulated depreciation	(51,780,338)	(52,901,721)	(54,022,597)	(55,179,408)	(56,340,343)	(57,509,092)	(58,705,475)
Construction in Process	3,978,238	4,626,953	4,422,218	8,899,983	23,054,609	10,956,737	20,533,143
<b>Total non-current assets</b>	<b>440,257,023</b>	<b>439,784,355</b>	<b>439,793,659</b>	<b>443,614,813</b>	<b>457,358,631</b>	<b>457,425,894</b>	<b>469,522,029</b>
<b>Total assets</b>	<b>\$ 585,301,644</b>	<b>\$ 557,542,580</b>	<b>\$ 557,544,441</b>	<b>\$ 585,953,331</b>	<b>\$ 605,073,879</b>	<b>\$ 606,343,973</b>	<b>\$ 602,188,972</b>
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities:</b>							
Accounts payable	4,046,289	2,357,683	2,956,218	4,906,139	3,640,022	3,143,143	4,918,873
Accrued payroll	14,014,968	14,140,142	14,241,662	14,384,824	14,516,810	14,643,323	14,770,029
Accrued interest	10,954,330	10,954,330	10,954,330	10,954,330	10,954,330	10,954,330	10,954,330
Student activity funds	748,529	725,535	764,867	848,828	848,564	871,505	862,898
Deferred revenue	3,741,587	1,041,587	156,587	25,137,587	43,780,418	45,982,227	38,595,965
Lease liabilities, current	146,446	144,095	141,743	139,391	137,039	134,687	132,335
Notes payable, current	-	-	-	-	-	-	-
Bonds, current maturities	5,805,455	6,012,924	6,220,402	6,427,880	6,635,358	6,842,836	7,050,314
<b>Total current liabilities</b>	<b>39,457,605</b>	<b>35,376,296</b>	<b>35,435,808</b>	<b>62,798,980</b>	<b>80,512,541</b>	<b>82,572,051</b>	<b>77,284,744</b>
	3.7	3.3	3.3	2.3	1.8	1.8	1.7
<b>Long-term liabilities:</b>							
Lease liabilities, long-term	157,855	148,004	138,152	128,300	118,448	108,596	98,744
Notes payable, long-term	25,000,000	-	-	-	-	-	-
Bonds payable, long-term	514,768,197	514,076,940	513,236,757	512,349,658	511,462,559	510,575,460	509,688,360
Bonds payable, premium net issue costs	(12,248,525)	(12,211,457)	(12,174,389)	(12,137,320)	(12,100,252)	(12,063,184)	(12,026,116)
<b>Total long-term liabilities</b>	<b>527,677,527</b>	<b>502,013,487</b>	<b>501,200,521</b>	<b>500,340,638</b>	<b>499,480,755</b>	<b>498,620,872</b>	<b>497,760,989</b>
<b>Total liabilities</b>	<b>90.2% 567,135,131</b>	<b>537,389,783</b>	<b>536,636,329</b>	<b>563,139,618</b>	<b>579,993,296</b>	<b>581,192,923</b>	<b>575,045,733</b>
<b>Net assts (deficit):</b>							
Beginning balance	16,829,679	18,165,597	18,165,597	18,165,597	18,165,597	18,165,597	18,165,597
Current year change in net assets	1,336,834	1,987,200	2,742,515	4,648,116	6,914,986	6,985,453	8,977,642
<b>Total net assets</b>	<b>18,166,513</b>	<b>20,152,798</b>	<b>20,908,113</b>	<b>22,813,713</b>	<b>25,080,583</b>	<b>25,151,050</b>	<b>27,143,239</b>
<b>Total liabilities and net assets</b>	<b>\$ 585,301,644</b>	<b>\$ 557,542,580</b>	<b>\$ 557,544,441</b>	<b>\$ 585,953,331</b>	<b>\$ 605,073,879</b>	<b>\$ 606,343,973</b>	<b>\$ 602,188,972</b>

# INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

## CASH FLOWS

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	FYTD
<b>Operating activities:</b>							
Increase in net assets	\$ 1,986,285	\$ 755,315	\$ 1,905,601	\$ 2,266,870	\$ 70,467	\$ 1,992,189	\$ 8,976,726
Adjustments to change in net assets:							
Depreciation	1,121,383	1,120,876	1,156,811	1,160,935	1,168,749	1,196,383	6,925,137
Amortization of debt issuance cost	37,068	37,068	37,068	37,068	37,068	37,068	222,410
Change in cash held in trust	-	-	-	-	-	-	-
Changes in assets:							
Due from Texas Education Agency	134,637	(2,278,576)	(2,580,436)	(3,062,193)	332,031	844,394	(6,610,143)
Other current assets	97,188	97,188	-	(3,833)	(3,833)	(3,833)	182,876
Changes in liabilities:							
Accounts payable and accruals	(1,586,427)	739,386	2,177,046	(1,134,396)	(347,424)	1,893,829	1,742,013
<b>Net cash provided by operations</b>	<b>1,790,134</b>	<b>471,258</b>	<b>2,696,090</b>	<b>(735,549)</b>	<b>1,257,058</b>	<b>5,960,029</b>	<b>11,439,018</b>
<b>TEA accel. payments (deferred rev.)</b>	<b>(2,700,000)</b>	<b>(885,000)</b>	<b>24,981,000</b>	<b>18,642,831</b>	<b>2,201,809</b>	<b>(7,386,262)</b>	<b>34,854,378</b>
<b>Investing activities:</b>							
Misc. purchases & timing adjustments	357,333	107,751	(8,852)	702,657	(327,961)	(164)	830,766
Fort Worth Expansion / Keller-Saginaw	(321,266)	(80,702)	(148,891)	(511,153)	(807,816)	(493,074)	(2,362,902)
Air Handling Additions - Sag. K-8 & EFW	(166,321)		(430,893)			(159,884)	(757,098)
Dallas Area Projects	(2,818)	(32,794)	(26,280)	(58,671)			(120,563)
Houston Area Projects	(43,463)	(57,476)	(2,205)	(1,272,384)	(30,364)	(1,005,398)	(2,411,290)
Houston - Church Purchase	(10,000)		(4,000)	(13,046,364)			(13,060,364)
Houston - Land Purchase			(3,176,298)				(3,176,298)
Houston - Katy/Westpark HS Expansion	(362,180)	(6,900)	(61,990)	(718,838)	(44,870)	(764,074)	(1,958,853)
Dallas - Southern Dallas Co. Land					(24,211)	(3,506,975)	(3,531,186)
Admin - HQ Building	(100,000)				(790)	(7,153,812)	(7,254,602)
District Busses (9 total)		(223,834)	(526,166)			(140,006)	(890,006)
Computers & Hotspots		(424,400)	(424,400)				(848,800)
Xerox Copiers		(411,825)					(411,825)
Vehicles (4 Venue, 1 Highlander, 3 Cargo Van)			(167,990)			(69,131)	(237,121)
<b>Net cash used in investing</b>	<b>(648,715)</b>	<b>(1,130,180)</b>	<b>(4,977,965)</b>	<b>(14,904,753)</b>	<b>(1,236,012)</b>	<b>(13,292,517)</b>	<b>(36,190,142)</b>
<b>Cash flows from (to) financing activities:</b>							
Principal paid on Bond debt obligations	(483,788)	(632,705)	(679,621)	(679,621)	(679,621)	(679,621)	(3,834,977)
Principal paid on Other debt obligations	(12,202)	(12,204)	(12,204)	(12,204)	(12,204)	(12,204)	(73,222)
Bank loan - \$10M Revolver	(10,000,000)						(10,000,000)
Bank loan - \$25M Revolver	(15,000,000)						(15,000,000)
<b>Cash provided (used) by financing</b>	<b>(25,495,990)</b>	<b>(644,909)</b>	<b>(691,825)</b>	<b>(691,825)</b>	<b>(691,825)</b>	<b>(691,825)</b>	<b>(28,908,199)</b>
<b>Net increase (decr) in cash &amp; equivalents</b>	<b>(27,054,571)</b>	<b>(2,188,831)</b>	<b>22,007,299</b>	<b>2,310,703</b>	<b>1,531,029</b>	<b>(15,410,575)</b>	<b>(18,804,945)</b>
Cash and cash equivalents at beginning of per	57,984,869	30,930,298	28,741,467	50,748,766	53,059,469	54,590,499	57,984,869
Cash and cash equivalents at end of period	30,930,298	28,741,467	50,748,766	53,059,469	54,590,499	39,179,924	39,179,924

# INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

## Income Statement

	July 2020	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Unaudited	Budget	
	FY 2021	FY 2021	FY 2021	FY 2021	FY 2021	FY 2021	FYTD 2021	FYTD 2021	% YTD
<i>Enrollment</i>									
<b>Total Local Support</b>	4,054	22,762	23,047	412,288	54,087	52,819	569,055	3,457,926	16%
<b>Total State Funds</b>	16,533,012	17,600,754	18,554,245	18,124,127	16,207,537	16,234,845	103,254,520	190,870,669	54%
<b>Federal Program Revenues</b>									
Title I (Part A & SIP)	406,544	403,002	682,655	406,003	374,149	435,500	2,707,851		
Title II	41,217	40,230	34,070	33,918	(25,801)	77,507	201,141		
Title III & Immigrant	25,003	24,558	25,070	60,431	46,610	38,680	220,352		
Title IV	12,193	96,463	24,198	18,576	33,116	18,576	203,122		
IDEA B	194,993	206,700	194,800	225,728	331,842	173,185	1,327,249		
Carl Perkins Grant	-	31,520	-	-	-	57,814	89,333		
High-Quality Rep.	169,481	397,865	158,300	51,165	-	152,385	929,196		
CRF	-	-	36,908	757,346	913,003	388,250	2,095,508		
ESSER State Adj.	-	-	1,152,309	-	-	1,852,141	3,004,450		
Medicaid Admin. Claim	(1,004)	24,898	795	2,910	6,719	402	34,720		
JROTC	10,510	10,510	10,510	10,510	10,510	10,510	63,060		
Child Nutrition	882,858	887,453	289,091	764,930	1,488,375	766,649	5,079,356		-
<b>Total Federal Program Rev.</b>	<u>1,741,794</u>	<u>2,123,199</u>	<u>2,608,706</u>	<u>2,331,518</u>	<u>3,178,522</u>	<u>3,971,599</u>	<u>15,955,337</u>	<u>22,812,221</u>	<u>70%</u>
<b>Total Revenues</b>	<b>\$ 18,278,859</b>	<b>\$ 19,746,714</b>	<b>\$ 21,185,998</b>	<b>\$ 20,867,933</b>	<b>\$ 19,440,146</b>	<b>\$ 20,259,262</b>	<b>\$ 119,778,913</b>	<b>\$ 217,140,816</b>	<b>55%</b>
<b>Expenses</b>									
11 Instructional	7,497,969	9,788,517	9,521,962	7,678,708	9,321,262	8,146,373	51,954,791	101,198,547	51%
12 Inst. resources & media	66,188	79,746	116,761	86,902	97,974	84,063	531,635	1,080,377	49%
13 Curriculum & inst. staff devel.	544,302	609,847	576,032	536,662	639,623	697,568	3,604,034	7,392,607	49%
21 Instructional leadership	126,074	118,107	121,232	133,733	130,446	135,732	765,323	1,555,137	49%
23 School leadership	782,251	845,237	862,257	861,043	826,876	834,913	5,012,577	10,377,796	48%
31 Guidance counseling & eval.	345,117	409,366	392,810	704,015	536,428	471,894	2,859,630	5,509,208	52%
32 Social work services	5,814	5,662	5,365	5,732	5,365	6,531	34,468	98,088	35%
33 Health services	175,521	161,729	130,912	128,927	134,980	165,518	897,587	1,686,076	53%
34 Student transportation	83,618	104,926	72,796	160,329	128,861	94,113	644,642	1,545,273	42%
35 Food services	715,101	258,306	343,178	876,025	876,059	693,488	3,762,157	10,377,002	36%
36 Extracurricular activities	87,627	139,383	192,693	104,526	104,800	258,423	887,453	1,593,899	56%
41 General administration	491,792	836,271	669,964	657,879	252,117	507,365	3,415,388	6,173,190	55%
51 Facilities maintenance & ops.	2,175,365	2,312,062	2,209,094	3,108,856	2,488,624	2,350,546	14,644,548	26,883,395	54%
52 Security and Monitoring	-	153,937	68,499	303,215	361,401	257,233	1,144,285	1,682,668	68%
53 Data processing services	514,972	507,835	1,149,390	537,570	677,226	738,573	4,125,567	5,467,207	75%
61 Community services	97,995	112,780	276,313	164,798	227,845	272,600	1,152,331	1,847,315	62%
71 Debt service	2,582,869	2,547,688	2,571,141	2,552,141	2,559,791	2,552,141	15,365,771	30,739,952	50%
81 Fundraising	-	-	-	-	-	-	-	10,000	0%
<b>Total Expenses</b>	<b>\$ 16,292,575</b>	<b>\$ 18,991,399</b>	<b>\$ 19,280,397</b>	<b>\$ 18,601,063</b>	<b>\$ 19,369,679</b>	<b>\$ 18,267,073</b>	<b>\$ 110,802,187</b>	<b>\$ 215,217,736</b>	<b>51%</b>
<b>Change in Total Net Assets</b>	<b>\$ 1,986,285</b>	<b>\$ 755,315</b>	<b>\$ 1,905,601</b>	<b>\$ 2,266,870</b>	<b>\$ 70,467</b>	<b>\$ 1,992,189</b>	<b>\$ 8,976,726</b>	<b>\$ 1,923,080</b>	

# INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

## Expenses by Object Code

	<i>See Audit</i>	<b>Jul-20</b>	<b>Aug-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>	<b>ILTexas</b>
	<i>FY 2020</i>	FY 2021	FY 2021	FY 2021	FY 2021	FY 2021	FY 2021	2020-2021
6111 SALARY CONTROL	160	-	-	-	-	-	-	-
6112 SALARIES/WAGES SUB TEACH	1,548,436	-	10,338	65,297	75,875	106,360	86,519	344,388
6117 EXTRA DUTY/PROFESSIONAL	806,533	102,098	20,940	34,820	10,049	309,811	108,103	585,820
6118 STIPENDS/PROFESSIONAL	3,254,074	271,458	307,143	298,650	316,744	294,757	423,025	1,911,778
6119 SALARIES/WAGES TEACHERS/PROFE	70,755,961	6,177,877	7,279,491	7,338,388	7,346,368	8,202,952	7,508,640	43,853,716
6121 O/T SUPPORT PERSONNEL	571,524	14,360	85,302	34,940	27,863	24,334	23,979	210,778
6127 EXTRA DUTY PAY/SUPPORT PERSN	171,158	7,479	16,496	11,515	15,076	21,800	34,734	107,100
6129 SALARIES/WAGES SUP PERSNL	10,193,479	1,331,643	970,973	971,286	973,019	951,302	981,190	6,179,413
6139 EMPLOYEE ALLOWANCES	224,982	919	500	-	-	-	76,384	77,802
6141 FICA/MEDICARE	1,165,668	110,338	118,783	119,596	119,695	135,666	125,526	729,604
6142 GRP HLTH/LIFE INS	5,664,946	552,360	542,065	627,552	637,718	628,851	632,132	3,620,678
6143 WORKERS'COMP	322,432	201,200	276,388	276,388	(278,688)	-	2,398	477,686
6146 TRS	4,235,016	337,561	437,309	394,841	445,769	445,287	444,239	2,505,007
6149 EMPLOYEE BENEFITS	(998)	-	-	-	-	-	-	-
6179 PAYROLL ACCRUAL	13,983,352	125,000	125,000	125,000	125,000	125,000	125,000	750,000
<b>61-- Payroll Costs</b>	<b>112,896,724</b>	<b>9,232,293</b>	<b>10,190,727</b>	<b>10,298,273</b>	<b>9,814,488</b>	<b>11,246,121</b>	<b>10,571,868</b>	<b>61,353,771</b>
		50.5%	51.6%	48.6%	47.0%	57.8%	52.2%	51.2%
<b>PAYROLL BY DESIGNATED FUNDS SOURCE</b>								
<b>4XX State &amp; Local Funded</b>	<b>106,440,235</b>	<b>8,646,232</b>	<b>9,647,701</b>	<b>9,698,952</b>	<b>9,235,567</b>	<b>10,661,465</b>	<b>9,889,477</b>	<b>57,779,394</b>
<b>240 Child Nutrition</b>	<b>634,268</b>	<b>29,884</b>	<b>34,316</b>	<b>56,741</b>	<b>49,093</b>	<b>50,886</b>	<b>44,176</b>	<b>265,095</b>
211 TITLE I, A	2,830,596	312,429	240,481	277,602	265,295	270,438	327,652	1,693,898
224 IDEA, B FORMULA	1,993,437	169,638	193,447	190,553	190,675	190,673	185,259	1,120,246
244 CATE - BASIC	894	-	902	-	-	-	-	902
255 TITLE II, A	499,778	37,635	38,532	32,632	32,487	31,082	68,337	240,705
263 TITLE III, A	259,277	24,521	17,631	24,001	23,579	23,785	23,750	137,266
266 SFSF	106,079	-	-	-	-	-	-	-
276 ????	-	-	-	-	-	-	15,426	15,426
289 FED TEMP RESTR NET ASSETS	132,160	11,954	17,718	17,792	17,792	17,792	17,793	100,840
<b>Federal Funds</b>	<b>5,822,221</b>	<b>556,177</b>	<b>508,711</b>	<b>542,580</b>	<b>529,828</b>	<b>533,770</b>	<b>638,216</b>	<b>3,309,282</b>
<b>61-- Payroll Costs</b>	<b>112,896,724</b>	<b>9,232,293</b>	<b>10,190,727</b>	<b>10,298,273</b>	<b>9,814,488</b>	<b>11,246,121</b>	<b>10,571,868</b>	<b>61,353,771</b>
		50.5%	51.6%	48.6%	47.0%	57.8%	52.2%	51.2%



# INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

## Expenses by Object Code

		<i>See Audit</i>	<b>Jul-20</b>	<b>Aug-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>	<b>ILTexas</b>
		<i>FY 2020</i>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>2020-2021</b>
<b>61-- Payroll Costs</b>	<b>112,896,724</b>		<b>9,232,293</b> 50.5%	<b>10,190,727</b> 51.6%	<b>10,298,273</b> 48.6%	<b>9,814,488</b> 47.0%	<b>11,246,121</b> 57.8%	<b>10,571,868</b> 52.2%	<b>61,353,771</b> 51.2%
6211 LEGAL SERVICES	342,634		20,828	47,262	18,770	22,589	60,767	45,448	215,665
6212 AUDIT SERVICES	62,810		30,000	30,000	-	-	-	12,520	72,520
6219 PROFESSIONAL SERVICES	-		-	-	-	-	-	-	-
6239 ESC SERVICES	367,681		3,015	106,895	85,885	16,442	112,905	88,083	413,225
6249 CONTRACTED MAINT/RPR	2,071,924		331,129	316,575	989,104	230,689	16,484	40,547	1,924,527
6254 INTERNET SERVICES	289,280		36,631	40,793	50,186	49,870	39,357	34,949	251,786
6255 CELL PHONES	71,997		6,363	6,274	-	12,853	6,289	6,317	38,097
6256 WATER/WASTE MGMNT	959,296		44,952	75,501	102,049	94,696	126,297	98,855	542,349
6257 PHONE	209,174		23,917	14,065	17,367	18,472	28,849	28,839	131,508
6258 ELECTRIC	1,371,374		96,903	116,861	142,133	156,707	132,499	114,795	759,896
6259 GAS	78,751		2,662	1,074	990	1,304	2,480	13,337	21,847
6269 RENTALS-OP LEASES	1,666,567		138,075	188,036	132,332	121,678	111,254	92,711	784,086
6297 SECURITY SERVICE/STUDENT	687,119		-	69,587	41,009	230,152	184,797	179,642	705,186
6299/2 Food Service Contracted Services	9,358,392		679,165	204,517	285,528	824,813	824,823	648,850	3,467,694
6299 MISC. CONTRACTED SERVICE	9,848,677		699,876	987,460	1,393,718	817,609	1,614,952	1,222,369	6,735,983
<b>62-- Professional and Contracted Svcs.</b>	<b>27,385,678</b>		<b>2,113,515</b>	<b>2,204,900</b>	<b>3,259,069</b>	<b>2,597,873</b>	<b>3,261,752</b>	<b>2,627,262</b>	<b>16,064,371</b>
6311 FUEL	119,741		2,922	63	5,681	5,044	7,331	7,799	28,840
6319 SUPPLIES M/O	735,093		56,195	163,979	119,433	330,263	57,032	136,700	863,602
6321 TEXTBOOKS	662,599		328,842	949,023	449,078	286,015	457,518	288,671	2,759,146
6329 READING MATERIALS	505,087		128,632	47,455	101,600	74,896	65,700	14,411	432,694
6339 TESTING MATERIALS	151,692		-	-	6,790	6,018	-	9,223	22,031
6398 DISCRETIONARY MATERIALS	600,000		60,000	60,000	60,000	60,000	60,000	60,000	360,000
6399 GENERAL SUPPLIES	6,639,993		373,128	1,331,491	875,993	367,812	635,367	597,237	4,181,027
6631 F&E / GRANT FUNDED	-		-	223,348	-	-	(223,348)	-	-
6639 F&E / GRANT FUNDED	79,185		-	-	20,250	(20,250)	-	-	-
6669 F&E / GRANT FUNDED	333,174		4,337	-	115,638	-	-	2,443	122,418
<b>63+66 Other Supplies &amp; Materials</b>	<b>9,826,565</b>		<b>954,056</b>	<b>2,775,358</b>	<b>1,754,462</b>	<b>1,109,798</b>	<b>1,059,599</b>	<b>1,116,483</b>	<b>8,769,757</b>
6411 EMPLOYEE TRAVEL	519,590		2,766	9,733	9,911	17,181	24,620	25,367	89,579
6412 TRAVEL-STUDENTS	49,573		-	-	-	235	1,319	-	1,554
6419 TRAVEL--NON-EMP	2,155		-	-	-	-	-	-	-
6429 INS/BONDING COSTS	1,366,564		187,167	86,993	-	1,274,627	30,212	3,470	1,582,469
6449 DEPR EXP	13,796,892		1,121,383	1,120,876	1,156,811	1,160,935	1,168,749	1,196,383	6,925,137
6494 RECLASS TRANSP EXP	(60,400)		-	-	-	-	-	-	-
6495 MEMBERSHIPS AND DUES	213,411		-	6,265	158,558	13,190	12,271	1,494	191,777
6497 DYSLEXIA	(0)		-	-	2,900	-	(2,900)	(0)	(0)
6498 Campus Discr. Fund	-		-	-	-	-	310	1,469	1,779
6499 MISC OP COSTS	2,435,056		98,525	48,859	69,272	60,595	7,835	171,136	456,222
<b>64-- Other Operating Expenses</b>	<b>18,322,841</b>		<b>1,409,841</b>	<b>1,272,726</b>	<b>1,397,452</b>	<b>2,526,763</b>	<b>1,242,416</b>	<b>1,399,318</b>	<b>9,248,517</b>
6521 INT ON BONDS	27,283,527		2,539,410	2,509,464	2,513,917	2,513,917	2,513,917	2,513,917	15,104,540
6522 CAPTL LEASE INT	(150,984)		1,155	1,156	1,156	1,156	1,156	1,156	6,935
6523 INT ON DEBT	147,221		3,736	-	-	-	-	-	3,736
6524 AMRT BOND ISSUE COSTS	503,247		35,963	35,963	35,963	35,963	35,963	35,963	215,776
6525 AMRT BOND PREM/DISC	-		1,106	1,106	1,106	1,106	1,106	1,106	6,634
6599 OTHER DEBT FEES	118,355		1,500	-	19,000	-	7,650	-	28,150
7950 Gain - Asset Recovery	(220,033)		-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 196,113,140</b>		<b>\$ 16,292,575</b>	<b>\$ 18,991,399</b>	<b>\$ 19,280,397</b>	<b>\$ 18,601,063</b>	<b>\$ 19,369,679</b>	<b>\$ 18,267,073</b>	<b>\$ 110,802,187</b>



