



AMERICAN PREPARATORY ACADEMY

1.Executive Summary

American Prep's mission statements remain constant for the next charter term.

American Prep Mission Statement

To provide a classical, liberal arts education through an orderly, safe and nurturing learning environment wherein content-rich, efficient curriculum and research-based instructional methodologies are utilized to ensure that every student achieves academic success and develops good character based on concrete measurements.

American Prep Jr. High Mission Statement

American Preparatory Academy Jr. High assists students in their efforts to become student scholars by providing an academically rigorous classical, liberal arts program that prepares them for advanced study at the high school level.

American Prep High School Mission Statement

American Preparatory Academy High School provides an academically rigorous classical, liberal arts education that prepares students for study at the university level or meaningful employment, thereby developing conscientious, confident citizens who think logically, are skilled at persuasion, and are actively involved in the building of our citizen-governed society.

Each program at American Prep is regularly evaluated in light of the school Mission Statement – will it promote academic achievement and/or virtuous character development. We invite all members of the American Prep community to assist in promoting and supporting the school's mission. Feedback and input are always welcome as we work to refine our programs to better reflect our mission.

Philosophy Statement

Student academic achievement is the primary goal of American Preparatory Academy. We believe that only when students master fundamentals, and are fluent in the basic foundational knowledge of the major disciplines can they move on to effectively express their knowledge and master higher-level skills.

Therefore, the foundation of our instruction will focus on mastery of fundamentals. We define mastery as the ability to demonstrate knowledge and skills repeatedly and accurately. This requires repeated instruction in the subject matter, increasing degree of challenge and considerable practice. As our students master the fundamentals, our instruction focuses on sequential building of conceptual knowledge and promoting independent expression of knowledge. Finally, our instruction focuses on individual internalization of conceptual knowledge, expressed in extensive written work and verbal presentation, preparing our students for advanced study at the high school and collegiate level.

School Model

American Preparatory Academy is a classical, liberal arts school model. In the modern sense, this means that we teach a broad range of topics as opposed to “specializing” or teaching vocational skills. In a traditional sense, it means that we adhere to the concept of the Trivium, as interpreted to represent three stages of knowledge acquisition. The Grammar phase is identified with the young child (0-9), who easily memorizes songs, poems and factual knowledge. The Logic phase (9-14) is identified with learners “connecting” their factual knowledge in a logical manner, “making sense” of things. The Rhetoric Phase (14-beyond) is that in which students learn to coherently and persuasively defend their logic in writing and speech. American Preparatory Academy respects this well-founded, proven educational model and uses it in selecting and implementing the school’s curriculum.

We believe that schools achieve maximum academic success and student proficiency by:

- teaching skills to mastery levels,
- imparting valuable knowledge,
- transmitting the common culture that binds us as a nation
- exposing children to supreme examples of artistic and intellectual achievement.

We also believe that:

- Mastery of a fundamental core of knowledge is essential to a child’s achievement in later grades. Material should be coherent, sequential, content-rich, and challenging, and must be taught to mastery level by the teacher.
- Standardized testing is an essential tool for measuring student learning and teacher success.
- The formation of good character goes hand in hand with mental training.
- Serious scholarship requires a willing and enthusiastic mind, self-discipline, determination, patience, and humility.
- All children can learn, although their pace may differ, and their response to higher standards is improved performance.
- The school must be structured to support parents so that they may play an active role in all aspects of their child’s education.

Key Design Elements of the School

Elementary Program- we plan to continue implementation of the key design elements as outlined below in the next charter term:

- Direct Instruction programs for grammar-phase skills acquisition areas in elementary school and remediation in secondary school
- Precision Teaching methods school-wide
- Core Knowledge Sequence in grades K-8 for the curriculum base
- Classical Education emphasis with required Latin and Logic courses

- Small, achievement-leveled learning groups in the elementary grades in the subject areas of reading, spelling, and math providing both remediation and accelerating opportunities
- Academic skills programs are research-based and field-tested
- Daily and Weekly assessment of learning outcomes
- Teachers meet regularly as teams to refine their academic guides and collaborate on lesson planning and class schedules
- Music, Art, Computer, and Foreign Language class options
- Character and Leadership education programs are an important part of the school design

As we contemplate the next charter term, it is our goal to continue to provide an excellent academic program to our students that is reflective of student achievement outcomes and which uses data to drive the decision-making at the school.

School Goals and Objectives - Next Charter Term

In response to feedback on our Site Visit Report and our Star Rating, we intend to focus on the following during the next charter term:

1. Increase training for teachers regarding higher-level questioning
2. Post actionable objectives in secondary classrooms
3. Improve student growth scores on SBAC
4. Continue to focus on proficiency scores on SBAC
5. Ensure we have identified all students who may need the support of an IEP
6. Conduct community outreach and marketing for seats in areas that will attract more ELL students and more FRL students.

2. Renewal Application

A. 2019 Written Application for Renewal of Charter 2019 Written Application for Renewal of Charter

School Name & Contact Info	Name: American Preparatory Academy Address: 8377 W Patrick Ln, Las Vegas, NV 89113 Phone: 70-970-6800 Website: http://vegas.americanprep.org	
School Leader Name & Contact Info	Name: Rachelle Hulet Title: District Administrative Director Contact info: 702-970-6800 x5014 rachelle.hulet@apavegas.org	
Governing Board Names & Contact Info <i>Add rows/names as may be necessary</i>	Chair/President	Name: Lee Iglody Email: Lee.Iglody@apavegas.org Phone:
	Vice Chair/Vice President	Name: Ernie Elliott Email: Ernie.Elliott@apavegas.org
	Treasurer	Name: Jon Gardner Email: Jon.Gardner@apavegas.org
	Secretary	Name: Rachel Lillian Email: Rachel.Lillian@apavegas.org
	Member	Name: OPEN Email:
	Member	Name: Email:
	Member	Name: Email:
	Member	Name: Email:

ACADEMIC PERFORMANCE [1]

2019 NSPF Rating <i>Complete campus boxes as may be applicable</i>	Campus 1 (Elementary)	Campus 2 (Jr High)	Campus 3 (High School)		
	2	5	2		
	Campus 4 (name)	Campus 5 (name)	Campus 6 (name)		
2018 NSPF Rating <i>Complete campus boxes as may be applicable</i>	Campus 1 (Elementary)	Campus 2 (Jr High)	Campus 3 (High School)		
	5	5	NR		
	Campus 4 (name)	Campus 5 (name)	Campus 6 (name)		
2017 NSPF Rating	Elementary School Rating	Middle School Rating	High School Rating		
	NR	NR	NR		
2015 NSPF Rating (Frozen from 2014)	5 star	4 star star	3 star N/A	2 star	1
2018 Rising Star Status	Identified as Rising Star by NDE identified			N/A	Not
2017 Rising Star Status	Identified as Rising Star by NDE identified			N/A	Not
	2014-15	2015-16	2016-17	2017-18	
NDE-Validated Four-Year Graduation Rate	N/A	N/A	N/A	64% was validated incorrectly Actual GR 100%	

OPERATIONAL OVERVIEW

Current Year Enrollment & Demographic Details							
Total Student Enrollment [as of first day of school 2019] = 1601							
Gender		Ethnicity/Race					
Female	Male	White	Black	Hispanic/Latino	Asian	Mixed Race	Other
815	786	641	234	304	278	100	44
Special Populations				Students on Waitlist			
Students w/disabilities (number)	ELLs (number)	Homeless Students (number)	Free/Reduced Lunch Eligibility (number)	Number of Students on Waitlist	Percentage of Waitlist Students w/Preference Status		
76	37	20	227	1,675	n/a		
Staff Retention				Discipline Data (18-19 SY)			
Number of Instructional Staff	Total Number of Staff	Percentage returning staff 2018-19	Percentage returning staff 2019-20	Number of out of school suspensions	Number of expulsions		
105	144	80.30	84.80	269	4		
Year-to-Year Mobility [Student Retention from Oct. 1 to Oct.1][2]							
2014 – 2015		2015 – 2016		2016 – 2017		2017 – 2018	2018 – 2019
99.24%		81.41%		88.34%		88.35%	87.68%

ACADEMIC PERFORMANCE

SPCSA Authority Financial Programmatic Audit Findings				
2019	Good Standing		Notice of Concern x	Notice of Breach
2018	Good Standing	x	Notice of Concern	Notice of Breach
2017	Good Standing	x	Notice of Concern	Notice of Breach
2016	Good Standing	x	Notice of Concern	Notice of Breach
2015	Good Standing	x	Notice of Concern	Notice of Breach

FINANCIAL PERFORMANCE

SPCSA Authority Financial Programmatic Audit Findings				
2019	Good Standing	x	Notice of Concern	Notice of Breach
2018	Good Standing	x	Notice of Concern	Notice of Breach
2017	Good Standing	x	Notice of Concern	Notice of Breach
2016	Good Standing	x	Notice of Concern	Notice of Breach
2015	Good Standing	x	Notice of Concern	Notice of Breach

ORGANIZATIONAL PERFORMANCE

SPCSA Authority Organizational Programmatic Audit Findings				
2019	Good Standing	x	Notice of Concern	Notice of Breach
2018	Good Standing	x	Notice of Concern	Notice of Breach
2017	Good Standing	x	Notice of Concern	Notice of Breach
2016	Good Standing	x	Notice of Concern	Notice of Breach
2015	Good Standing	x	Notice of Concern	Notice of Breach

NEXT CHARTER TERM

Projected Enrollment & Grade Spans for next charter term (pending any subsequent expansion or contraction amendment that requires Authority Board approval)						
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Planned Total Enrollment	1578 658	1608 648	1648 648	1648 648	1648 648	1648 648
Planned Grade Spans	K-12 K-6	K-12 K-6	K-12 K-6	K-12 K-6	K-12 K-6	K-12 K-6

I certify that the governing body of this charter school has voted that the school and its staff will adhere to the renewal process expectations outlined in the Renewal Guidelines. The information provided in this charter renewal application is true and correct. I also certify that the governing body of this charter school understands that any academic, financial, or organizational performance data collected during the period of the current charter term which is analyzed and reported following a renewal vote may be considered by the Authority in making performance, and accountability decisions in the subsequent charter term.

Signature of Head of School:

Rachelle Halset

Date: 10/9/19

Signature of President/Chair of Governing Body:

LH

Date: 10/9/19

Governing Body voted to approve application for

renewal: 10/4/19

B. Written Narrative

American Preparatory Academy's enrollment has been strong since our first year in 2014. Even with a large jump in enrollment from the 14-15 to 15-16 school year, we have been able to maintain a very healthy waitlist. We are excited to be opening another campus for the 20-21 SY serving students in grades K-6, knowing that many of our families have been on our waitlist for 3 years or more. Our student retention has remained constant and we anticipate a slight decline in student retention in grades 9 and 11, as students seek magnet and dual enrollment options. Our staff retention is consistent with transiency and many that move out of state or decide to change careers or seek additional education.

As a clarifying note, the graduation rate that was "validated" with the DOE was 64% and is incorrect. We tried diligently to get them to update it to the correct rate, which is 100%, but have been unsuccessful.

We are encouraged that our FRL enrollment is around 15%, which is an increase from 4% from the prior year. It should be noted that the FRL numbers are parent reported and we do not currently have a NSLP. Historically parent reported numbers without a lunch program are quite a bit lower than actual numbers.

Until this year, APA has been in good standing in every category including Academic Performance, Financial Performance, and Organizational Performance.

C. Required Supporting Documents:

All calendars and schedules for the current and new campus will be aligned to those that are currently being used and have been previously approved. We do not intend to change either the calendar or schedule for the 20-21 SY or any future years. See attachment 2.C for 19-20 school year calendar that was approved by Department of Education.

3. Academic Plans for the Proposed Charter Term

A. Written Narrative

American Prep will continue to serve families that are dedicated to a classical education model within the Las Vegas valley. We believe setting high expectations, requiring hard work, and supporting students as they overcome obstacles to success.

The school focus on rigorous academics, virtuous character development, and utilizing small achievement-level groupings in elementary school – all in a fun and enthusiastic environment, remains unchanged and will continue in the next charter term.

Our vision of creating a top-tier academic and talent-building school where parents can be confident that their child will reach maximum academic proficiency, be prepared for university study, and develop strong interpersonal and leadership skills remains unchanged. In short, we strive to produce students that will be prepared to contribute to their communities and change the world for the better.

Key Components of the Educational Model

Elementary Program

American Preparatory Academy provides a classical education model with rich depth and breadth for each student ensured by a pre-planned scope and sequence and developed curriculum/lesson plans. This program is tracked on grade level/subject 180-day plans.

The 180-day plan includes uniform assessments that are tracked and monitored by teachers and administration to ensure consistency of instruction. The 180-day plans, uniform curriculum, and results from student performance on uniform assessments are reviewed in monthly district meetings and in a 5-day post-service where teachers review performance data from the year and adjust the 180-day plan for the following year based on data review. ***We anticipate using the same 180-day plan process during the next charter term.***

American Preparatory Academy - Elementary school uses proven curriculum including the Core Knowledge Sequence, Connecting Math Concepts, Saxon Math, Reading Mastery, Shurley Grammar, Adventures in Language, Language for Learners/Thinking, Spalding Spelling and Core Knowledge to ensure student mastery. ***We anticipate continuing the use of these programs in the next charter term.***

In addition to grade level core homeroom subjects, every student is taught in small groups of 8-12 at his/her academic level in Reading, Language Arts, and Mathematics according to pre-assessments. Weekly student evaluations are tracked and monitored by teachers, instructors, and directors to ensure mastery of content both in their core homeroom subjects and in their small groups classes. Students who are falling behind in their group classes are identified in weekly team meeting discussions. An action plan is developed and implemented to address the student's needs. During follow-up team meetings, action plans are evaluated for effectiveness. Group level testing and change may be recommended if an

action plan is not successful. ***We anticipate using this same process at the new campus and throughout the next charter term.***

Elementary academic group levels are fluid. Teachers, instructors, directors, or parents may request a level test be administered at any time if they suspect that a different placement may be more appropriate for a child. ***We anticipate using this same process at the new campus and throughout the next charter term.***

Another key component of our educational model is to have a full-time teacher and paraprofessional in every classroom. This allows our student-to-teacher ratio to remain very low, thus giving each student more individual attention. ***We plan to utilize the same staffing structure at the new school and throughout the next charter term.***

Finally, American Prep believes that mental training goes hand-in-hand with the formation of a good character. In order to establish an excellent institution and a loving, positive atmosphere, we build a foundation of virtuous character in our students and ourselves. We firmly plant these ideals into our institution through a "Builders" theme. All staff, parents, and students work together to "build" our school on these principles: Expectations, Effort, Enthusiasm, Encouragement, and Excellence. American Preparatory Academy provides rich character development instruction starting with the Builders program in elementary and moving into the Ambassadors program in secondary study. ***We anticipate continuing the use of these programs in the next charter term.***

The following items are integral parts of our elementary school model:

- Direct Instruction programs
- Precision Teaching methods
- Core Knowledge Sequence for the curriculum base
- Classical Education emphasis with Latin and Logic courses
- Small, achievement-leveled learning groups in the elementary grades in the subject areas of reading, spelling, and math
- All academic programs are research based and field tested
- Daily and Weekly assessment of learning outcomes
- Teachers meet regularly as teams to refine their academic guides and collaborate on lesson planning and class schedules
- Music, Art, and Physical Education classes for every elementary student
- Character and Leadership education programs integrated into the school programs

Secondary Program

We plan to continue implementation of the key design elements as outlined below in the next charter term:

Secondary students in the Logic phase are guided with the purpose of increasing the capacity for abstract thought. Students are encouraged to apply logic to all academic subjects, to make connections and to trace developments, lines of reasoning, patterns of action, recurring symbolisms, plots, and motifs.

- In English classes this includes close reading techniques, composition, learning to support a thesis, criticism and analysis of text.
- As questions drive thinking, students in history classes are encouraged to seek out explanations as to why a historical event took place in addition to when and where, students learn to evaluate counter-arguments against evidence, and evaluate the credibility and relevance of source material.
- Logic phase thinking in science curriculum requires that the student learn the scientific method with an emphasis on inquiry, experimentation, application, and critical evaluation of claims.
- Secondary Mathematics extends and applies algebraic reasoning and problem solving

The Rhetoric phase in Secondary builds upon the first two phases. The student learns to write and speak with intention and originality by applying the rules of logic learned in middle school to the foundational information learned in the early grades and expressing their conclusions in clear, intentioned, eloquent language.

Students are taught to question, perceive and interpret, recognize patterns, and identify themes that guide their thinking as well as analyze and justify meaning and purpose. This process helps to build skills in strategic and analytical thinking.