# **INTERNATIONAL LEADERSHIP OF TEXAS**

## **EDUCATION REVENUE DEBT**

CONTINUING DISCLOSURE REPORT FOR THE

QUARTER ENDED DECEMBER 31, 2020



**INTERNATIONAL LEADERSHIP OF TEXAS  
REVENUES & EXPENDITURES REPORT\*\***

REVENUE	Adopted	FY 2021		FYTD
	Budget	Q1	Q2	TOTAL
5700 Local	3,457,926	49,863	519,194	569,057
5800 State	190,870,669	52,688,011	50,566,509	103,254,520
5900 Federal	22,812,221	6,473,699	9,481,639	15,955,338
	217,140,816	59,211,572	60,567,342	119,778,914
<b>EXPENSE</b>				
11 Instructional	101,198,547	26,808,448	25,146,343	51,954,791
12 Library and Media	1,080,377	262,696	268,939	531,635
13 Curriculum development	7,392,607	1,730,181	1,873,853	3,604,034
21 Instructional Leadership	1,555,137	365,412	399,911	765,323
23 School Leadership	10,377,796	2,489,745	2,522,832	5,012,577
31 Guidance & Counseling	5,509,208	1,147,293	1,712,337	2,859,630
32 Social services	98,088	16,841	17,628	34,469
33 Health Services	1,686,076	468,162	429,425	897,587
34 Student Transportation	1,545,273	261,339	383,303	644,642
35 Food Services	10,377,002	1,316,584	2,445,572	3,762,156
36 Extra Curricular Activities	1,593,899	419,704	467,749	887,453
41 General Administration	6,173,190	1,998,027	1,417,361	3,415,388
51 Facilities Maintenance	26,883,395	6,696,521	7,948,026	14,644,547
52 Security and Monitoring	1,682,668	222,436	921,849	1,144,285
53 Technology / Data Systems	5,467,207	2,172,197	1,953,369	4,125,566
61 Community Services	1,847,315	487,088	665,243	1,152,331
71 Debt Service	30,739,952	7,701,698	7,664,073	15,365,771
81 Fundraising	10,000	-	-	-
Total	215,217,736	54,564,372	56,237,813	110,802,185
Change in Net Assets	1,923,080	4,647,200	4,329,529	8,976,729
Ending Net Assets Balance	20,081,593	22,805,719	27,135,248	27,135,248

**\*\*Internally prepared Financials, subject to change.**

**INTERNATIONAL LEADERSHIP OF TEXAS  
STATEMENT OF FINANCIAL POSITION**

<b>ASSETS</b>	<b>AUDITED</b>	<b>UNAUDITED***</b>
	<u>JUNE 30, 2020</u>	<u>DECEMBER 31, 2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 57,500,176	\$ 38,961,902
Restricted cash	56,351,739	56,085,066
Due from STATE and FEDERAL programs	27,413,333	37,608,476
Other Current Assets	194,376	11,500
Total Current Assets	<u>141,459,624</u>	<u>132,666,944</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Land	38,839,724	46,346,699
Buildings	429,746,529	438,857,065
Furniture and equipment	16,338,873	18,005,998
Vehicles	3,133,998	4,484,599
Less accumulated depreciation	(51,780,337)	(58,705,475)
Construction in Process	3,978,239	20,533,143
Total Property and Equipment	440,257,026	469,522,028
Total Assets	<u>\$ 581,716,650</u>	<u>\$ 602,188,972</u>
 <b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,057,021	\$ 4,918,874
Accrued wages payable	14,014,967	14,770,029
Accrued interest payable	13,365,876	10,954,330
Due to student groups	734,252	862,898
Deferred revenue	156,587	38,595,965
Other liability	600,000	-
Current portion of Capital lease payable	146,446	132,335
Current portion of long-term debt	5,805,455	7,050,314
Total Current Liabilities	<u>35,880,604</u>	<u>77,284,745</u>
 <b>LONG-TERM LIABILITIES</b>		
Finance(Buildings) Lease Liability	157,855	98,744
Long-term debt	527,519,672	497,662,244
Total Long-Term Liabilities	<u>527,677,527</u>	<u>497,760,988</u>
Total Liabilities	<u>\$ 563,558,131</u>	<u>\$ 575,045,733</u>
 <b>NET ASSETS</b>		
Beginning balance	\$ 2,121,945	\$ 18,165,597
Current Year Change in Net Asset (Revenue/Expenses)	16,036,574	8,977,642
Total Net Assets	<u>18,158,519</u>	<u>27,143,239</u>
Total Liabilities and Net Assets	<u>\$ 581,716,650</u>	<u>\$ 602,188,972</u>

\*\*\*Internally Prepared Financial Statements

TABLE 2 – HISTORICAL ENROLLMENT, CURRENT ENROLLMENT AND CURRENT WAITLIST AS OF DECEMBER 18, 2020

<b>GARLAND ELEMENTARY, MIDDLE AND HIGH SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	160	159	160	82
1	161	159	160	56
2	160	160	160	60
3	163	158	156	86
4	155	156	156	86
5	162	155	156	61
6	156	156	156	119
7	155	156	161	73
8	156	155	157	30
9	186	179	168	0
10	182	155	160	0
11	149	147	131	0
12	108	141	145	0
<b>TOTAL</b>	<b>2,053</b>	<b>2,036</b>	<b>2,026</b>	<b>653</b>

<b>ARLINGTON ELEMENTARY AND MIDDLE AND ARLINGTON-GRAND PRAIRIE HIGH SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	131	118	116	0
1	144	135	116	0
2	145	146	131	39
3	136	129	145	40
4	135	146	143	12
5	113	135	153	7
6	123	126	136	26
7	125	135	121	30
8	117	113	131	4
9*	172	193	251	0
10*	170	159	185	0
11*	87	134	149	0
12*	111	88	127	0
<b>TOTAL</b>	<b>1,709</b>	<b>1,757</b>	<b>1,904</b>	<b>158</b>

\* Grades 9-12 are enrolled at Arlington-Grand Prairie High School.