Curricular strategies embedded within curriculum:

- Extended Experimental design based upon foundational knowledge and applicable relevance
- Presentation/oral and written defense
- Inquiry based research application
- Identification of logical fallacy

Instructional strategies employed in classroom:

- Socratic questioning
- Debate/argument evaluation
- Credible source evaluation and/or defense
- Guided and independent evaluation of reason and relevancy
- Summative and formative checks for higher order understanding

Required Areas	Credits	9th Grade Freshman Year Suggested Course Sequence	10th Grade Sophomore Year Suggested Course Sequence	11th Grade Junior Year Suggested Course Sequence	12 Grade Senior Year Suggested Course Sequence
English/Language Arts	4.0	-Language Arts 9H -Literature 9H	-Language Arts 10H	-Language Arts 11H - AP Language	-Language Arts 12H -AP Literature
Math	3.0	-Secondary Math IH	-Secondary Math IIH	-Secondary Math IIIH	-Calculus -AP Calculus BC
Science	3.0	-Biology H	-Physics H	-Chemistry H	-AP Biology -AP Chemistry
Social Science	4.0	-Geography H -AP Human Geography	-World History H -AP European History	-US History H -AP US History	-US Government and Politics H -AP US Government and Politics -AP Psychology
Languages	2.0	-Latin I	-Latin II	-Latin III	-AP Latin
Healthy Lifestyles	2.0		-Health (0.5)/PST (0.5)	-Fitness for Life (0.5)	-Lifetime Activities (0.5)
Career and Technical Education	1.0			-Computer Science or AP Computer Science -Foods & Nutrition	
Fine Arts	1.5	-Band, Choir, Orchestra, Drama or Art Foundations	-AP Studio Art		
Digital Literacy	0.5	-Digital Literacy			

Financial Literacy	0.5			-Financial Literacy	
Leadership and Character Development	4.0	-Character Development 9	-Character Development 10	-Character Development 11	-Character Development 12
Electives	1.5	Student choice based on individual interests, abilities and talents			
Graduation Requirements	28 Credits				

Students have more opportunities to select elective courses at the high school level. As a classical, liberal-arts school, our course offerings are rich in Performing Arts (Band, Orchestra, Choir, Musical Theater, Dance, Film Studies) expressive language (AP Language, AP Literature, Speech and Debate), classics (Latin), Advanced level science (AP Biology, AP Chemistry, AP Computer Science), Advanced level social sciences (AP Government, AP World History, AP European History, AP US History, AP Psychology) .

Secondary students also have extracurricular opportunities that enhance their academic programs.

Clubs	Sports
Chess	HS Volleyball
Classics	MS Volleyball
Dance Fitness	Tennis
Dance Team	HS Soccer
Freedom's Foundation	MS Soccer
Gamers Club	HS Cross Country
Key Club	MS Cross Country
Musical Theater Club	Lacrosse
(RAK) Random Act of Kindness Club	Mountain Biking Club
Speech and Debate	Victory Martial Arts
Entrepreneur Club	Archery

Leadership Development

The Ambassador Program is designed to develop the positive qualities of an Ambassador. An Ambassador is a Representative, an Advocate and a Leader—an individual who naturally puts into practice the social and professional protocols necessary for success in the business world, educational pursuits and family relationships.

The Ambassador Program teaches professional, communication, citizenship, character, teamwork and leadership skills through over 100 workshops and events district-wide each year. According to several studies, “soft” skills such as leadership, teamwork, integrity, dependability and courtesy are among “the most important skills to develop in employees to drive company growth.”

Beginning in 5th grade and continuing through 12th, APA students participate with staff and volunteers/parents in workshops and events that include service projects, cultural events, legislative experiences and other structured opportunities to learn and apply citizenship skills (3-10 events per student, annually). Parent involvement is key to student success but there is an added benefit as well. While we are delivering this important content to the students, our parent volunteers are benefitting from the same instruction. This is particularly relevant to our adult population that may not have had the opportunity to learn these skills through their own education or life experiences.

APA actively seeks community partners, parent volunteers and public or private grants to assist us in this objective. APA has received previous grants from the Commission on Civic and Character Education to support annual legislative experiences, as well as Student Leadership grants from the Utah State Board of Education for our K-6th grade Builders/Ambassadors program. Both of these grants have been recently discontinued.

Coursework & College Readiness

As part of our effort to give all students access to rigorous, rich coursework, APA schools have adopted the AP coursework sequence. There are eight AP courses current available with more planned to be added in the future - futures courses to be considered include AP Statistics, and AP Latin. In addition to the increase in available course options, school leadership is focusing on increasing student participation rates over the next five years. In addition to AP coursework, ACT readiness is built into all APA curriculum in the secondary program. This has resulted in APA Las Vegas students scoring more than two points higher on their ACT Composite compared to the charter average in the Nevada. With a combination of AP offerings and ACT readiness, APA Las Vegas students are well prepared to continue their education beyond high school.

Finally, one major focus during the upcoming charter renewal term will be increasing the number of CCR diplomas issued by the school. We anticipate approximately 30-35% of students qualifying and receiving this diploma during the charter renewal term.

4. Organizational Viability and plans for the Proposed Charter Term

A. Written Narrative

1. Charter School Board

The Charter School is incorporated as a Nevada nonprofit corporation and operates in accordance with its articles of incorporation filed August 22, 2017 with the Nevada Secretary of State (the "Articles") and bylaws as amended and restated (the "Bylaws"). The Charter School is governed by members of the Board and makes all governance and policy decisions affecting the students and staff and assures that the Charter School operates in compliance with all applicable laws, contractual obligations, the bylaws and articles of incorporation, and the Charter.

The Charter School Board is an independent body under the authorization of the State Charter School Authority, and has hired and utilizes the expertise of the Management Company to provide day-to-day management through a comprehensive whole school program inclusive of academic and business operations. The Management Company is comprised of an extensive group of professionals with varied responsibilities that meet the needs of the Charter School.

The Charter School Board consists of five members whom are elected at the annual meeting of the Charter School Board. Each director serves three-year terms, but no more than three consecutive terms. The Charter School Board will have no less than two Nevada licensed teachers each having no less than two years of experience as an employed teacher, and no less than three of the five members will be residents of Clark County. Additional expertise that the board will seek to support the growth plan will include a real estate agent for the purposes of seeking out appropriate property, following through on all due diligence, and ensuring a contract with the seller that fairly represents the governing board. The board will also rely heavily on the EMO to ensure that the new school falls within the financial budgets and projections that the school can support, the architectural design of the new school, choosing a contractor for the project, seeking favorable financing for the project, and marketing and advertising throughout the local community.

Regular meetings of the Charter School Board are held monthly and special meetings may be called at the request of the Chairman of the Charter School Board or a majority of the directors. Members of the Board have drawn upon the deep well of experience and knowledge of the community of Charter Schools in Southern Nevada, as well as the written material available from SPCSA and CSAN. Each subcommittee chair takes time to further investigate the particulars pertinent to that committee such as employment, finance, compliance, etc. American Prep also draws upon the substantial knowledge and experience of the EMO. Recently, to bolster governance effectiveness, the Board has started sending members to specialized state and national conferences.

The current members of the Charter School Board, their occupations and terms of office are set forth in the table below. A vacancy on the Board currently exists and applications are being solicited from interested individuals to fill that position.

**Table 4:
Board of Directors**

Name	Office	Principal Occupation	Years of Service on Board	Term Expires
Lee Iglody	President	Attorney	5	2023
Ernie Elliot	Vice President	Teacher	2	2027
Rachel Lillian	Secretary	Teacher	5	2023
Jonathan L. Gardner	Treasurer	Financial Consultant	5	2023

Lee Iglody. Lee Iglody is a founding member of the Charter School with significant experience in corporate law and finance. He holds a Bachelor’s degree in Economics from the University of Nevada and a Juris Doctor degree from Northern Illinois University College of Law. Mr. Iglody has a long-established career in the legal industry including complex corporate practices as well as serving as a law clerk in the Eighth Judicial District Court of Nevada. Since 2009 he has served as a corporate attorney in private practice with the Iglody Law firm located in Las Vegas, Nevada.

As a founding member of the Board who was tasked with compliance, Mr. Iglody invested the time and effort necessary to master the laws and regulations that apply to Charter Schools. In addition to his study of the law and regulations, he honed his operational and governance knowledge by attending conferences and spending hours in one-on-one meetings with other charter school administrators and board members, as well as the helpful SPCSA staff. Demonstrating his commitment to achieving the highest standard of governance, he has joined the Charter School Association of Nevada (CSAN) board of trustees and is an active member in its planning group. An avid supporter of school choice and the advancement of educational excellence for all students, he is in regular communication with national and local charter school advocacy and educational groups.

Ernie Elliot. Ernie Elliot has served on the Charter School Board since 2017. He earned a Bachelors of Arts degree in English from BYU-Idaho, a Secondary Education teaching certificate, Masters in Education Administration at Grand Canyon University, as well as a Masters degree in Healthcare Administration from UNLV. He taught English in the public education system for four years, and coached middle school and high school sports before entering the business side of healthcare. He currently works in healthcare administration. Ernie, and his wife Bailey, have 2 sons currently attending American Prep in Las Vegas. He and his family have been involved in American Prep in Las Vegas since day one.

Rachel Lillian. Rachel Lillian has served on the Charter Board since 2014. She received her Bachelor of Science degree in Human Development and Family Studies as well as an Early Childhood Teaching Certificate from the University of Utah in 2002. She also holds a Master of Education in Teaching and Learning with an emphasis on Learning and Literacy from the University of Utah. She was employed as a First Grade Teacher from 2003 to 2006 in Utah later working as an Elementary Education Evaluator for Western Governors University from 2007 to 2009 where she helped students who were working towards receiving their teaching degrees. She is passionate about children receiving the highest quality of education possible and is a supporter of school choice. She began serving on the board for American Preparatory Academy in 2014 and enjoys being involved in education.

Jonathan L. Gardner. Jonathan Gardner is a founding member of the Charter School. He has been employed with APR Consulting, Inc. as a consultant since May 2012, as well as holding a position as a part-time instructor of mathematics and business administration at the College of Southern Nevada, since August 2008. Jon has been the Director of Strategic Sourcing at Caesars Entertainment, managing the sourcing, negotiating, contracting, and procurement compliance of \$200M+ annual facilities, engineering, and aviation spend. He holds a Bachelor's degree in Mathematics and a Master's degree in Business Administration from Brigham Young University, in Provo, Utah. As Charter School Board treasurer he oversees financial management and procurement compliance for the Charter School. He and his wife, Sara, have three children attending American Prep-Las Vegas .

2. Growth plan for adding/replacing board members that support the school's success.

Charter School Board members may be removed at any time upon a majority vote of the Charter School Board. If a vacancy occurs on the Charter School Board, the Charter School Board will solicit applications from interested individuals. Upon examination of the applications the Charter School Board can appoint additional members. Any vacancy occurring in the Charter School Board may be filled by the affirmative vote of a majority of the remaining directors. Directors of the Charter School Board serve without compensation, except for lawful public meeting salary payments as provided in NRS 386.549(5). Directors of the Charter School Board are precluded from receiving compensation for any services to the Charter School in any other capacity; provided, however, in addition to the public meeting salary mentioned above, the Charter School may reimburse a director for reasonable travel expenses incurred in connection with his or her duties as a director.

3. Description of organizational improvements undertaken or planned.

- a. As we invite 600 new students into our American Prep family, we will want to make sure that those students and families feel represented on the Governing Board. The Board's roles and responsibilities will extend to represent the families at the new campus, and the new site.
- b. As the school network expands into two campuses, the Board's focus will be on the staffing needs, culture symmetry, and safety and performance replication at the new site. The Board's trusted management will divert some resources away

from American Prep's Sunset campus, such as highly trained, quality teachers and administrators, in order to ensure a successful expansion at a second site. The Governing Board will also conduct half of their meetings at the new site and half of their meetings at the existing site.

- c. The board may also implement a "representative" structure where certain board members are assigned to specifically represent certain campuses. For example, we may have one board member serve as the "parent advocate" for the Sunset campus and another board member serve as the "parent advocate" for the APA-LV #2 campus. This divides the responsibilities of the board and gives parents a single point of contact to the board.
- d. With the establishment of a second campus, there will be additional administrators, who will work closely with the current administrators. The 2 schools will collaborate and coordinate to ensure consistent delivery of the educational program at both campuses.

B. Required Supporting Documents

Does not apply

5. Fiscal Soundness and Plans for the Proposed Charter Term

A. Narrative overview

American Preparatory Academy - Las Vegas has consistently met the requirements and guidelines of the State Public Charter School Association on financial performance. Our conservative budgeting practices and fiscal responsibility related to our expenses has led to a strong balance sheet and consistent net income that exceeds the 3% recommended by the SPCSA.

Current fiscal state of the school

American Preparatory Academy - Las Vegas has a current cash balance of \$1,861,748 as of June 30, 2019. This represents 63 days of cash on hand, which exceeds the requirements set by both the State of Nevada and our current agreement with bond holders that financed our building. We anticipate our cash will continue to grow year over year. Even with generous capital expenditures budgeted, we forecast that our cash balance will more than double by FY2023. See the cash chart below.

FY Ended June 30,	Unaudited 2019	Budgeted 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
Cash	1,563,778	1,861,748	2,530,894	3,612,069	4,360,969	5,928,931
Cash from Operations	1,322,911	1,255,146	1,567,175	1,134,900	1,953,962	2,009,927
Change in Current and LT - Assets and Liabilities	(891,986)					
2018 Bond R&R Deposit (restricted)		(36,000)	(36,000)	(36,000)	(36,000)	(36,000)
Less: Capital Expenditures	(57,905)	(550,000)	(450,000)	(350,000)	(350,000)	(350,000)
Cash on Hand	1,861,748	2,530,894	3,612,069	4,360,969	5,928,931	7,552,858
R&R Fund Balance	75,050	114,100	153,150	192,200	231,250	270,300
Days Cash on Hand	63	83	87	100	129	161

Our approved FY2020 budget contains a revenue projection of \$11,044,083 and an expense projection of \$10,306,081, which leads to a net income of \$738,002. Our *updated* projection given actual enrollments for this year includes a revenue projection of \$12,370,961 and updated expense projection after understanding our new hires and raises is \$11,115,816. This leads to an updated net income projection that is in line with our historical actuals of \$1,255,145. Of course we are hesitant to publish this net income as it is just the end of the first quarter, but this is our best estimate of our current state of the financials for the FY20 year end.

Plans to ensure it remains fiscally viable

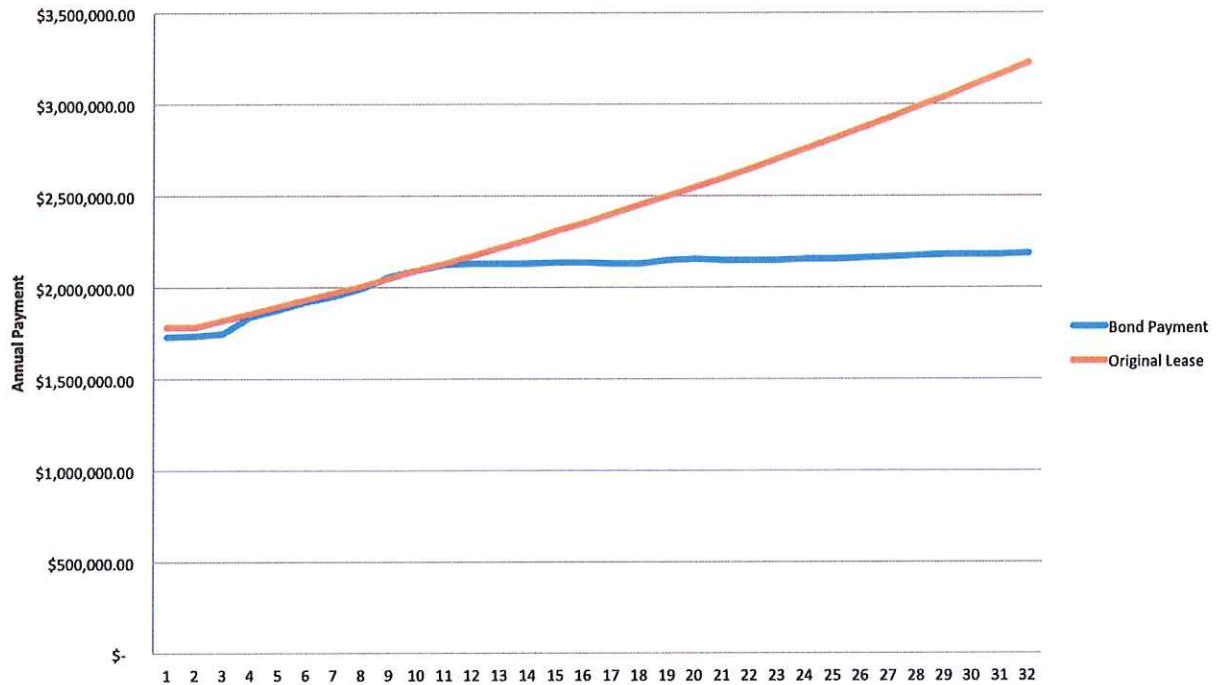
The school plans to remain fiscally viable by ensuring adequate enrollments, creating conservative budgets, monitoring the spending on those budgets, sending monthly reports to the governing board for review, and continuing to implement our fiscal controls.

Financial improvements charter school has undertaken

The school has improved its financial processes in many ways. First, from a personnel perspective, the management company has continued to expand its accounting department to better monitor budgets and create monthly reports for closer tracking of expenses. In addition, the school refinanced the APA-LV #1 building in 2017 and achieved a much more favorable lease rate. Please see the chart below for a comparison between the school's original lease and the new lease. Aside from these major improvements, the school and management company

are constantly seeking out opportunities to save money on furniture, curriculum, and building improvements.

Rent vs. Tax-Exempt Bond Refinance



Financial improvements charter school plans to implement

The school plans to continue to find ways to improve our financial performance. With the expansion of the new campus, the school is currently negotiating a tax-exempt municipal bond to finance the construction of the school, circumventing the structure that is often utilized of using a developer at a high cost. The management company also is currently in the process of switching financial software from Quickbooks to NetSuite, a much more robust system that will allow a closer tracking of expenses, more daily access to the financials by the governing board through the online cloud portal, and efficiencies in the financial processes. These efficiencies also add a redundancy of controls that will help the accounting team avoid potential human errors. The school and the governing board will continue to work with the SPCSA staff ensuring all financial compliance and accountability measures are met.

B. Supporting Document

See attachment 5.B1 and 5.B2 for current budget and upcoming school year budget

6. Additional Information from the Governing Board Supporting Renewal

See attachment 6.A for agenda and 6.B for board meeting draft minutes

Legend

- Non-instructional day
- Non school day

Key Dates

- Mo, Aug 19..... Instructional Day, First Day
- Mo, Sep 2 Non school Day, Holiday - Other
- Fr, Sep 27 Instructional Day, Professional Development Day
- Fr, Oct 11 Instructional Day, 12:15 Dismissal, AM - Kindergarten ONLY
- Mo, Oct 21 Non school Day, Fall Break
- Tu, Oct 22 Non school Day, Fall Break
- We, Oct 23 Non school Day, Fall Break
- Th, Oct 24 Non school Day, Fall Break
- Fr, Oct 25 Non school Day, Fall Break
- Th, Oct 31 Instructional Day, Parent-Teacher Conference
- Mo, Nov 11..... Non school Day, Holiday - Other
- We, Nov 27..... Non school Day, Holiday - Other
- Th, Nov 28 Non school Day, Holiday - Other
- Fr, Nov 29 Non school Day, Holiday - Other
- Th, Dec 5 Instructional Day,
- Fr, Dec 13 Instructional Day, 12:15 Dismissal, PM - Kindergarten ONLY
- Mo, Dec 23..... Non school Day, Winter Break
- Tu, Dec 24 Non school Day, Winter Break
- We, Dec 25..... Non school Day, Winter Break
- Th, Dec 26 Non school Day, Winter Break
- Fr, Dec 27 Non school Day, Winter Break
- Mo, Dec 30..... Non school Day, Winter Break
- Tu, Dec 31 Non school Day, Winter Break
- We, Jan 1 Non school Day, Winter Break
- Th, Jan 2 Non school Day, Winter Break
- Fr, Jan 3 Non school Day, Winter Break
- Mo, Jan 20 Non school Day, Holiday - Other
- Tu, Jan 21 Instructional Day, 12:15 Dismissal, Professional Development Day, AM - Kindergarten ONLY
- Fr, Feb 7 Instructional Day, 12:15 Dismissal, PM - Kindergarten ONLY
- Mo, Feb 17..... Non school Day, Mid-Winter Break
- Tu, Feb 18 Non school Day, Mid-Winter Break
- We, Feb 19..... Non school Day, Mid-Winter Break
- Th, Feb 20 Non school Day, Mid-Winter Break
- Fr, Feb 21 Non school Day, Mid-Winter Break
- Fr, Mar 6 Instructional Day, 12:15 Dismissal, Professional Development Day, AM - Kindergarten ONLY
- Mo, Mar 9 Non school Day, Holiday - Other
- Fr, Mar 13 Instructional Day,
- Fr, Mar 27 Instructional Day, 12:15 Dismissal, PM - Kindergarten ONLY
- Mo, Apr 6 Non school Day, Spring Break
- Tu, Apr 7 Non school Day, Spring Break
- We, Apr 8 Non school Day, Spring Break
- Th, Apr 9 Non school Day, Spring Break
- Fr, Apr 10 Non school Day, Spring Break
- Fr, May 1 Instructional Day, Parent-Teacher Conference
- Fr, May 15 Non school Day, Holiday - Other
- Fr, May 22 Instructional Day, Last Day
- Tu, May 26 Non school Day, Contingency Day
- We, May 27..... Non school Day, Contingency Day
- Th, May 28..... Non school Day, Contingency Day

July						
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December						
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Total Instructional Days: **167**
 Minutes: **52514**

Total Non-Instructional Days: **0**
 Minutes: **4433**

Total Non-School Days: **199**
 Minutes: **67859**

Legend

- Non-instructional day
- Non school day

Key Dates

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- Mo, Sep 2 Non school Day, Holiday - Other
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- Mo, Oct 21 Non school Day, Fall Break
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- We, Dec 25..... Non school Day, Winter Break
- Th, Dec 26 Non school Day, Winter Break
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- Fr, Apr 10 Non school Day, Spring Break
- Fr, May 1 Instructional Day, Parent-Teacher Conference
- Fr, May 15 Instructional Day, 12:15 Dismissal
- Mo, May 25..... Non school Day, Holiday - Other
- We, May 27..... Instructional Day, 12:15 Dismissal
- Th, May 28 Instructional Day, 12:15 Dismissal
- Fr, May 29 Instructional Day, Last Day, 12:15 Dismissal
- Mo, Jun 1 Non school Day, Contingency Day
- Tu, Jun 2 Non school Day, Contingency Day
- We, Jun 3 Non school Day, Contingency Day

July						
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Total Instructional Days: **172**
 Minutes: **NaN**

Total Non-Instructional Days: **0**
 Minutes: **NaN**

Total Non-School Days: **194**
 Minutes: **NaN**

Legend

- Non-instructional day
- Non school day

Key Dates

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- Th, Nov 28 Non school Day, Holiday - Other
- Fr, Nov 29 Non school Day, Holiday - Other
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- Mo, Dec 23..... Non school Day, Winter Break
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- Mo, Jan 20 Non school Day, Holiday - Other
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- Fr, Feb 7 Instructional Day, 12:15 Dismissal
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- Tu, Feb 18 Non school Day, Mid-Winter Break
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- We, Jun 3 Non school Day, Contingency Day

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December						
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January						
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February						
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Total Instructional Days: 172	Total Non-Instructional Days: 0	Total Non-School Days: 194
Minutes: 63516	Minutes: 5628	Minutes: 77988

	Unaudited	Budgeted	Projected	Projected	Projected	Projected
FY Ended June 30,	2019	2020	2021	2022	2023	2024
Student Count	1650	1675	2242	2230	2410	2410
Income						
Student Activities	382,432	382,432	511,888	509,148	550,245	550,245
Other Local Revenue	171,157	171,157	231,663	235,056	258,730	263,905
State Income	11,470,940	11,815,894	16,051,738	16,285,172	17,951,158	18,310,181
Interest Income	1,479	1,479	1,508	1,538	1,569	1,601
Total Income	12,026,008	12,370,961	16,796,796	17,030,915	18,761,702	19,125,931
Expense						
Instruction Expenses	1,618,921	1,667,489	2,265,296	2,298,477	2,529,974	2,580,573
Central / Administrative / Instructional Support Operations (Cutodial, Utilities, etc.)	380,943	392,353	530,837	538,647	592,358	604,206
Teacher Payroll and Benefits	627,322	646,141	877,788	890,645	980,349	999,956
Instructor Payroll and Benefits	3,134,985	3,339,234	4,569,766	4,661,161	4,800,996	4,897,016
Administration Payroll and Benefits	758,128	807,521	1,105,098	1,127,200	1,161,016	1,184,236
Student Support Payroll and Benefits	429,103	457,060	625,490	638,000	657,140	670,282
Instructional Support Payroll and Benefits	191,516	203,993	279,166	284,749	293,292	299,158
Substitute and Other Payroll and Benefits	72,568	77,296	105,780	107,896	111,133	113,355
Other Expenses	77,781	82,274	112,593	114,844	118,290	120,656
Total Expense	7,298,002	7,680,299	10,481,240	10,671,185	11,255,075	11,480,177
Income Available for Debt Service Before Mgmt. Fee	4,728,006	4,690,663	6,315,557	6,359,730	7,506,627	7,645,755
APEF Capital Lease	28,437	28,437	28,437	0	0	0
APA-LV#1 - Facility Lease Payments	1,733,707	1,734,685	1,769,499	1,746,421	1,843,822	1,876,324
Estimated APA-LV#2 - Facility Lease Payments		13,015	712,759	1,207,945	1,209,704	1,210,382
Total	1,762,144	1,776,137	2,510,694	2,954,366	3,053,526	3,086,706
	14.65%	14.36%	14.95%	17.35%	16.28%	16.14%
Debt Service Coverage Before Management Fee	2.68	2.64	2.52	2.15	2.46	2.48
Subordinated Management Fee - APS	1,642,951	1,659,380	2,237,687	2,270,464	2,499,139	2,549,122
Income Available for Debt Service After Mgmt. Fee	3,085,055	3,031,282	4,077,870	4,089,266	5,007,488	5,096,633
Debt Service Coverage After Management Fee	1.75	1.71	1.62	1.38	1.64	1.65
Combined Est. Maximum Annual Debt Service	3,191,238	3,191,238	3,191,238	3,191,238	3,191,238	3,191,238
MADS Coverage Before Mgmt. Fee	1.48	1.47	1.98	1.99	2.35	2.40
MADS Coverage After Mgmt. Fee	0.97	0.95	1.28	1.28	1.57	1.60
Excess Net Revenue/Operating Income	1,322,911	1,255,146	1,567,175	1,134,900	1,953,962	2,009,927
Excess Net Revenue Margin	11.0%	10.1%	9.3%	6.7%	10.4%	10.5%
Net Income before Depreciation	1,322,911	1,255,146	1,567,175	1,134,900	1,953,962	2,009,927
Cash	1,563,778	1,861,748	2,452,794	3,416,819	4,009,519	5,382,231
Cash from Operations	1,322,911	1,255,146	1,567,175	1,134,900	1,953,962	2,009,927
Change in Current and LT - Assets and Liabilities	(891,986)					
2018 Bond RR restricted	(75,050)	(114,100)	(153,150)	(192,200)	(231,250)	(270,300)
Less: Capital Expenditures	(57,905)	(550,000)	(450,000)	(350,000)	(350,000)	(350,000)
Cash on Hand	1,861,748	2,452,794	3,416,819	4,009,519	5,382,231	6,771,858
Days Cash on Hand	63	81	82	92	117	144
Income Available for Debt Service After Mgmt. Fee	3,085,055	3,031,282	4,077,870	4,089,266	5,007,488	5,096,633
Combined Lease Payments (APA-LV#1 & APA-LV#2)	1,848,829	1,863,522	2,634,807	3,102,085	3,206,202	3,241,041
Lease Payment Coverage After Mgmt. Fee	1.67	1.63	1.55	1.32	1.56	1.57

	Unaudited	Budgeted	Projected	Projected	Projected	Projected
FY Ended June 30,	2019	2020	2021	2022	2023	2024
Student Count	1650	1675	2242	2230	2410	2410
Income						
Student Activities	382,432	382,432	511,888	509,148	550,245	550,245
Other Local Revenue	171,157	171,157	231,663	235,056	258,730	263,905
State Income	11,470,940	11,815,894	16,051,738	16,285,172	17,951,158	18,310,181
Interest Income	1,479	1,479	1,508	1,538	1,569	1,601
Total Income	12,026,008	12,370,961	16,796,796	17,030,915	18,761,702	19,125,931
Expense						
Instruction Expenses	1,618,921	1,667,489	2,265,296	2,298,477	2,529,974	2,580,573
Central / Administrative / Instructional Support	380,943	392,353	530,837	538,647	592,358	604,206
Operations (Cutodial, Utilities, etc.)	627,322	646,141	877,788	890,645	980,349	999,956
Teacher Payroll and Benefits	3,134,985	3,339,234	4,569,766	4,661,161	4,800,996	4,897,016
Instructor Payroll and Benefits	758,128	807,521	1,105,098	1,127,200	1,161,016	1,184,236
Administration Payroll and Benefits	429,103	457,060	625,490	638,000	657,140	670,282
Student Support Payroll and Benefits	191,516	203,993	279,166	284,749	293,292	299,158
Instructional Support Payroll and Benefits	72,568	77,296	105,780	107,896	111,133	113,355
Substitute and Other Payroll and Benefits	77,781	82,274	112,593	114,844	118,290	120,656
Other Expenses	6,737	6,939	9,427	9,565	10,528	10,739
Total Expense	7,298,002	7,680,299	10,481,240	10,671,185	11,255,075	11,480,177
APEF Capital Lease	28,437	28,437	28,437	0	0	0
APA-LV#1 - Facility Lease Payments	1,733,707	1,734,685	1,769,499	1,746,421	1,843,822	1,876,324
Estimated APA-LV#2 - Facility Lease Payments		13,015	712,759	1,207,945	1,209,704	1,210,382
Total Lease Payments	1,762,144	1,776,137	2,510,694	2,954,366	3,053,526	3,086,706
Management Fee - APS	1,642,951	1,659,380	2,237,687	2,270,464	2,499,139	2,549,122
Net Income before Depreciation	1,322,911	1,255,146	1,567,175	1,134,900	1,953,962	2,009,927
Cash	1,563,778	1,861,748	2,530,894	3,612,069	4,360,969	5,928,931
Cash from Operations	1,322,911	1,255,146	1,567,175	1,134,900	1,953,962	2,009,927
Change in Current and LT - Assets and Liabilities	(891,986)					
2018 Bond R&R Deposit (restricted)		(36,000)	(36,000)	(36,000)	(36,000)	(36,000)
Less: Capital Expenditures	(57,905)	(550,000)	(450,000)	(350,000)	(350,000)	(350,000)
Cash on Hand	1,861,748	2,530,894	3,612,069	4,360,969	5,928,931	7,552,858
R&R Fund Balance	75,050	114,100	153,150	192,200	231,250	270,300
Days Cash on Hand	63	83	87	100	129	161

AMERICAN PREPARATORY ACADEMY
8377 West Patrick Lane
Las Vegas, NV 89113
702-970-6800

NOTICE OF PUBLIC MEETING

The Governing Body of **AMERICAN PREPARATORY ACADEMY** will conduct a public meeting on Monday, September 30th, beginning at 5:00 p.m. at the following location:

8377 West Patrick Lane, Las Vegas, NV 89113.

This public meeting will be conducted in accordance with Nevada's Open Meeting Law, NRS 241.020.

Members of the public are invited to attend.

Please note the following:

Public comment may be limited to three minutes per person at the discretion of the chairperson.

The Board reserves the right to take agenda items out of order, items may be removed or delayed from the agenda at any time, and two or more items may be combined for consideration.

The Board is pleased to make reasonable accommodations for any member of the public who has a disability and wishes to attend the meeting. If special arrangements for the meeting are necessary, please notify staff, in writing, at 8377 West Patrick Lane, Las Vegas, NV 89113; via email at Rachel.Lillian@apavegas.org; or call 702-970-6800 x5060 in advance so arrangements can be made.

AGENDA

1. Call to order, Roll Call and Pledge of Allegiance
2. Public Comments #1
Public Comment will be taken during this agenda item regarding any item appearing on the agenda. No action may be taken on a matter discussed under this item until the matter is included on an agenda as an item on which action may be taken. See NRS 241.020. A time limit of three (3) minutes, subject to the discretion of the Chairman, will be imposed on public comments. The Board Chairman may allow additional public comment at his discretion. Public Comment #2 will provide an opportunity for public comment on any matter not on the agenda
3. Approval of minutes from 9-20-2019 board meeting
4. Discussion: Guest Discourse
5. Discussion: District Administrative Director Update
6. Discussion and possible action: Business Managers Report
7. Discussion and possible action: Lease Amendment Presentation
8. Discussion and possible action: APS Fee Increase

9. Discussion and possible action: Charter Renewal
10. Discussion: MAP Administration #1
11. Public Comment #2

No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. See NRS 241.020. A time limit of three (3) minutes, subject to the discretion of the Chairman, will be imposed on public comments. The Board Chairman may allow additional public comment at his discretion.

12. Adjournment

Supporting materials for items listed on the above-referenced agenda are available, at no charge, at the meeting locations, or by contacting Rachel Lillian, Board Secretary, Rachel.lillian@apavegas.org, 8377 West Patrick Lane, Las Vegas, NV 89113; or by phone at (702) 970-6800 x5060.

In accordance with NRS 241.020, this public notice and agenda has been posted at the following locations, on or before September 25, 2019, and is also available at the American Preparatory Academy's website at <http://vegas.americanprep.org/> and the State of Nevada's official website, <https://notice.nv.gov/>:

American Preparatory Academy, 8377 West Patrick Lane, Las Vegas, NV 89113

Spring Valley Library, 4280 South Jones Blvd, Las Vegas, NV 89103

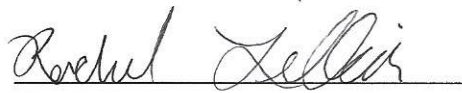
West Charleston Library, 6301 W Charleston Blvd, Las Vegas, NV 891463.

Sahara West Library, 9600 W Sahara Ave, Las Vegas, NV 89117

DECLARATION OF POSTING

Pursuant to NRS 53.045, I declare under penalty of perjury that the following is true and correct:

That on or before 9-25, 2019, this Public Notice and Agenda was posted at the above-referenced locations, and websites.

A handwritten signature in cursive script, reading "Rachel Lillian", is written over a horizontal line.

Rachel Lillian

American Preparatory Academy

Governing Board Meeting Minutes
American Preparatory – Las Vegas
October 4th, 2019

Attendance:

Board Members: Jon Gardner, Rachel Lillian, Ernie Elliot, Lee Iglody

Public:

Staff: Rachelle Hulet,

1. Call to order/Roll Call/Pledge of Allegiance –

2. Public Comments #1

Public Comment will be taken during this agenda item regarding any item appearing on the agenda. No action may be taken on a matter discussed under this item until the matter is included on an agenda as an item on which action may be taken. See NRS 241.020. A time limit of three (3) minutes, subject to the discretion of the Chairman, will be imposed on public comments. The Board Chairman may allow additional public comment at his discretion. Public Comment #2 will provide an opportunity for public comment on any matter not on the agenda.

3. Discussion and possible action: Analyze, Review, and Possibly Approve Financing Resolution related to the bond financing of the Las Vegas #2 campus

MOTION: Approve Financing Resolution related to the bond financing of the Las Vegas #2 campus and authorize Lee Iglody to sign.