<b>KELLER ELEMENTARY AND MIDDLE SCHOOL AND KELLER-SAGINAW HIGH SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	160	164	159	125
1	162	160	161	106
2	163	167	161	113
3	158	157	154	61
4	156	152	153	62
5	148	156	156	51
6	156	136	160	42
7	147	142	144	0
8	133	128	138	1
9*	199	199	249	0
10*	168	152	183	0
11*	112	145	143	0
12*	66	104	141	0
<b>TOTAL</b>	<b>1,928</b>	<b>1,962</b>	<b>2,102</b>	<b>561</b>

\* Grades 9-12 are enrolled at Keller-Saginaw High School.

<b>GRAND PRAIRIE ELEMENTARY AND MIDDLE SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	158	159	160	44
1	161	159	160	34
2	162	158	159	55
3	157	154	156	33
4	155	155	157	22
5	158	156	158	25
6	153	156	158	63
7	155	155	157	61
8*	144	151	158	12
<b>TOTAL</b>	<b>1,403</b>	<b>1,403</b>	<b>1,423</b>	<b>349</b>

\* For grades 9-12 see the Arlington Elementary, Middle and High School table above which reflects enrollment at Arlington-Grand Prairie High School.

<b>NORTH RICHLAND HILLS ELEMENTARY AND MIDDLE SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	156	146	153	0
1	159	159	157	0
2	164	163	151	0
3	157	156	153	0
4	150	155	145	0
5	151	156	146	0
6	149	143	153	0
7	147	125	144	0
8*	132	128	119	0
<b>TOTAL</b>	<b>1,365</b>	<b>1,331</b>	<b>1,321</b>	<b>0</b>

\* Grades 9-12 are enrolled at Keller-Saginaw High School..

<b>KATY ELEMENTARY AND MIDDLE SCHOOL AND KATY-WESTPARK HIGH SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	152	158	160	33
1	148	161	158	125
2	153	156	159	84
3	145	146	156	66
4	155	123	150	0
5	143	136	138	0
6	129	133	156	39
7	128	114	131	0
8	116	105	124	0
9*	187	193	204	0
10*	156	162	181	0
11*	59	151	163	0
12*	N/A	53	141	0
<b>TOTAL</b>	<b>1,671</b>	<b>1,791</b>	<b>2,021</b>	<b>347</b>

\* Grades 9-12 are enrolled at Katy-Westpark High School.

<b>WESTPARK ELEMENTARY AND MIDDLE SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	136	130	148	0
1	149	153	146	0
2	150	150	160	10
3	148	154	154	37
4	143	142	156	36
5	144	151	151	0
6	132	149	156	45
7	147	131	155	7
8*	120	134	144	0
<b>TOTAL</b>	<b>1,269</b>	<b>1,294</b>	<b>1,370</b>	<b>135</b>

\* For grades 9-12 see the Katy Elementary and Middle School and Katy-Westpark High School table above which reflects enrollment at Katy-Westpark High School.

<b>LANCASTER ELEMENTARY AND MIDDLE SCHOOL AND LANCASTER-DESOTO HIGH SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	116	101	91	0
1	141	128	121	1
2	144	141	143	0
3	139	129	148	0
4	137	141	148	0
5	150	134	152	2
6	154	156	156	4
7	139	134	148	0
8	128	124	147	0
9*	43	45	78	1
10*	N/A	33	47	0
11*	N/A	N/A	30	0
12*	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>1,291</b>	<b>1,266</b>	<b>1,409</b>	<b>8</b>

\* Grades 9-12 are enrolled at Lancaster-DeSoto High School.



<b>EAST FORT WORTH ELEMENTARY AND MIDDLE SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	112	91	94	1
1	127	96	119	0
2	138	117	117	0
3	124	141	138	0
4	133	125	150	0
5	149	113	146	0
6	142	129	156	0
7	139	112	135	0
8	71	119	114	0
9*	30	N/A	N/A	N/A
10*	N/A	N/A	N/A	N/A
11*	N/A	N/A	N/A	N/A
12*	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>1,165</b>	<b>1,043</b>	<b>1,169</b>	<b>1</b>

\* As of the 2019-20 school year, Grades 9-12 are enrolled at Arlington-Grand Prairie High School.

<b>SAGINAW ELEMENTARY AND MIDDLE SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	159	157	160	58
1	161	159	160	5
2	159	159	159	49
3	157	156	152	14
4	148	154	150	0
5	157	147	152	0
6	150	155	154	28
7	131	139	149	0
8*	108	117	128	0
<b>TOTAL</b>	<b>1,330</b>	<b>1,343</b>	<b>1,364</b>	<b>154</b>

\* For grades 9-12 see the Keller Elementary and Middle School and Keller-Saginaw High School table above which reflects enrollment at Keller-Saginaw High School.

<b>WINDMILL LAKES ELEMENTARY AND MIDDLE SCHOOL AND WINDMILL LAKES-OREM HIGH SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	146	119	114	0
1	147	145	138	1
2	153	138	155	0
3	148	137	149	0
4	142	139	139	0
5	142	143	149	0
6	149	144	154	1
7	145	152	154	2
8	102	127	153	0
9*	60	100	173	0
10*	N/A	58	100	0
11*	N/A	N/A	63	0
12*	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>1,334</b>	<b>1,402</b>	<b>1,641</b>	<b>4</b>

\* Grades 9-12 are enrolled at Windmill Lakes-Orem High School.

<b>HOUSTON OREM ELEMENTARY AND MIDDLE SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	137	127	108	1
1	123	146	146	0
2	144	132	159	1
3	148	141	149	0
4	146	135	156	3
5	128	128	147	0
6	155	142	156	12
7	118	144	147	0
8	71	111	156	5
<b>TOTAL</b>	<b>1,170</b>	<b>1,206</b>	<b>1,324</b>	<b>22</b>

\* For grades 9-12 see the Windmill Lakes Elementary and Middle School and Windmill Lakes-Orem High School table above which reflects enrollment at Windmill Lakes-Orem High School.

<b>COLLEGE STATION ELEMENTARY, MIDDLE AND HIGH SCHOOL</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	159	160	160	150
1	119	159	160	92
2	124	159	161	79
3	107	155	157	30
4	123	156	156	2
5	119	153	156	18
6	107	153	156	30
7	55	133	142	0
8	36	69	127	0
9	N/A	35	52	0
10	N/A	N/A	34	0
<b>TOTAL</b>	<b>949</b>	<b>1,332</b>	<b>1,461</b>	<b>401</b>

<b>REMOTE CLASSROOM INSTRUCTION ELEMENTARY, MIDDLE AND HIGH SCHOOL<sup>(1)</sup></b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-2021</b>	<b>2020-21</b>
<b>Grade</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Waitlist</b>
K	N/A	N/A	50	0
1	N/A	N/A	47	1
2	N/A	N/A	39	0
3	N/A	N/A	27	0
4	N/A	N/A	35	0
5	N/A	N/A	34	0
6	N/A	N/A	45	2
7	N/A	N/A	27	0
8	N/A	N/A	15	0
9	N/A	N/A	17	0
10*	N/A	N/A	8	0
11*	N/A	N/A	9	0
12*	N/A	N/A	1	0
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>354</b>	<b>3</b>

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(1) International Leadership of Texas' Remote Classroom Instruction campus opened in the 2020-2021 schoolyear.

INTERNATIONAL LEADERSHIP OF TEXAS  
VOLUNTARY COVENANT CALCULATIONS

<u>DEBT SERVICE COVERAGE</u>	<u>Budgeted 6/30/2021</u>	<u>FYE 6/30/2020</u>	<u>6 Months Ended 12/31/2020</u>
Change in Net Assets	\$ 1,923,080	\$ 16,036,574	\$ 8,976,729
Plus: Depreciation & Amortization	14,957,133	14,245,226	7,147,547
Plus: Interest Expense	31,740,324	30,566,314	15,111,475
<b>Net Available for Debt Service</b>	<b>48,620,537</b>	<b>60,848,114</b>	<b>31,235,751</b>
<b>Master Debt</b>	<b>35,391,593</b>	<b>33,246,565</b>	<b>18,946,452</b>
Debt Service Coverage:	<b>1.37x</b>	<b>1.83x</b>	<b>1.65x</b>
<i>Debt Service Requirement</i>	<i>1.10x</i>	<i>1.10x</i>	<i>1.10x</i>
<b>In Compliance?</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>

<b>Additional Calculations:</b>			
<b>Master Debt</b>	<b>35,391,593</b>	<b>33,246,565</b>	<b>18,946,452</b>
Subordinate Debt & Lease	2,176,496	10,404,435	6,935
Less voluntary pre-payments	-	(3,170,228)	-
<b>Debt Service (all debt)</b>	<b>37,568,089</b>	<b>40,480,772</b>	<b>18,953,387</b>
Debt Service Coverage:	<b>1.29x</b>	<b>1.50x</b>	<b>1.65x</b>
<i>Debt Service Requirement</i>	<i>1.10x</i>	<i>1.10x</i>	<i>1.10x</i>

	<u>As of 6/30/2020</u>	<u>As of 12/31/2020</u>
Bank Cash and Equivalents	\$ 57,500,176	\$ 38,961,902
Plus: Debt Service Interest Funds	10,489,349	10,489,349
<b>Unrestricted Cash and Equivalents</b>	<b>67,989,525</b>	<b>49,451,251</b>
Total Expenses	196,341,174	110,802,185
<u>Less: Depreciation &amp; Amortization</u>	<u>(14,245,226)</u>	<u>(7,147,547)</u>
Daily Cash Expense (/182.5 days)	498,893.01	567,970.62
<b>Days' Cash on Hand</b>	<b>136.3</b>	<b>87.1</b>
<i>Without interest reserve credit</i>	<i>115.3</i>	<i>68.6</i>

<sup>(1)</sup> Estimated FYE 2021 balance