Moved: John Gardner

Second: Rachel Lillian

Status: Approved

4. Discussion and possible action: Analyze, Review, and Possibly Authorize the Preliminary Limited Offering Memorandum for Las Vegas #2 bond financing

MOTION: Authorize the Posting of the Preliminary Limited Offering Memorandum for Las Vegas #2 bond financing

Moved: Rachel Lillian

Second: Lee Iglody

Status: Approved

5. Discussion and possible action: Analyze, Review, and Possibly Approve the Draft Submission of the APA-LV Charter Renewal Application

MOTION: Approve the Submission of the APA-LV Charter Renewal Application

Moved: Ernie Elliot

Second: Lee Iglody

Status: Approved

6. Discussion and possible action: Authorize APS to execute the Due Diligence Questionnaire

MOTION: Authorize APS to complete the Due Diligence Questionnaire and authorize Lee Iglody to sign the Due Diligence Questionnaire

Moved: Rachel Lillian

Second: Lee Iglody

Status: Approved

7. Public Comment #2

No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. See NRS 241.020. A time limit of three (3) minutes, subject to the discretion of the Chairman, will be imposed on public comments. The Board Chairman may allow additional public comment at his discretion.

8. Adjournment

Rachel Lillian, Secretary APA-LV Board

September 20, 2019

To American Prep Board, Families and Staff,

On Monday, Nevada Department of Education released their star ratings for last school year. We were very surprised at our ratings! Our Middle School maintained a 5-star designation, which makes sense to us since we have had only about a 10% turnover of students and staff from last year to this year, so we would anticipate that our rating would remain quite steady.

However, we were very surprised to see that our Elementary star rating went from a 5-star rating last year to a 2-star rating this year.

With such a stable student and teacher population, we were astonished that the rating could change so drastically. So we looked carefully at our student's passing scores on the state testing, and we found that our elementary student proficiency scores (Language Arts and Math SBAC tests) indeed fell, by 9 percentage points of last year's Language Arts scores and 12 points down in Math. With 12% of our students being new students last year, we are not yet able to definitively say how much impact that had on our proficiency scores. It is APA's goal to have our students proficient once they have been with us for at least three years.

We began comparing our proficiency scores, which were 56% proficient in Language Arts and 42% proficient in math, and we sought to understand how a drop of approximately 10 points would result in a downgraded rating from a 5 to a 2. Especially when we looked at other schools with much lower proficiency scores but earned a much higher star rating.

We realized that we needed to better understand the Star rating system, and as we have analyzed the Star rating system, we have learned that the Star system uses a 100-point rating system, and student proficiency only accounts for 25% of the total star rating.

1. The Proficiency – 25
2. Student Engagement – 10
3. English-Language Proficiency (ELL student growth) – 10
4. Growth – 35
5. Closing Achievement Gaps – 20

Essentially, 65 of the 100 points are related to student growth or improvement for disadvantaged students, while only 25 points are related to how well our students actually perform academically.

Understanding this, we aren't as surprised that our rating dropped, because a system that disproportionately emphasizes growth over achievement will result in relatively high-performing schools scoring less well overall.

American Prep Ranked against other Schools

For more perspective, in 2018, among Nevada charter schools, APA-LV Elementary ranked 14 and 15 out of 43 schools in Math and Language Arts proficiency, respectively. This year, APA-

LV Elementary ranked 21 and 23 out of 47 schools in Math and Language Arts proficiency. Of course it is our goal to see our numbers trend upward in the rankings, and we will work hard to make that happen. But we feel perspective is important and that these rankings demonstrate that American Prep performs above the majority of schools with regard to student academic proficiency.

Ranking all Clark County Schools along with Charter Schools, APA-LV elementary this year ranked #116 out of #271 schools in proficiency in Math and LA. This means we scored better than 57% of the schools, well above the “average” or mid-point. These are scores we can feel good about, even as we work to always be improving.

To help put the star ratings into context, we have included a table below showing our performance as well as that of some other elementary charter schools. Please be sure to note the proficiency level and the star rating associated with it, as they don’t align as would be expected if we were primarily looking at student academic performance.

2018-19 School Rating: Elementary			
School Name	Star Rating	ELA Proficiency	Math Proficiency
American Preparatory Academy	2	54.5	42.3
Founders ACAD ES	4	50.6	43
Equipo ACAD MS	5	47.7	30.8
Mater North NV ES	3	31.1	33.2

What happens now?

APA-LV will continue to deliver its excellent academic curriculum to our students. We will look carefully at our proficiency scores and plan ways to improve student achievement for all students.

We will focus on growth of disadvantaged populations particularly, in order to raise our Star rating. We will work with our ELL students to increase the English-language proficiency scores.

HIGH SCHOOL

Our high school received a 2-star rating, primarily due to a published graduation rate of 64% which is not an accurate number. We have been working with the Dept. of Ed to correct this number, as our number is actually 100%. If they corrected that number, our Star rating would be a 4. We will update you as we move forward in the process of getting an accurate rating for the High School.

As always, we appreciate our amazing staff and families for all of your hard work and support of the school! We are committed to bringing the very best possible education to our students. We welcome your feedback and questions.

American Preparatory Academy Leadership Team

Rachelle Hulet, Christy Campbell, Tiffany Banks, Nik Hulet

Pursuant to NRS 388A.367 American Preparatory Academy is required to notify all school stakeholders of our 2018-19 school performance ranking.



American Preparatory Academy-Las Vegas

Credit Presentation

PUBLIC FINANCE AUTHORITY OF WISCONSIN

Charter School Revenue Bonds

(American Preparatory Academy-Las Vegas Project)

Series 2019A and Taxable Series 2019B

September 16, 2019

2:30 PM EDT

Conference Call Dial-in: 1-800-358-9352

Passcode: 8159430#

Participants



**American Preparatory
Academy-Las Vegas**

The Charter School

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APA-Las Vegas
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- Organization, Charter, Mission & Vision
 - Management & Governance
 - Enrollment & Demand
 - Market Position
 - Curriculum and Academic Performance
- SECTION 4: **FINANCIAL PROFILE**
- SECTION 5: **CREDIT STRENGTH SUMMARY**



Section 1: Financing Overview



Financing Overview

Purpose and Brief Financing Structure Overview

- ✓ The Series 2019 bonds are being issued to finance the **acquisition of land and construction of a new K-6 elementary school** (APA-LV#2) approximately 1.6 miles from the current location
- ✓ Due to the current interest rate environment, a decision was made to lock in long-term interest rates now rather than using short-term developer financing to construct the project
- ✓ The Bonds will be **issued on parity with Series 2017 bonds**
- ✓ The financing will be structured with level debt service over a 35 year term
- ✓ **No other debt or expansions are planned**

ESTIMATED SOURCES	Series A	Series B	Total
Par Amount	\$ 18,105,000	\$ 230,000	\$ 18,335,000
Original Issue Premium	1,034,356		1,034,356
Total Sources	\$ 19,139,356	\$ 230,000	\$ 19,369,356

ESTIMATED USES	Series A	Series B	Total
Land Acquisition	\$ 3,500,000		3,500,000
Deposit to Project Fund	13,252,034		13,252,034
Deposit to Bond Reserve Fund	1,125,280	14,295	1,139,575
Deposit to Capitalized Interest	837,703	12,123	849,826
Costs of Issuance and UW Discount	424,339	203,582	627,921
Total Uses	\$ 19,139,356	\$ 230,000	\$ 19,369,356



Financing Overview

Security for the Bonds / Financial Covenants

SECURITY PROVISIONS

- ✓ Series 2019 bonds **issued on parity** with Series 2017 bonds
- ✓ Both **secured by Lease Payments** from APA-Las Vegas #1 and APA-Las Vegas #2
- ✓ The Lease executed in connection with Series 2017 bonds will be amended to include payments for Series 2019 bonds
- ✓ A **fee simple mortgage on APA-Las Vegas #1 facilities** financed with Series 2017 bonds; **Leasehold mortgage on land** leased from UNLV Research Foundation for **APA-Las Vegas #1**
- ✓ **Fee simple mortgage on land and facilities financed for APA-Las Vegas #2**
- ✓ A fully funded Debt Service Reserve Fund
- ✓ A **Repair and Replacement Fund Requirement** equal to \$360,000 to be funded from Additional Rent

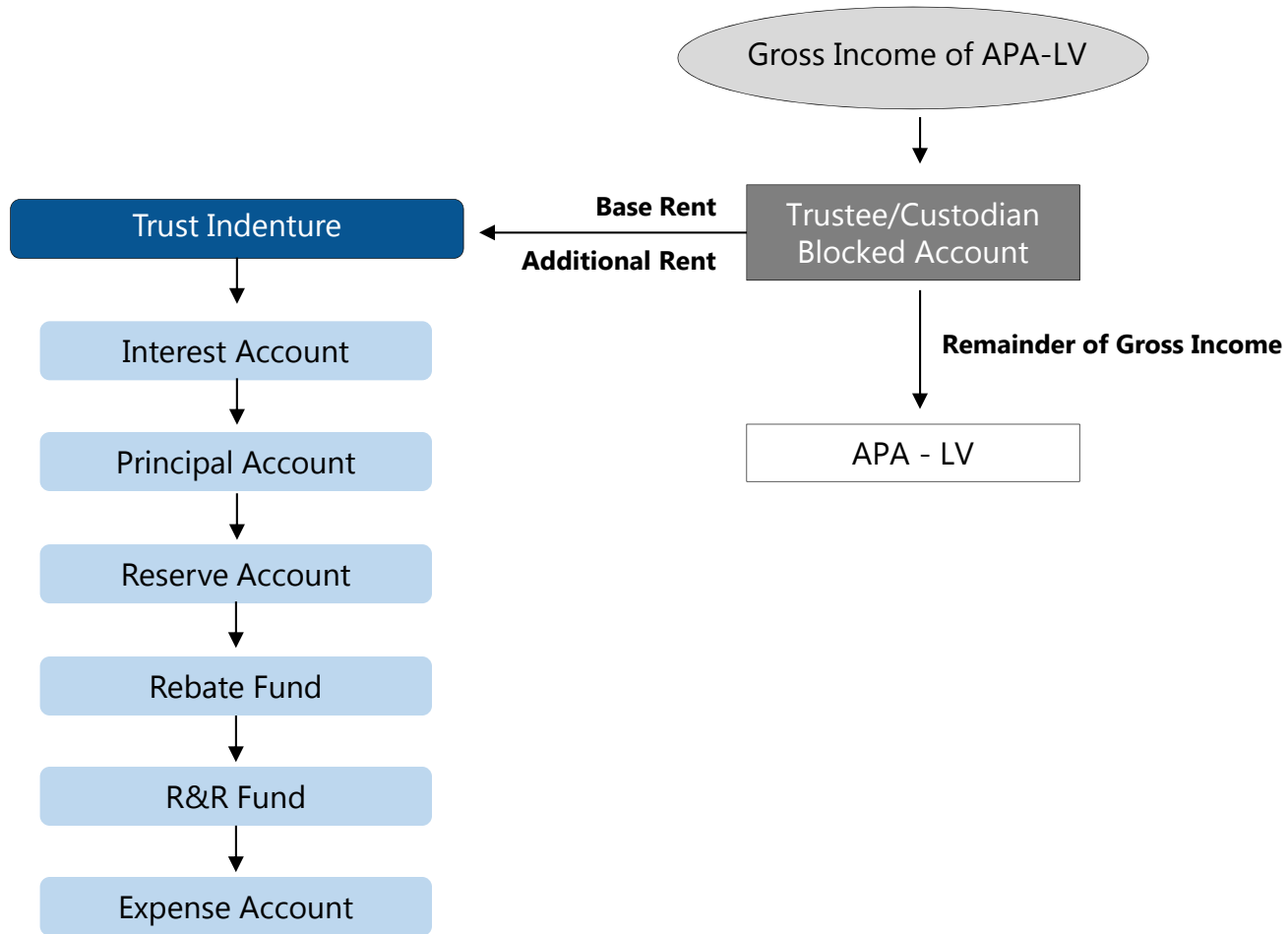
PRIMARY FINANCIAL COVENANTS

- ✓ **Debt Service Coverage Ratio Covenant:** Covenant under the Lease to maintain NIADS for each fiscal year then ended at 1.1x aggregate Rent; coverage below 1.10x can trigger engagement of an independent management consultant; below 1.00x constitutes an Event of Default.
- ✓ **Days Cash on Hand Covenant:** Covenant under the Lease to maintain unrestricted cash, investments and unrestricted receivables from the State sufficient to cover at least forty (45) days of the Charter School's Total Operating Expenses. Failure to meet the DCOH requirement within 12 months of an initial failure can trigger engagement of an independent management consultant
- ✓ **Maintain R&R Fund**
- ✓ **Additional Indebtedness Test:** An Independent Management Consultant reports that the Net Income Available for Debt Service will equal not less than 120% of the combined Maximum Annual Debt Service for outstanding Long-Term Indebtedness and the Long-Term Indebtedness proposed to be incurred for the three consecutive Fiscal Years after the earlier of (A) the date the Facilities are placed into service or (B) the first Fiscal Year in which there is no capitalized interest available for debt service on any Additional Bonds; or
- ✓ Such additional Indebtedness is required to complete the Project, as certified to the Trustee by the project manager therefor, but limited to a principal amount equal to 5.00% of the principal amount of the Bonds issued to finance such Project.
- ✓ **Rating Maintenance: Covenant** under the Lease to maintain a rating on the Bonds.



Financing Overview

Flow of Funds



Section 2: The Project



The Project

APA - Las Vegas #2 Campus Description and Estimated Project Costs

CAMPUS DESCRIPTION

- ✓ Located at 7077 W. Patrick Lane, Las Vegas, NV 89113, approximately **1.6 miles east of the Existing Campus**
- ✓ Will serve grades K-6 which will serve as a feeder to the middle/high school
- ✓ Approximately 50,000 square-foot, 2-story building
- ✓ The facility will include:
 - 10 elementary classrooms, 8 “breakout” classrooms, 13 offices, a regulation-size gym, a multi-purpose room, a choir/performance room; a music room; a conference room; a reception area; a faculty workroom; a faculty lunch room; and curriculum room
 - 150 parking spots
 - **The facility will accommodate approximately 640 students**

PROJECT COST

Estimated Project Costs	
Purpose	Cost
Acquisition of Parcel	\$3,500,000
Reimbursements	600,000
Permit, Inspection and Impact Fees	222,545
GMP Price (Hard Costs)	10,953,653
Soft Costs	874,224
Project Contingency	546,612
Total Project Costs	\$16,697,034



The Project

Construction Contracts and Current Status

- ✓ Preliminary design and engineering work has been completed
- ✓ A **GMP contract** price of \$10.953 million has been executed with a 5% retainage
- ✓ The building permit is expected to be issued in October, 2019
- ✓ **Construction expected to be complete by July, 2020**
- ✓ In the event of unexpected delays, APA-LV will schedule a split session at its existing campus
- ✓ The general contractor, Boyd Martin Construction LLC ("BMC") has delivered over 950 projects since its inception in 2003 with a combined value of over \$350 million. Such projects have included educational facilities, office buildings, retail stores, car dealerships, manufacturing facilities, and other mixed-use facilities.
- ✓ In addition to constructing APA-Las Vegas' first campus, BMC has completed projects for private and district schools and the University of Nevada – Las Vegas.
- ✓ The **Project Manager will help oversee the construction process** to help manage the project construction schedule as well as to oversee the construction budget



Section 3: Enterprise Profile



American Preparatory Academy – Las Vegas (“APA-LV”)

Organizational Structure

- ✓ **American Preparatory Education Foundation, LLC (“APEF”):** Sole Member of the Borrower
 - Sole member of Charter Facility Support Foundation, LLC (the Borrower)
 - The Borrower, a Utah corporation authorized to do business in the State of Nevada, is organized as a single purpose entity for the purpose of serving as Borrower, owner of the Facilities and lessor under the Lease in connection with the Bonds.
 - APEF is a Utah corporation formed in February 23, 2012 to provide access to high quality primary and secondary education, especially for disadvantaged students, by promulgating the American Preparatory education system and supporting and increasing the number of schools and classrooms using the system.
 - APA partners with the Charter School as a liaison to community involvement, including school fundraising, community awareness and community service projects.
- ✓ **American Preparatory Academy-Las Vegas (“APA-LV” or the “Charter School”):** The Obligor
 - A public charter school, organized under the laws of the State of Nevada. See page 15 for history and additional information
- ✓ **American Preparatory Schools, Inc. (“APS”):** The Management Company
 - Provides day-to-day management through a comprehensive whole-school program inclusive of academic and business operations
 - Comprised of an extensive group of professionals with varied responsibilities that meet the needs of the Charter School
 - Services include comprehensive academic program delivery and development; human resource leadership, including academic directors, day to day management of academic and administration teams and staff training and development; enrollment and recruitment; budgeting and forecasting; financial record keeping; government accountability; facilities development management; systems development and business continuity; and legal compliance.
 - The current Management Agreement continues through June 30, 2020, and is subject to renewal upon renewal of the Charter with the State Charter School Authority. The Management Agreement may be terminated with cause prior to the end of the term by providing 30 days advance written notice by either party.
 - The management fee determined annually based on the annual State student count, paid on a monthly basis, and is subordinate to the payment of debt service.



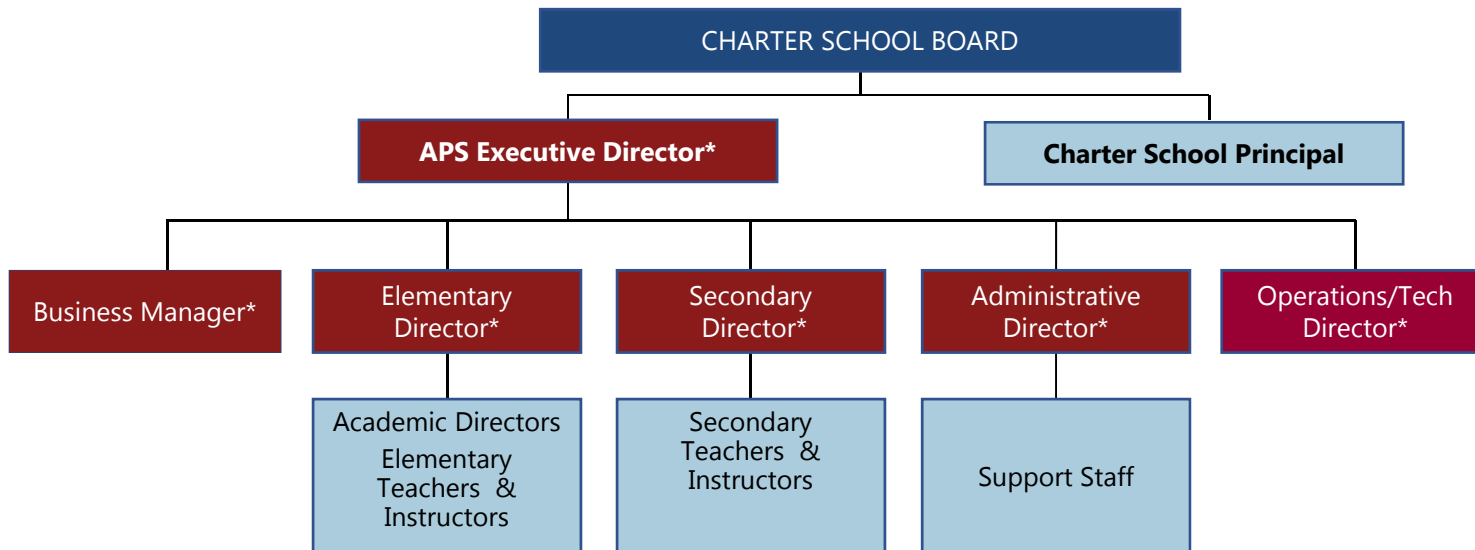
APA-Las Vegas – Governance & Management

Management and School Administration

KEY PERSONNEL OF THE MANAGEMENT COMPANY:

- ✓ Carolyn Sharette, Founder and Executive Director
- ✓ David Sharette, Director of Business Development
- ✓ Philip E. Collins, Business Manager
- ✓ Laura H. Campbell, Executive Director of Academics
- ✓ Catherine Findlay, Character Development Director
- ✓ Tim Evancich, Operations Director

- ✓ The Executive Director of the Management Company reports to the Charter School’s Governing Board.
- ✓ The Management Company employs the Business Manager, the Elementary Director and the Secondary Director and the Administrative Director who report directly to the Executive Director of the Management Company.
- ✓ The Charter School employs the Charter School Principal who reports directly to the Board and oversees all non-academic administrative functions of the Charter School. All teachers, instructors, and support staff are employees of the Charter School.



* Management Company employees.



APA-Las Vegas – Governance & Management

Governing Board

- ✓ The Charter School is **governed by a five-member Board of Directors** (the “Board”) who makes all governance and policy decisions affecting the Charter School and ensures that the Charter School operates in compliance with all applicable laws, contractual obligations, the bylaws and the Charter.
- ✓ Members are elected at the annual meeting of the Charter School Board. Each Director serves **three-year terms, but no more than three consecutive terms**.
- ✓ Charter School Board members may be removed at any time upon majority vote of the Charter School Board. If a vacancy occurs on the Charter School Board, the Charter School Board will solicit applications from interested individuals. Upon examination of the applications, the Charter School Board can appoint additional members. Any vacancy occurring in the Charter School Board may be filled by the affirmative vote of a majority of the remaining directors. **A vacancy on the Board currently exists** and applications are currently being solicited from interested individuals to fill that position.
- ✓ Regular meetings are held monthly and special meetings may be called at the request of the Chairman of the Charter School Board or a majority of the Directors. One member of the Board serves as Chairman of the Hiring Committee.

Board Member	Office (update?)	Principal Occupation	Years of Service on Board	Term Expires
Lee Iglody (Founding member)	Chair	Attorney	5	2023
Ernie Elliot	Vice President	Marketing Manager	2	2027
Rachel Lillian	Secretary	Teacher	5	2023
Jonathan L. Gardner (Founding member)	Treasurer	Financial Consultant	5	2023

State law requires that one Board member be an active or retired teacher licensed by the State, one Board member be an active or retired teacher licensed by the State of Nevada or an active or retired school administrator licensed by any state, one Board member be a parent of a student enrolled at APA-Las Vegas who is not a teacher or administrator at the School, and two Board members must possess knowledge and experience in one or more of the following areas: accounting; financial services; law; or human resources. A majority of Board members must be residents of the county in which the Borrower is located.



American Preparatory Academy – Las Vegas (“APA-LV”)

History and Mission

CHARTER SCHOOL HISTORY

- ✓ **Opened for the 2014-15 school year** with approximately 400 students in grades K through 9 in a temporary, leased facility during the construction of its permanent facilities located at 8377 W. Patrick Lane, Las Vegas, Nevada 89113 (“APA-LV #1 Campus”).
- ✓ A **portion of the students moved to the new APA-LV#1 Campus for the 2015-16** school with the balance moving for the 2016-17 school year upon construction completion.
- ✓ APA-LV #1 Campus was purchased with Series 2017 Bond proceeds, currently outstanding in the aggregate amount of \$29,855,000. This campus is subject to a ground lease for a term of 99 years.
- ✓ Added a grade a year and for the current 2019-20 school year, and **currently serves approximately 1,600 students in grades K-12** (nearing its ultimate physical student capacity of 1,750 students) and with an extensive waiting list.
- ✓ The Charter School plans to open a second elementary school campus approximately 1.6 miles from the APA-LV #1 Campus. The new campus will be located at 7077 W. Patrick Lane, Las Vegas, Nevada 89113 (“APA-LV #2 Campus”), and will serve grades K-6.
- ✓ **APA-LV expects to open the Elementary School in the 2020-21 school year at full enrollment** in each grade, totaling approximately 640 students, by drawing upon its extensive waiting list.
- ✓ Charter amended in June 2018 to authorize the expansion, and **is subject to expedited renewal** on June 30, 2020 based on the Charter School’s strong academic performance.

MISSION

- ✓ To provide an orderly, safe and nurturing learning environment wherein content-rich, efficient curriculum and research-based instructional methodologies are utilized to ensure that **every student achieves academic success and develops good character** based on concrete measurements.
 - Jr. High Mission: To assist students in their efforts to become student scholars by providing an academically rigorous liberal arts program that prepares them for advanced study at the high school level.
 - Sr. High Mission: To provide rigorous coursework, excellent teaching, and consistent mentoring to ensure that each student graduates ready to successfully pursue their chosen course of study at the post-secondary level.



APA-Las Vegas – Faculty and Administration

Staff Composition

Total Staff Composition

School Year	2015-16		2016-17		2017-18		2018-19	
	Full-Time	Part-time	Full-Time	Part-time	Full-Time	Part-time	Full-Time	Part-time
Administration	5	--	5	--	5	--	5	--
Elementary Teachers	33	--	32	--	32	--	28	--
Secondary Teachers	12	--	14	--	14	--	25	2
Elective Teachers	6	--	11	1	11	--	10	4
Special Education	3	3	3	2	3	3	3	1
Instructional Support Staff	35	5	33	4	33	5	33	1
Other	12	2	18	--	18	2	19	7
Total	106	10	116	7	119	13	123	15

Faculty and Administration Education

Degree Held	% Holding Degree
High School	8%
Some College	24%
Bachelors	36%
Bachelors Plus ¹	3%
Masters	27%
Master Plus ¹	2%
Doctorate	0%
Total	100%

Historical Teacher Retention Rates

Year	% Retained
From 2016-2017 to 2017-2018	70.80%
From 2017-2018 to 2018-2019	80.30%
From 2018-2019 to 2019-2020	84.80%

¹ Credit hours acquired toward an advanced degree.



APA-Las Vegas – Enrollment & Demand

Historical and Projected Enrollment

✓ The Charter School has steadily increased enrollment since opening and has met its targeted enrollment goal.

Grade	Historical					Current	Projected				
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
APA-LV #1	K	72	166	100	100	99	99	90	90	90	90
	1	64	175	164	99	104	99	90	90	90	90
	2	58	158	165	165	99	99	90	90	90	90
	3	64	160	165	165	164	99	90	90	90	90
	4	33	212	132	165	164	165	90	90	90	90
	5	31	161	198	132	166	165	150	90	90	90
	6	26	124	163	198	132	165	150	150	90	90
	7	21	94	118	180	200	132	150	150	230	230
	8	23	65	90	120	190	200	132	150	230	230
	9	18	77	58	90	132	165	180	130	230	230
	10		29	55	60	86	132	180	175	120	120
	11			28	60	67	90	120	175	165	165
	12				30	48	65	90	120	165	165
TOTAL	410	1,421	1,436	1,564	1,651	1,675	1,602	1,590	1,770	1,770	
APA-LV #2	K							100	100	100	100
	1							90	90	90	90
	2							90	90	90	90
	3							90	90	90	90
	4							90	90	90	90
	5							90	90	90	90
	6							90	90	90	90
	7										
	8										
	9										
	10										
	11										
	12										
TOTAL	0	0	0	0	0	0	640	640	640	640	
Grand Total	410	1,421	1,436	1,564	1,651	1,675	2,242	2,230	2,410	2,410	



APA-Las Vegas – Enrollment & Demand

Waitlist & Student Retention

Waitlist Data						2019-20 Enrollment/Waitlist	
Grade	2015-16	2016-17	2017-18	2018-19	2019-20*	Enrollment	Waitlist %
K	460	664	748	814	947	99	957%
1	465	325	386	446	571	99	577%
2	289	246	290	363	436	99	440%
3	253	264	242	319	406	99	410%
4	238	234	250	281	308	165	187%
5	236	168	236	279	316	165	192%
6	211	236	222	296	349	165	212%
7	105	95	153	174	219	132	166%
8	86	79	126	140	153	200	77%
9	85	75	105	132	165	165	100%
10	33	33	40	59	79	132	60%
11	2	17	26	37	48	90	53%
12	1	3	11	26	34	65	52%
TOTAL	2,464	2,439	2,835	3,366	4,031	1,675	241%

* As of 8/25/19

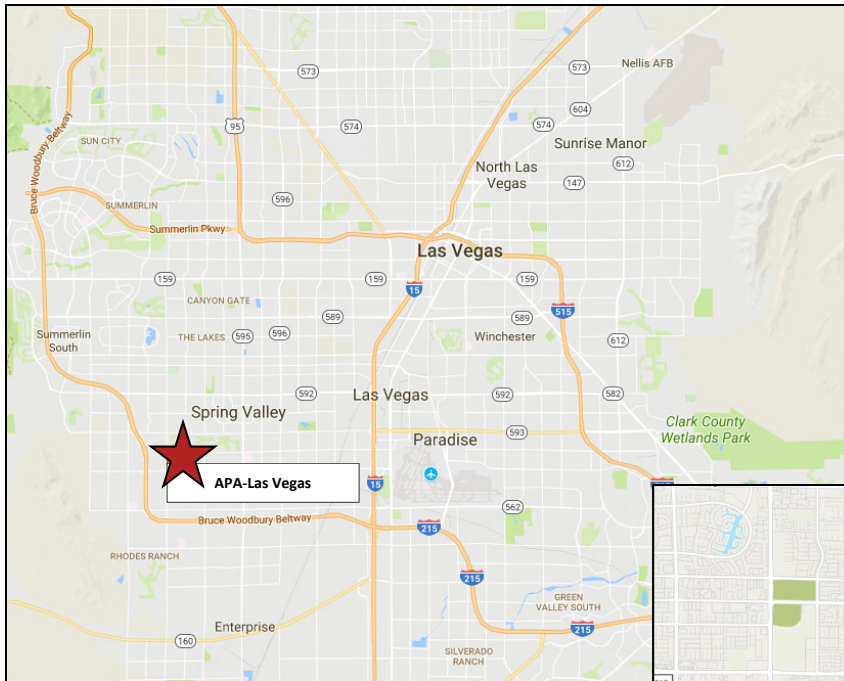
Student Retention					
	2014-15 to 2015-16	2015-16 to 2016-17	2016-17 to 2017-18	2017-18 to 2018-19	2018-19 to 2019-2020
Student Retention Rates	99.2%	81.4%	88.3%	88.4%	87.7%

- ✓ Applications accepted on January 1st for the school year starting in the fall.
- ✓ Initial lottery held after the first six weeks, but applications are accepted throughout the year.
- ✓ At the end of the year, applicants have to reapply if they are still interested in being considered for the next year. **The waitlist is purged annually.**
- ✓ APA-LV has experienced high student retention rates, consistent demand and an extensive waitlist. The Charter School has been able to meet all of its enrollment targets.



APA-Las Vegas – Market Position

Location and Competition



- ✓ The Charter School is located in Las Vegas, within the boundaries of the Clark County School District.
- ✓ The **second campus will be is approximately 1.6 miles from the Charter School's current location**
- ✓ Competitive schools that are within approximately a 4-mile radius of the Charter School and that serve at least one grade level served are listed on slide 19.



Socioeconomic Factors

COMPARATIVE POPULATION

Year	City of Las Vegas	% Change	Clark County	% Change	State of Nevada	% Change
2000	478,434	--	1,375,765	--	1,998,257	--
2010	583,736	22%	1,951,269	42%	2,700,551	35%
2017 est.	641,708	10%	2,204,079	13%	2,998,039	11%

Source: U.S. Census Bureau, 2010 Census, 2000 Census, 2017 Population Estimates

SCHOOL AGE POPULATION %

	City of Las Vegas		Clark County	
	2010	2017	2010	2017
Under 5 years	7.5%	6.4%	7.4%	6.4%
5-9 years	7.1%	6.8%	7.0%	6.7%
10-14 years	6.9%	6.9%	6.8%	6.6%
15-19 years	6.8%	6.2%	6.6%	6.2%
TOTAL	28.3%	26.3%	27.8%	25.9%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

MEDIAN HOUSEHOLD INCOME

	2013	2014	2015	2016	2017
City of Las Vegas	\$38,423	\$40,459	\$42,665	\$43,005	\$44,217
Clark County	39,440	41,467	44,026	44,486	46,159
State of Nevada	44,826	47,025	48,940	49,831	51,640

Source: U.S. Census Bureau. American Community Survey

HOUSING UNITS

	2000	2010	% change
City of Las Vegas	190,274	243,701	28%
Clark County	559,799	940,343	68%

Source: U.S. Census Bureau, Census 2000, Census 2010

RESIDENTIAL BUILDING ACTIVITY

Year	City of Las Vegas
2013	1,517
2014	1,453
2015	1,662 ¹
2016	1,470 ¹
2017	1,622
2018	1,810

Source: U.S. Census Bureau

¹ No reported data; estimates with imputation



APA-Las Vegas – Curriculum & Academic Performance

EDUCATIONAL PHILOSOPHY

- **Student academic achievement is the primary goal of the APA-LV.** Charter School officials believe that only when students master fundamentals, and are fluent in the basic foundational knowledge of the major disciplines can they move on to effectively express their knowledge and master higher-level skills. The foundation of instruction at the Charter School focuses on mastery of fundamentals, involving the ability to demonstrate knowledge and skills repeatedly and accurately, to the point that generalization of knowledge can occur.

CURRICULUM

- **The Charter School is a liberal arts, classical school** that relies on the Core Knowledge Sequence, in grades K through 8, to present a sequential and coherent progression in knowledge in a variety of areas to provide a liberal arts education and a basic understanding of American culture. **APA-LV offers an academically rigorous learning environment** and curriculum that prepares students for advanced study at the university level. SRA Direct Instruction programs and methodology, combined with the Core Knowledge Sequence and Nevada Core Standards comprise the Charter School's academic program. A requirement of all curriculum is that it is research-based and field tested, or based on evidenced-based instructional design theory. Mastery of delivery, then innovation, is encouraged within the parameters of the chosen curricula and methodologies.

ACCREDITATION

- On March 10, 2016, the **Charter School received accreditation** from the North Central Association Commission on Accreditation and School Improvement, the Northwest Accreditation Commission and the Southern Association of Colleges and Schools Commission on Accreditation and School Improvement, the regional accrediting agencies within the AdvancED global network. The Charter School is required to follow established guidelines to maintain accreditation.



APA-Las Vegas – Curriculum & Academic Performance

STAR Rating System

- ✓ Elementary and Middle Schools began receiving STAR ratings in December 2017
- ✓ **APA-LV is currently a 5-Star School.**
- ✓ Ratings for High Schools were added in September 2018, but **APA-LV's High School did not receive a rating because it did not yet have a graduating class of seniors.**
- ✓ The Charter School's 2018-19 Rating is expected to be released by the Nevada Department of Education in November, 2019
 - 1-Star: room for substantial improvement in whole school proficiency and growth and is among the lowest-achieving schools in the State based upon whole school proficiency and growth over a number of years.
 - 2-Star: room for improvement in whole school proficiency and growth.
 - 3-Star: some areas of success as well as some areas that need improvement relative to student proficiency and/or student growth on the State assessments.
 - 4-Star: a higher performing school in State in student proficiency and/or student growth on the State assessments. The 4-Star School is acknowledged for its achievement with public recognition and has some autonomy and/or flexibility in school planning and decision-making.
 - 5-Star. A 5-Star School is among the highest performing schools in the State in student proficiency and/or student growth on the State assessments. The 5-Star School is acknowledged for its achievement with public recognition and has autonomy in school planning and decision-making.



APA-Las Vegas – Curriculum & Academic Performance

STAR Rating for 2017-18

- ✓ APA-LV received a 5 STAR Rating in 2017-18 for both elementary and middle school grades
- ✓ **Of the 678 schools rated in Nevada, 108 received five stars**, 96 received four stars.
- ✓ In the **Clark County School District**:
 - 44 elementary or middle schools increased their star ratings while 96 schools saw their rating slide backward
 - **46 schools in Clark County are five STAR rated**

Competing School STAR Ratings					
School Name	Type	Grades	Enrollment	Distance (miles)	2017-18 State STAR Rating
Lucile S. Rogers	Elementary Public	PK-5	943	1.4	★★★★
Wayne N. Tanaka	Elementary Public	PK-6	807	2.1	★★
Sierra Vista	High School Public	9-12	2,670	3.3	★★★
Durrango High School	High School Public	9-12	2,358	2.5	★★★
Grant Sawyer Middle	Middle Public	6-8	1,216	3.2	★★★
Judith D. Steele	Elementary Public	K-5	722	3.5	★★★★
Challenger School-Desert Hills	Private	PK-1	[280]	2.0	None
MerryHill	Elementary Private	K-5	[95]	1.6	None



APA-Las Vegas – Curriculum & Academic Performance

Excerpt from 2017-18 Accountability Report Card

ELEMENTARY SCHOOL

Academic Achievement



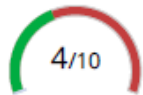
	% Above Cut	% District
Math CRT	54.3	52.8
ELA CRT	64.2	58.6
Science CRT	27.6	35.3
<i>Pooled Average</i>	56.4	52.9
Read by Grade 3	53.7	56.2

Student Growth



	% SY 17-18
Math CRT MGP	65.0
ELA CRT MGP	59.0
Math CRT AGP	61.3
ELA CRT AGP	68.2

English Language



	% of EL Meeting AGP	% District
ELPA	40.0	42.5

Closing Opportunity Gaps



	% Non-proficient	% Meeting AGP
Math CRT	39.6	
ELA CRT	48.3	

Student Engagement



*Bonus points included

	% Chronically Absent	% District
Chronic Absenteeism	1.6	10.1

	% Participation	Met Target
Climate Survey	96.6	YES

MIDDLE SCHOOL

Academic Achievement



	% Above Cut	% District
% Math CRT	48.6	36.8
% ELA CRT	63.4	56.1
% Science CRT	42	45.2
<i>% Pooled Average</i>	53.5	46.3

Student Growth



	% SY 17-18
Math CRT MGP	60.0
ELA CRT MGP	55.0
Math CRT AGP	52.2
ELA CRT AGP	61.9

English Language



	% of EL Meeting AGP	% District
ELPA	-	32.4

Closing Opportunity Gaps



	% Non-proficient	% Meeting AGP
Math CRT	17.1	
ELA CRT	28.6	

Student Engagement



*Bonus points included

	% School	% District
Chronic Absenteeism	3.7	11.1
Academic Learning Plans	76.7	97.5
NAC 389.445 Credit Requirements	100	91.5

	% Participation	Met Target
Climate Survey	93.5	YES



APA-Las Vegas – Curriculum & Academic Performance

State Assessments

2017-18 SBAC Results

ELA						
	3rd	4th	5th	6th	7th	8th
STATE OF NEVADA	46.10%	48.50%	50.40%	44.00%	47.00%	47.50%
APA-LV #1	53.70%	63.30%	70.00%	70.10%	60.00%	68.10%
Lucille S. Rogers	64.90%	65.10%	63.80%	--	--	--
Wayne N. Tanaka	50.40%	52.50%	41.70%	--	--	--
Sierra Vista	--	--	--	--	--	--
Durrango	--	--	--	--	--	--
Grant Sawyer	--	--	--	43.20%	45.00%	42.50%
Judith D. Steele	72.80%	65.90%	75.60%	--	--	--
Challenger School-Desert Hills	--	--	--	--	--	--
Merryhill	--	--	--	--	--	--

MATH						
Grade	3rd	4th	5th	6th	7th	8th
STATE OF NEVADA	48.30%	41.60%	35.90%	31.90%	31.50%	30.30%
APA-LV #1	49.40%	52.50%	54.60%	59.80%	51.90%	44.20%
Lucille S. Rogers	60.40%	63.70%	62.90%	--	--	--
Wayne N. Tanaka	66.40%	51.50%	25.80%	--	--	--
Sierra Vista	--	--	--	--	--	--
Durrango	--	--	--	--	--	--
Grant Sawyer	--	--	--	23.20%	27.10%	26.60%
Judith D. Steele	73.80%	61.20%	57.80%	--	--	--
Challenger School-Desert Hills	--	--	--	--	--	--
Merryhill	--	--	--	--	--	--

- ✓ The Nevada Department of Education is required to develop and operationalize a new accountability system based on the 2017-18 school year, under the federal Every Student Succeeds Act.
- ✓ State mandated assessments include the following:
 - Grades K-3: Measure of Academic Progress (MAPS)
 - Grades 3-8: Smarter Balanced Assessments
 - Grades 5, 8 & 10: Science
 - Grades 7-13: End of Course Examinations (EOC)



Section 4: Financial Data



Financial Data

Education Funding and DSA Apportionment

NEVADA STATE FUNDING

- ✓ Each Session, the Legislature determines the level of state aid (basic support) for school districts and charter schools through The Nevada Plan. A guaranteed amount of basic support per pupil is calculated for each school district and is established in law each session.
- ✓ **The State and the school districts are responsible for funding the guaranteed basic support amount.** The State through the DSA, and the schools districts through the Local School Support Tax and property tax.
- ✓ **The State DSA is made up of a variety of revenue sources, resulting in a well diversified funding mechanism** to the benefit of Nevada public and charter schools.

DSA APPORTIONMENT

- ✓ Each pupil enrolled in a charter school must be included in the count of pupils in the school district for the purposes of apportionment and allowances from the State Distributive School Account (“DSA”).
- ✓ For apportionments of **the State DSA the basic support guarantee for each school is established by law each year.** The basic support per pupil is calculated for each school by a formula that allows for differences in schools in the costs of providing education and in local wealth.
- ✓ The **DSA does not include the entire funding for K-12 education**, but rather only includes the state’s portion of the fund providing the basic support guarantee.

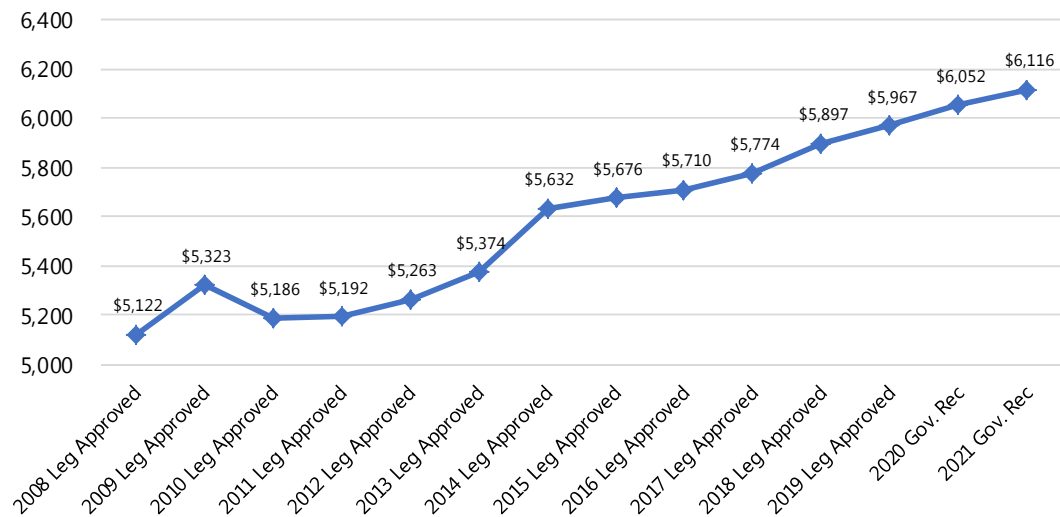


Financial Data – State Funding

2020 DSA Funding Levels

- ✓ The 80th (2019) Legislative Session approved a \$2.3 billion general fund spending for K-12 schools
- ✓ The following graph provides increases in basic support per pupil since 2008, including proposed increases of 2020 and 2021
- ✓ **Trend of increasing DSA funding** program as well as the continued support for education funding from the Governors Office.

**State of Nevada Distributive School Account
Basic Support Per Pupil**



Financial Profile

BUDGETING

- ✓ The initial budget is prepared by members of the Management Company and Rachelle Hulet, Administrative Director for APA-Las Vegas
- ✓ The budget is then reviewed by Phil Collins, an employee of the Management Company and the Business Manager for APA-Las Vegas
- ✓ Once all questions are addressed, the budget is presented to the APA-Las Vegas Board of Directors for approval

INTERNAL CONTROLS

- ✓ Outlined in the Charter School's Bylaws
- ✓ Board may authorize any officer(s) or agent(s) to enter into any contract and deliver any instrument in the name of and on behalf of the Charter School
- ✓ No loans or indebtedness allowed unless authorized by a resolution of the Board.
- ✓ All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness must be signed by the Board Chair and the Administrator for amounts in excess of \$25,000



Historical Financial Statement Summary

Historical Statement of Net Position (Government Wide)			
	2015-16 (Audited)	2016-17 (Audited)	2017-18 (Audited)
Assets			
Current Assets			
Cash	\$1,524,973	\$2,640,338	\$1,607,471
Receivables	816,945	35,881	1,015,629
Deposits	15,000	21,654	-
Other Current Assets	-	-	-
Prepaid Expense	<u>71,630</u>	<u>172,631</u>	<u>72,050</u>
Total Current Assets	2,428,548	2,870,504	2,695,150
Noncurrent Assets			
Capital assets, net	21,282,153	20,039,863	29,890,539
Refundable deposits	-	-	<u>38,724</u>
Total Noncurrent Assets	<u>21,282,153</u>	<u>20,039,863</u>	<u>29,929,263</u>
Total Assets	23,710,701	22,910,367	32,624,413
Deferred outflows of resources	<u>1,244,023</u>	<u>3,802,948</u>	<u>6,321,937</u>
Total assets and deferred outflow of resources			
	<u>\$24,954,724</u>	<u>\$26,713,315</u>	<u>\$38,946,350</u>
Liabilities			
Current Liabilities			
Accounts Payable	42,761	\$90,311	\$226,473
Accrued payroll and benefits	633,104	389,709	392,776
Accrued interest	-	953,798	-
Due to related party	139,561	-	-
Capital leases, current	411,224	435,591	364,995
Notes payable, current	-	-	<u>68,807</u>
Total current liabilities	1,226,650	1,869,409	1,053,051
Noncurrent liabilities			
Capital leases, noncurrent	21,947,987	21,062,335	30,373,140
Notes payable, noncurrent	-	-	19,252
Net pension liability	<u>958,325</u>	<u>3,760,303</u>	<u>6,776,193</u>
Total noncurrent liabilities	<u>22,906,312</u>	<u>24,822,638</u>	<u>37,168,585</u>
Total liabilities	<u>24,132,962</u>	<u>26,692,047</u>	<u>38,221,636</u>
Deferred inflows of resources	<u>144,410</u>	<u>373,028</u>	<u>444,655</u>
Total liabilities and deferred			
	<u>24,277,372</u>	<u>27,065,075</u>	<u>\$38,666,291</u>
Net position			
Invested in capital assets, net	60,282	-1,396,937	-530,471
Prior Period Adjustment	-	-	-
Restricted	5,000	-	-
Unrestricted	<u>612,070</u>	<u>1,045,087</u>	<u>810,530</u>
Total net position	<u>\$677,352</u>	<u>(\$351,850)</u>	<u>\$280,059</u>

Historical General Fund Revenue, Expenditures and Changes in Fund Balance (General Fund & Special Rev Fund Only)			
	2015-16 (Audited)	2016-17 (Audited)	2017-18 (Audited)
Revenues			
State sources	\$8,996,101	\$9,195,611	\$10,477,090
Federal sources	--	82,443	81,388
<u>Local Sources</u>	<u>5,015</u>	<u>64,391</u>	<u>302,742</u>
Total Revenues	<u>9,001,116</u>	<u>9,342,445</u>	<u>10,861,220</u>
Expenditures			
Regular instruction	3,384,668	3,925,948	5,241,042
Special instruction	--	262,074	--
Administration	2,753,312	1,920,959	2,169,494
Facilities	23,028,897	536,241	886,684
Support services	338,742	74,305	495,112
Capital outlay	--	6,795	--
<u>Debt service</u>	<u>--</u>	<u>1,838,851</u>	<u>2,344,657</u>
Total Expenditures	<u>29,505,619</u>	<u>8,565,173</u>	<u>11,136,989</u>
Other Financing Sources			
Capital lease	21,861,063	0	0
Net Change in Fund Balance			
	1,356,560	777,272	-275,769
<u>Beginning Fund Balance</u>	<u>256,562</u>	<u>1,613,122</u>	<u>2,390,394</u>
Ending Fund Balance	<u>\$1,613,122</u>	<u>\$2,390,394</u>	<u>\$2,114,625</u>

1 Due to a change in auditors, amounts included in certain line items may vary versus past years.
Source: Charter School's audited financial statements for the years ended June 30, 2016-2018; unaudited numbers for 2019 from the Charter School



Section 5: Summary of Credit Strengths



Summary of Credit Strengths

MARKET POSITION

- ✓ **Strong Demand** – enrollment currently at 1,675 with a waitlist of over 240% of 2019-20 enrollment
- ✓ **Strong history of student retention** – in excess of 80% since opening
- ✓ **Charter Standing** – the School's charter comes up for renewal on June 30, 2020; charter expansion amendment approved in 2018 to open a new K-6 campus (very positive indication that charter renewal will be granted)
- ✓ **Academic Performance** – 5 Star Rating and very strong test scores in comparison to the State average and local school district

MANAGEMENT & GOVERNANCE

- ✓ **Management Team** – very experienced management team which provides day-to-day academic and business operations services to the School
- ✓ **Board Governance** – diversified Board with established policies in place
- ✓ **Successful Growth Management** – the Board has overseen strong growth since the School's inception in 2014

FINANCIAL PERFORMANCE

- ✓ **History of operating surpluses**
- ✓ **Strong Annual Debt Service Coverage** – over 1.6x coverage
- ✓ **History of growing unrestricted cash balances** (2017-18 cash reduction due to one-time capital expenditures).
- ✓ **Liquidity** - strong unrestricted cash balance of \$1.6 million or over 70 days cash on hand, as of June 30, 2018 and expect to end FY2019 with over \$3 million or over 100 DCOH

MARKET FUNDAMENTALS AND STATE SUPPORT

- ✓ Since 2007, the State has never experienced negative population growth
- ✓ At 2.6 million, **the Las Vegas MSA represents 71.4% of the State's population**
- ✓ Clark County has exceeded pre-2007 economic levels
- ✓ **Clark County leads the nation in terms of new job growth**
- ✓ Approximately **84% of the population in Clark County has obtained a High School Diploma or College Credit/Degree**
- ✓ Approximately **49% of Clark County's population is between 20 and 54 years of age**
- ✓ **Very strong State support for public education**
- ✓ History of DSA funding increases



APPENDIX B

THE CHARTER SCHOOL

INTRODUCTION

Background

Organization. Nevada Charter Academies, d/b/a/ American Preparatory Academy-Las Vegas, is a Nevada public charter school and a Nevada nonprofit corporation (the “Charter School”). The Charter School is organized pursuant to the Nevada Revised Statutes 388A, et seq. (the “Charter Schools Act”) and operates under a charter contract, effective as of July 1, 2014 (the “Initial Charter”) with the State Public Charter School Authority (the “State Charter School Authority”), as amended by a 2016 Charter School Facilities Amendment Request (the “2016 Charter Amendment”) approved by the State Charter School Authority on September 23, 2016 and a 2018 Charter School Expansion Amendment Request (the “2018 Charter Amendment”) approved by the State Charter School Authority on June 28, 2018 (collectively, the Initial Charter, the 2016 Charter Amendment and the 2018 Charter Amendment are referred to herein as the “Charter”). Charter contracts in Nevada have a six year term unless earlier terminated in accordance with its terms. The Charter School’s Contract is effective through June 30, 2020, unless earlier terminated in accordance with its terms. The Charter does not contain any limitation on enrollment at any or all of the American Preparatory Academy schools.

Capitalized terms not otherwise defined in this Appendix B shall have the same meanings as set forth in the body of this Limited Offering Memorandum and Appendix D.

The Charter School is a classical, liberal arts school dedicated to providing an orderly, safe and nurturing learning environment wherein content-rich, efficient curriculum and research-based instructional methodologies are utilized to ensure that every student achieves academic success and develops good character based on concrete measurements. See “—Mission, Curriculum and Accreditation” below.

History and Campuses. The Charter School commenced operations for the 2014-15 school year, but was not incorporated until August 22, 2017, with the filing of its Articles of Incorporation with the Nevada Secretary of State, following an amendment to Nevada State law, which now allows charter schools to incorporate as Nevada nonprofit corporations. Additionally, the Charter School received a determination letter dated March 23, 2018 from the Internal Revenue Service classifying it as an organization described under described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

The Charter School currently operates the APA-LV#1 Campus at educational facilities located at 8377 W. Patrick Lane, Las Vegas, Nevada 89113 (the “Existing Facilities”), but initially opened its doors at facilities located at 6000 West Oakey Boulevard, Las Vegas, Nevada (the “Oakey Campus”), while the Existing Facilities were being completed. The Charter School opened its doors for the 2014-2015 school year at the Oakey Campus with approximately 400 students in grades K through 9. The Charter School added grades 10 and 11 in the 2015-16 and 2016-17 school years, respectively. Phase 1 of the construction of the Existing Facilities was complete by the fall of 2015. During the 2015-16 school year, approximately 400 students remained at the Oakey Campus, and approximately 1,000 students were enrolled at the Existing Facilities. The 2016 Charter School Facilities Amendment Request submitted by the Charter School allowed for the consolidation of the two campuses at the Existing Facilities. The Charter School ceased operations at the Oakey Campus in the fall of 2016, and since then, the Existing Facilities have been fully occupied nearing ultimate capacity of 1,650 students.

The 2018 Charter School Facilities Amendment Request submitted by the Charter School and approved by the State Charter School Authority authorizes the Charter School to opening open APA-LV #2 Campus located at 7077 W. Patrick Lane, Las Vegas, NV 89113 (“APA-LV#2 Campus”), which is approximately 1.6 miles east of the Existing Facilities.

**Table 1:
Campuses**

Campus	Address	Serving Grades	Projected Grades to be Served	Enrollment as of 08/25/19	Wait List as of 08/26/19 for 2019-2020	Obligated Group Member	Year Opened
APA-LV #1	8377 W. Patrick Lane Las Vegas, NV 89113	K-12	K-12	1,675	4,031	Yes	2015-16 ¹
APA-LV #2	7077 W. Patrick Lane Las Vegas, NV 89113	--	K-6	--	--	Yes	2020-21 ²

¹ The Existing Facilities opened in the 2015-16 school year, but the Charter School began operations at the Oakey Campus in the 2014-15 school year.

² A portion of the proceeds of the Series 2019 Bonds will be used to acquire the land for and construct the New Facility to serve as the APA-LV #2 Campus.

The Financing

The Series 2019 Bonds are being issued for the purposes of acquiring two parcels of land totaling five acres (the "Parcel"), reimbursing Patrick Lane Development, Inc. (the "Developer") for costs related to the architectural plans, engineering, legal and approvals (the "Reimbursements") and constructing the facility (the "New Facility") to serve as the APA-LV #2 Campus. The APA-LV #2 Campus once completed, will consist of a two-story, approximately 50,000 square feet building thereon.

The Borrower (defined below) has entered into a Purchase and Sale Agreement dated August 21, 2019 with Patrick Lane Development, Inc. (the "Seller") for purchase of the Parcel. The purchase price of the Parcel is \$3,500,000.00, which includes certain redevelopment costs incurred by the Developer. [to add discussion of parcel acquisition ownership interests]

The estimated project costs are set forth below:

**Table 2:
Estimated Project Costs***

Purpose	Cost
Acquisition of Parcel	\$3,500,000
Reimbursements	600,000
Project Contingency	546,612
Permit, Inspection and Impact Fees	222,545
Construction of New Facility Hard Costs	10,953,653
Construction of New Facility Soft Costs	<u>874,224</u>
Total Project Costs	\$16,697,034

* Preliminary, subject to change.

Proceeds of the Bonds will be loaned to the Charter Facility Support Foundation, LLC (the "Borrower"), a Utah single member limited liability company of which the sole member is the American Preparatory Education Foundation ("APEF"), a Utah corporation authorized to do business in Nevada, and a 501(c)(3) exempt organization under the Code. See "THE BORROWER" in the Limited Offering Memorandum for a more detailed description of the Borrower.

The Borrower will lease the New Facility to the Charter School following the issuance of the Series 2019 Bonds, and the lease payments received thereunder are pledged for the repayment of the Series 2019 Bonds. Such annual lease payments are expected to exceed the annual debt service on the Series 2019 Bonds by approximately 5% per year.

FACILITIES

Campus Locations

The map below depicts the location of the APA-LV #1 Campus and the future location of the APA-LV #2 Campus, which are located approximately 1.6 miles apart on the same road.

**Table 3:
Map of the Charter School Location**



Existing Facilities

The APA-LV #1 Campus, comprising the Existing Facilities, consists of approximately 6.4 acres of land and the two-story, approximately 116,476 square feet building thereon. The Existing Facilities contain 50 classrooms, a regulation-size gym, a multipurpose room, a choir/performance room, a dance/drama room, a conference room, a cafeteria, two reception areas, a faculty workroom, a faculty lunch room, a faculty workroom/lunchroom, and two locker rooms, approximately 193 parking spaces and an outdoor playground area. The Charter School considers its maximum student enrollment capacity of the APA-LV #1 Campus to be 1,746 students.

Construction of the first phase of the Existing Facilities was completed in 2015 allowing the Charter School to enroll students in grades K through 8 at both the Existing Facilities and the Oakey Campus for the 2015-2016 school. Phase two of the Existing Facilities, consisting of the high school component of construction, was complete in September of 2016.

The Charter School currently operates the Existing Facilities pursuant to a Lease Agreement between the Borrower and the Charter School dated December 1, 2017, as amended (as amended, the "Lease") for approximately \$144,557/month. The Lease's term expires on July 30, 20[] with four additional five-year renewal options. See "SECURITY FOR THE BONDS - The Lease" herein.

New Facility

The New Facility will contain 20 elementary classrooms, 8 "breakout" classrooms; 13 offices; a regulation-size gym; a multipurpose room; a choir/performance room; a music room; a conference room; a reception area; a

faculty workroom; a faculty lunch room; curriculum room and an outdoor playground area. Additionally, there will be 150 parking spots at the New Facility. The maximum student enrollment capacity of the New Facility will be 640 students.

The Charter School will operate the New Facility pursuant to the Lease, which will be amended in connection with the issuance of the Series 2019 Bonds.

The New Facility and the Existing Facilities are referred to collectively herein as the "Facilities."

Project Construction

The pre-development work related to the construction of the APA-LV#2 Campus facilities has been underway by the Developer, and builder permits are expected to be issued in October 2019. Construction is expected to be completed by July, 2020. While the Borrower believes that the construction of the APA-LV#2 Campus facilities will be completed in time for the beginning of the 2020-21 school year, in the event of unexpected delays, the Charter School has made plans for a split session at the APA-LV#1 Campus until construction is completed.

[The Borrower] [APS] has entered into a [_____] contract with the ELM Group as Project Manager (the "Project Manager") to help oversee the construction process and manage the project construction schedule as well as the construction budget.

Education Consultants of Nevada LLC, a Nevada limited liability company with Carolyn Sharette as sole member (see "The Management Company" below), has entered into a Standard Form of Agreement Between Owner and Contractor (the "Construction Contract") with Boyd Martin Construction LLC ("Boyd") for the construction of the New Facility. The Construction Contract includes a guaranteed maximum price of \$10,953,653.

The Construction Contract provides for a retention amount of 5%. In addition, the Borrower will require the contractor to obtain payment and performance bonds. Neither payment and performance bonds nor retained amounts can protect against timing delays when projects run into difficulty (due to performance of contractors or any other reason). More generally, potential investors should note that there are always risks with respect to such new construction. See "RISK FACTORS – Construction Costs and Completion of Construction" and "- Project Approvals and Construction Process."

Boyd has delivered over 950 projects since its inception in 2003 with a combined value of over \$\$350 million. Such projects have included educational facilities, office buildings, retail stores, apartments, manufacturing facilities, and other mixed –use facilities. In addition to constructing the APA-LV#1 Campus, which was completed on time and substantially on budget, Boyd has completed projects for private and district schools and the University of Nevada - Las Vegas.

Appraisals

APEF engaged Pinnacle Real Estate Advisors, LLC (the "Appraiser") to conduct an appraisal of the Existing Facilities (the "Existing Facilities Appraisal"). The Existing Facilities Appraisal states that in the opinion of the Appraiser the market value of the "as completed" fee simple interest in the subject property as of September 26, 2017 was \$30,500,000.

[[The Appraiser] conducted an appraisal of the site of the New Facility (the "New Facility Appraisal"). The New Facility Appraisal states that in the opinion of the [Appraiser] the market value of the "as completed" fee simple interest in the subject property as of _____, 2019 was \$_____.]

Environmental Assessments

In 2014, Angle Engineering, Las Vegas Nevada ("Angle") completed a Phase I environmental site Assessment on the approximately 5.30 acre site of the APA-LV #1 Campus (the "2014 APA-LV #1 Phase I ESA"). The purpose of the 2014 APA-LV #1 Phase I ESA was to identify any current or historical recognized environmental

conditions (as defined therein) at the site. As set forth in the 2014 APA-LV #1 Phase I ESA, Angle concluded that assessment revealed no evidence of recognized environmental conditions in connection with the site.

On September 1, 2017, Angle completed a Phase I environmental site assessment on the adjacent site acquired in connection with construction of improvements to the APA-LV #1 Campus (the "2017 APA-LV #1 Phase I ESA"). The purpose of the 2017 APA-LV #1 Phase I ESA on the additional land was to evaluate the site for recognized environmental conditions as defined by the American Society for Testing Materials, Standard Practice E 1527-13. Angle did not identify any recognized environmental conditions associated with the additional site.

On July 9, 2018, Angle completed a Phase I environmental site assessment on the site to be acquired for the APA-LV #2 Campus (the "APA-LV #2 Phase I ESA"). The purpose of the APA-LV #2 Phase I ESA was to evaluate the site for recognized environmental conditions as defined by the American Society for Testing Materials, Standard Practice E 1527-13. Angle did not identify any recognized environmental conditions associated with the site.

THE ACADEMIC PROGRAM

Mission, Curriculum and Accreditation

Mission. The mission of the Charter School as set forth in the Charter is as follows:

To provide an orderly, safe and nurturing learning environment wherein content-rich, efficient curriculum and research-based instructional methodologies are utilized to ensure that every student achieves academic success and develops good character based on concrete measurements.

Jr. High Mission: To assist students in their efforts to become student scholars by providing an academically rigorous liberal arts program that prepares them for advanced study at the high school level.

Sr. High Mission: To provide rigorous coursework, excellent teaching, and consistent mentoring to ensure that each student graduates ready to successfully pursue their chosen course of study at the post-secondary level.

Philosophy. Student academic achievement is the primary goal of the Charter School. Charter School officials believe that only when students master fundamentals, and are fluent in the basic foundational knowledge of the major disciplines can they move on to effectively express their knowledge and master higher-level skills. The foundation of instruction at the Charter School focuses on mastery of fundamentals, involving the ability to demonstrate knowledge and skills repeatedly and accurately, to the point that generalization of knowledge can occur.

Curriculum. The Charter School is a liberal arts, classical school that relies on the Core Knowledge Sequence, in grades K through 8, to present a sequential and coherent progression in knowledge in a variety of areas to provide a liberal arts education and a basic understanding of American culture. SRA Direct Instruction programs and methodology, combined with the Core Knowledge Sequence and Nevada Core Standards comprise the Charter School's academic program. A requirement of all curriculum is that it is research-based and field tested, or based on evidenced-based instructional design theory. Mastery of delivery, then innovation, is encouraged within the parameters of the chosen curricula and methodologies.

The Charter School's curriculum has been developed to ensure each student achieves maximum academic success by teaching skills to mastery levels, imparting valuable knowledge, transmitting the common culture that binds us as a nation, and exposing children to supreme examples of artistic and intellectual achievement. The Elementary School program utilizes Direct Instruction, Reading Mastery, Connecting Math Concepts, Spelling Mastery, and other Direct Instruction programs. Saxon Math is used in grades 3-8. The CHAMPS program is used for classroom and school-wide behavior management. The Core Knowledge curriculum is used school wide through Grade 8. Shurley English, Wordly Wise Vocabulary, and High Performance Writing are supplemental language arts programs. Monart Drawing is the art curriculum. The Charter School utilizes achievement grouping in the teaching of reading, spelling, and math through grade 6. This means that all students are assessed and placed into groups that will allow them to be taught at exactly the correct instructional level. These "fluid groups" are composed of approximately 5-15 students, and are continually assessed to ensure the proper placement of each student.

The Junior High/High School program provides an academically rigorous liberal arts education that prepares students for advanced study at the university level, thereby developing conscientious, confident citizens who think clearly, are effective proponents of those thoughts, and are actively involved in the building and governing of society. All students of the Charter School are required to take Latin I beginning in 7th grade and are required to complete Latin II and to pass at mastery level. The Charter School model includes a rich offering in coursework in performing and visual arts. The Charter School offers high quality, rigorous training in vocal and instrumental music. Charter School students participate in physical education twice per week as well as classes in health education. There are technology classes available and students are required to complete a computer and information literacy class in high school to meet Nevada state graduation requirements and the Nevada Standards of information literacy.

Regulation and Accreditation. Pursuant to NRS 386.509 the State Charter School Authority has broad oversight authority over the Charter School and may take all reasonable steps necessary to confirm that the Charter School is and remains in material compliance with the Charter, the Charter Application and applicable laws and regulations. Consistent with any oversight practices set out in the Charter School Performance Framework, the State Charter School Authority will follow a progressive system of notification and calls for any corrective action on the part of the Charter School.

On March 10, 2016, the Charter School received accreditation from the North Central Association Commission on Accreditation and School Improvement, the Northwest Accreditation Commission and the Southern Association of Colleges and Schools Commission on Accreditation and School Improvement, the regional accrediting agencies within the AdvancED global network. The Charter School is required to follow established guidelines to maintain accreditation.

Special Education Program. The State Charter School Authority is the “local education agency” for purposes of compliance with Individuals with Disabilities Education Act (“IDEA”). The Charter School offers a comprehensive curriculum of services and accommodations to students with disabilities as outlined in students’ individual education plans. As of August, 2019, 78 students, or approximately 5% of the Charter School’s total enrollment, participate in the special education program.

Extracurricular Activities. The Charter School offers an array of opportunities to develop skills and talents in music, art, sports, drama, debate and leadership. Character development training increases in junior high as students have opportunities for service learning, student government, legislative training, soccer, volleyball, basketball, dance, and cheerleading.

Parental Involvement, Community Engagement and Service

Community Engagement and APEF. APEF partners with the Charter School as a liaison to community involvement, including school fundraising, community awareness and community service projects. The Charter School has developed relationships with several community member groups as important entities that provide support to the Charter School. The Charter School works closely with the local fire authority and police department to keep students safe through mutually developed safety programs. The Charter School works with several other community partners including, among others, retailers, the Veterans Administration, and small businesses that contribute to the Charter School’s success.

Parental Involvement. Charter School parents have been asked to donate 20 volunteer hours throughout the school year to ensure parental engagement and involvement with the Charter School. Parents average over 10,000 volunteer hours annually. The Charter School communicates with parents through the website, weekly newsletters, social media and monthly Charter School Board meetings. In addition to communicating plans to parents the Charter School distributes marketing material through billboard advertising, social media advertising and flyers to neighbors surrounding the Facilities. Parents were involved in all parts of the transition to the Facilities by creating committees, donating warehouse space, repurposing desks and moving furniture and equipment to the new campus.

Student Performance. The Charter School uses a data-driven model for student placement into academic levels, and to measure achievement throughout the year. Students participate in 2-minute weekly reading assessments, weekly or semi-weekly math exams and regular spelling, science and history exams. With this frequency the Charter

School is able to make rapid changes to a student's achievement level group to ensure they constantly remain at the correct achievement pace throughout the year.

Lunch

The Charter School does not participate in the Federal reduced lunch program and does not currently provide food services to students.

Transportation

The Charter School does not provide transportation. Parents are responsible for providing a means of transportation for their student(s).

Safety and Security

Visitors are required to check in at the main office. All doors remain locked at all times, with the exception of the main entrance. The Charter School currently has an Emergency Management Plan (the "Plan") in place that has been submitted to the State Charter School Authority, the DOE as well as the State Department of Emergency Management. A copy of the Plan hangs in each classroom with specific instructions in case of emergency so that all teachers, staff and students are familiar with the procedure, and drills are performed on at least a monthly basis. The Charter School has created an Emergency Response Committee and a Safety Committee who annually review and update the Plan as needed. The Charter School works closely with the Clark County Fire Department and the Las Vegas Metro Police Department with any needs and/or concerns. The Charter School has audio/video surveillance and automatic locking doors with the technology support for these security measures overseen by Charter School employees. The Charter School contracts for security monitoring with a local security firm. Parents and visitors are notified that the Charter School conducts continuous video surveillance with signs at all entrances, as part of our Plan. In addition, the Charter School has set up communication channels with law enforcement and fire safety officials.

Equipment and Teaching Materials

All furniture, fixtures and equipment for the Facilities are included in the construction budget. Educational material and computers and other technology used will be no more than 2-4 years old and in like-new condition. The Charter School has a plan for rotation and replacement of educational materials and computers on a periodic basis.

CHARTER SCHOOL GOVERNANCE AND FACULTY AND STAFF COMPOSITION

The Charter School operates pursuant to its Charter granted by the State Charter School Authority, created under the laws of Nevada and the Nevada Department of Education. The Charter School is governed by its Board of Directors (the "Charter School Board"), which reports to the State Charter School Authority. The Charter School Board has contracted with American Preparatory Schools, Inc., a Utah corporation (the "Management Company") to provide day-to-day operations of the Charter School. The Charter School is managed by key personnel of the Charter School and the Management Company, as set forth below.

The Charter

The Charter School currently operates pursuant to its Charter effective through June 30, 2020, unless earlier terminated in accordance with its terms. See APPENDIX A—CHARTER SCHOOLS IN NEVADA—General Background—Renewal of Charter" for a description of the charter renewal process.

Pursuant to State law and the Charter, the Charter may be revoked at any time by the State Charter School Authority before its expiration upon determination and majority vote of the State Charter School Authority that the Charter School, its officers or its employees: (i) committed a material breach of the terms and conditions of the Charter; (ii) failed to comply with generally accepted standards of fiscal management; (iii) failed to comply with applicable statutes; or (iv) persistently underperformed, as measured by the performance indicators, measures and metrics set forth in the charter school performance framework for the Charter School. The Charter may also be terminated by the

State Charter School Authority: (i) if the Charter School files for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the Borrower cannot continue to operate; (ii) if it determines that the termination is necessary to protect the health and safety of the students enrolled at the Charter School or persons employed by the Charter School from jeopardy; or (iii) to prevent damage to or loss of property of CCSD or the community in which Charter School is located. The State Charter School Authority shall terminate the Charter if the Charter School receives three consecutive annual ratings established at the lowest rating possible indicating underperformance of a public school, as determined by the Department pursuant to the statewide system of accountability for public schools. See also APPENDIX A—CHARTER SCHOOLS IN NEVADA—General Background—*Revocation of Charter*" for a description of the charter revocation process.

The Charter School's application for a renewal is due October 15, 2019. A decision from the State Charter School Authority is then required within 60 days of receipt. The Charter School does not expect to have any problems in obtaining a renewal of its Charter from the State Charter School Authority.

Charter School Board

The Charter School is incorporated as a Nevada nonprofit corporation and operates in accordance with its articles of incorporation filed August 22, 2017 with the Nevada Secretary of State (the "Articles") and bylaws as amended and restated (the "Bylaws"). The Charter School is governed by members of the Board who makes all governance and policy decisions affecting the students and staff and assures that the Charter School operates in compliance with all applicable laws, contractual obligations, the bylaws and articles of incorporation, and the Charter. The Charter School Board is an independent body under the authorization of the State Charter School Authority, and has hired and utilizes the expertise of the Management Company to provide day-to-day management through a comprehensive whole school program inclusive of academic and business operations. The Management Company is comprised of an extensive group of professionals with varied responsibilities that meet the needs of the Charter School. See "—Management Agreement" hereafter.

The Charter School Board consists of five members whom are elected at the annual meeting of the Charter School Board. Each director serves three-year terms, but no more than three consecutive terms. The Charter School Board consists of: one member who is a school administrator with a license issued by another state or who previously held such a license and is retired as long as his or her license was held in good standing; one member who is a teacher or other person licensed pursuant to chapter 391 of NRS or who previously held such a license and is retired, as long as his or her license was in good standing; one parent or legal guardian of a pupil enrolled in the Charter School who is not a teacher or an administrator at the school; two members who possess knowledge and experience in one or more of the following areas: accounting, financial services, law, or human resources; at large members which include other persons of good moral character such as parents, educators, community leaders, and representatives of nonprofit organizations and businesses that do not have contracts with the Charter School. The Charter School Board will have no less than two Nevada licensed teachers each having no less than two years of experience as an employed teacher, and no less than three of the five members will be residents of Clark County. The Charter School Board cannot include: an employee of the Charter School Board or Charter School; a contractor of the Charter School Board or Charter School; two individuals who represent the same organization, business or non-profit company; individuals that are related by blood or marriage to an employee or member of the Charter School Board or Charter School; or, any contractor of the Charter School, especially any educational management organization.

Regular meetings of the Charter School Board are held monthly and special meetings may be called at the request of the Chairman of the Charter School Board or a majority of the directors. Charter School Board members may be removed at any time upon majority vote of the Charter School Board. If a vacancy occurs on the Charter School Board, the Charter School Board will solicit applications from interested individuals. Upon examination of the applications the Charter School Board can appoint additional members. Any vacancy occurring in the Charter School Board may be filled by the affirmative vote of a majority of the remaining directors. Directors of the Charter School Board serve without compensation, except for lawful public meeting salary payments as provided in NRS 386.549(5). Directors of the Charter School Board are precluded from receiving compensation for any services to the Charter School in any other capacity; provided, however, in addition to the public meeting salary mentioned above, the Charter School may reimburse a director for reasonable travel expenses incurred in connection with his or her duties as a director.

The current members of the Charter School Board, their occupations and terms of office are set forth in the table below. A vacancy on the Board currently exists and applications are currently being solicited from interested individuals to fill that position.

**Table 4:
Board of Directors**

Name	Office	Principal Occupation	Years of Service on Board	Term Expires
Lee Iglody	President	Attorney	5	2023
Ernie Elliot	Vice President	Teacher	2	2027
Rachel Lillian	Secretary	Teacher	5	2023
Jonathan L. Gardner	Treasurer	Financial Consultant	5	2023

Jonathan L. Gardner. Jonathan Gardner is a founding member of the Charter School. He has been employed with APR Consulting, Inc. as a consultant since May 2012, as well as holding a position as a part-time instructor of mathematics and business administration at the College of Southern Nevada, since August 2008. He holds a Bachelor’s degree in Mathematics and a Master’s degree in Business Administration from Brigham Young University, in Provo, Utah. As Charter School Board treasurer he oversees financial management and procurement compliance for the Charter School.

Lee Iglody. Lee Iglody is a founding member of the Charter School. He holds a Bachelor’s degree in Economics from the University of Nevada, in Las Vegas, Nevada and a Juris Doctor degree from Northern Illinois University College of Law, in DeKalb, Illinois. Mr. Iglody has a long established career in the legal industry including complex corporate practices as well as serving as a law clerk in the Eighth Judicial District Court of Nevada. Since 2009 he has served as a corporate attorney in private practice with the Iglody Law firm located in Las Vegas, Nevada.

Ernie Elliot. Ernie Elliot has served on the Charter School Board since 2017. He earned a Bachelors of Arts degree in English from BYU-Idaho, a Secondary Education teaching certificate, Masters in Education Administration at Grand Canyon University, as well as a Masters degree in Healthcare Administration from UNLV. He taught English in the public education system for four years before entering the business side of healthcare.

Rachel Lillian. Rachel Lillian has served on the Charter Board since 2014. She received her Bachelor of Science degree in Human Development and Family Studies as well as an Early Childhood Teaching Certificate from the University of Utah in 2002. She also holds a Master of Education in Teaching and Learning with an emphasis on Learning and Literacy from the University of Utah. She was employed as a First Grade Teacher from 2003 to 2006 in Utah later working as an Elementary Education Evaluator for Western Governors University from 2007 to 2009 where she helped students who were working towards receiving their teaching degrees.

The Management Company

Overview. The Management Company provides day-to-day management of the Charter School through a comprehensive whole-school program inclusive of academic and business operations to the Charter School pursuant to a Charter School Management Agreement, dated as of May 25, 2013, by and between the Charter School and the Management Company (the “Management Agreement”). The Management Agreement commenced July 1, 2013 for a term of two years. The Management Agreement is renewable subject to revision on or around June 30th of each year by mutual consent. Upon Charter renewal with the Authorizer, the length of the term of the Management Agreement automatically renews. A renewal or extension to the term of the Management Agreement may be made annually with consent of both parties and is subject to written notice no later than 30 days prior to the termination date. The Management Agreement may be terminated with cause prior to the end of the term by providing 30 days advance written notice by either party.

Pursuant to the Management Agreement, the Management Company agrees to perform, among other things, the following programs and services, not inclusive of supplies, materials or expenditure thereof, for the Charter School:

- Comprehensive Academic Program Delivery and Development;
- Human Resource Leadership, including academic directors, day to day management of academic and administration teams and staff training and development;
- Enrollment and Recruitment;
- Budgeting and Forecasting;
- Financial Record Keeping;
- Government Accountability;
- Facilities Development Management;
- Systems Development and Business Continuity; and
- Legal Compliance.

The Management Company is paid a fee based on an amount determined annually for each student enrolled at the Charter School based on the annual State student count. Such student fees are paid monthly, on the 1st of each month, over each fiscal year. The fees are recalculated every fiscal year based on factors set forth in the Management Agreement. The Management Company incurred service fees in the amount of \$1,452,321 in the 2017-18 school year and \$1,642,951 in the 2018-19 school year. The fees of the Management Company are subordinate to the payment of debt service on the Bonds.

While the Charter School's relationship with the Management Company has been good to date, there can be no assurance that the Charter School's relationship with the Management Company will continue on agreeable terms and that the Management Agreement will not be terminated pursuant to their terms.

Leadership. Members of the Leadership Team at the Management Company have depth of experience. Information for administrative personnel of the Management Company is provided below.

Carolyn Sharette, Founder and Executive Director. Carolyn Sharette is the Executive Director and President of the Management Company, which she founded in 2008. Ms. Sharette holds a Bachelor of Science degree in General Studies as well as a nursing degree from Brigham Young University, in Provo, Utah. She began her career in education as a founder of another charter school, Platte River Academy in Colorado and served as the Executive Director of Children First Utah in 2002. She oversees all aspects of the Charter Schools' operations, and is responsible for the administration at the Charter School. She is involved in the hiring and firing of teachers and other staff, as well as making sure the Charter School complies with all federal and state law. Ms. Sharette answers directly to the Charter School Board.

Philip E. Collins, Business Manager. Phillip E. Collins has served as the Business Manager for the Management Company since 2010. He has over 25 years of accounting supervisory experience including 17 years of experience as director of accounting or controller. He oversees the finances of some of the other entities with which the Management Company contracts. He provides monthly financial reports to all entities for which he is accountable, files quarterly and yearly reports, oversees the compliance for both federal and state programs as well as annual audits, and manages a financial team of four employees. Mr. Collins holds a Bachelor of Science degree in Accounting from Southern Utah University, in Cedar City, Utah.

Laura H. Campbell, Executive Director of Academics. Laura H. Campbell is the Executive Director of Academics for the Management Company. She oversees the academic programs and teacher training at all schools. Ms. Campbell attended Brigham Young University from 1979-1981. Ms. Campbell is Carolyn Sharette's sister.

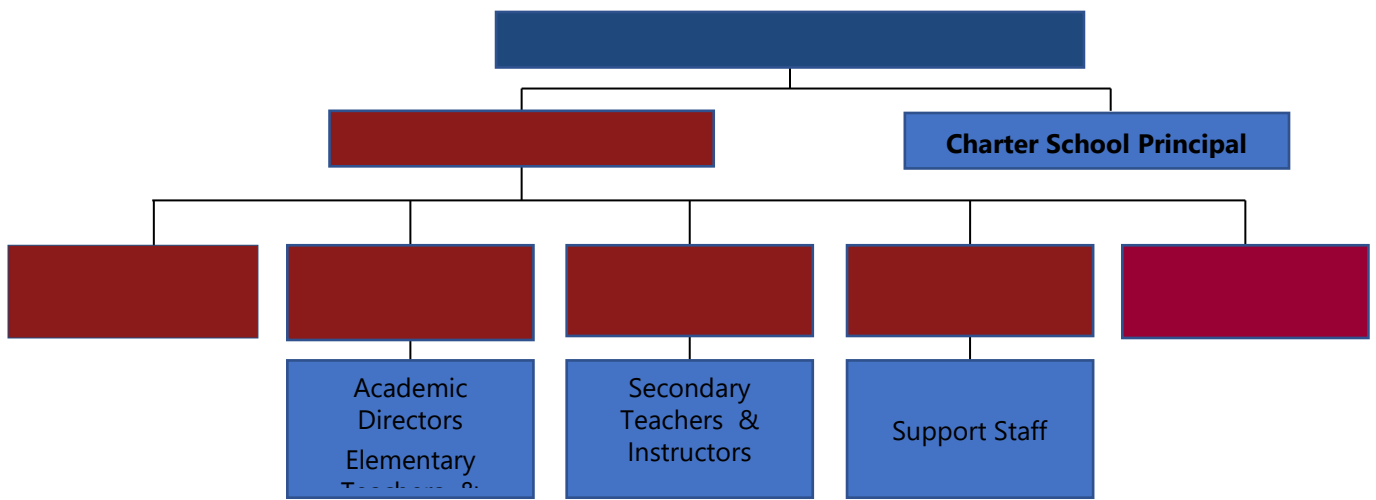
Catherine Findlay, Character Development Director. Catherine Findlay is the Executive Director of Character Development. She has successfully developed and implemented a professional and character development program for K-12th grade students including civic responsibility, student leadership, community service, professional conduct, and social skills. Ms. Findlay holds a Bachelor's degree in Physical Education-Dance from Brigham Young University.

Tim Evancich, Operations Director. Tim Evancich was an original founder of the American Preparatory Academy schools. He oversees all operations at all APA schools, including APA – Las Vegas campuses, to make sure schools are operating smoothly and in compliance with all state and local regulations regarding building occupation.

Charter School Management

The organizational structure of the Charter School is set forth in the organizational chart below and consists of key employees of both the Management Company and the Charter School, as well as a contracted Business Manager.

Table 5: Organizational Chart of the Charter School



* Management Company employees.

The leadership of the Charter School is led by the (i) Management Company’s Executive Director; (ii) the Charter School Principal, an employee of the Charter School; and (iii) the Administrative Director, an employee of the Management Company (the “Leadership Team”). The Leadership Team and its roles and responsibilities are set forth below:

Carolyn Sharette, Executive Director. Carolyn Sharette, Founder and Executive Director of the Management Company, serves as Executive Director for the Charter School. See “—Management Company—Leadership” set forth above.

Christie Olivieri, Charter School Principal. Christie Olivieri has served as the Charter School Principal since 2016 after previously serving for one year as an Administrative Director for the Charter School. Her prior experience includes two years as a substitute teacher and approximately eight years in the field of business/finance. She holds an Associate Degree in Criminal Justice, a Bachelor of Science degree in Criminal Justice Administration and a Master of Science degree in Administration of Justice and Security from the University of Phoenix.

The Charter School Principal reports directly to the Charter School Board and oversees all non-academic administrative functions of the Charter School including, among others: working with the Business Manager on finance and budget functions; the supervision of Charter School support staff (secretarial); the establishment of policies and procedures relating to non-academic areas such as enrollment, registration, attendance, carpool, weekly communication with parents, state reporting, nutrition programs and calendar; development, and implementation of administrative policies and procedures; legal and regulatory compliance; and team building.

Phil Collins, Business Manager. Phil Collins, CFO of the Management Company serves as Business Manager for the Charter School. See “—Management Company—Leadership” set forth above.

Mr. Collins performs without limitation the following functions and duties for the Charter School: acting as the school’s Internal Auditor, reviewing the financial work of employees, agents, volunteers, or other parties involved in financial transactions on behalf of the Charter School; authorize disbursements made by check, warrant, cash, or electronic transfer, consistent with finance policy and Nevada law; report monthly on the financial position, income and expenses, financial regulatory compliance, and other financial matters to the Charter School Board; review budgets and forecasts; assist the Charter School Board and administration with annual staffing budgets; review account reconciliations; review year-end close and archiving; and assist as needed with an annual audit.

Rachelle Hulet, Administrative Director. Rachelle Hulet was a member of the Charter School Organizational Committee and has served as an Administrative Director for the Charter School since 2014. The Administrative Director reports directly to the Executive Director and is responsible for the day to day operations of the Charter School. The Executive Director, Carolyn Sharette, is Ms. Hulet’s aunt. The Administrative Director oversees all administrative functions of the Charter School including, among others: overseeing all academic directors; expulsion and suspension hearings; meeting with concerned parents; all hiring and firing decisions; staffing of the Charter School; working with the Business Manager on finance and budget functions; the supervision of Charter School support staff (secretarial); the establishment of policies and procedures relating to non-academic areas such as enrollment, registration, attendance, carpool, weekly communication with parents, state reporting, nutrition programs and calendar; development, and implementation of administrative policies and procedures; legal and regulatory compliance; and team building.

Conflict of Interest Policy

The Charter School Board addresses conflicts of interest through established bylaws and a Code of Ethics. In addition, the Charter School has adopted a “Conflict of Interest of Policy and Annual Statement for Directors and Officers and Members of a Committees with Board Delegated Powers” (the “Conflict Policy”). Charter School Board members are required to sign an annual statement confirming that they have read and understand the Conflict Policy.

When the Charter School Board enters into new contracts, a due diligence process including requests for proposals and multiple bids ensure that contracts are fairly awarded. The Charter School Board maintains an arms-length relationship with all contractors, including the Management Company and the business manager. The Charter

School Board itself ensures, through its membership guidelines that no conflicts of interest exist between members of the Charter School Board and the Management Company. The Charter School Board's rules to avoid possible conflicts of interest include: (i) the Charter School Board will not include more than two individuals who represent the same organization, business or otherwise represent the interests of the same business or organization; (ii) a Charter School Board member cannot be an employee of the Charter School Board or the Charter School, including, without limitation, an administrator or teacher; (iii) a director cannot be a contractor of the Charter School Board; (iv) if a Charter School Board member serves as a director or as a representative of a nonprofit organization or business, no other member will serve as a representative of such organization or business or represent the interests of such organization or business; (v) a person who is related by blood or marriage to an employee of the Charter School Board or Charter School; (vi) a person who is related by blood or marriage to another member of the Charter School Board; and (vii) the Charter School Board will not consider any member nomination from any contractor of the Charter School, especially any educational management organization.

Succession Policy

Vacancies on the Charter School Board are filled in accordance with the Articles and Bylaws. The Charter School does not have a formal succession policy for administrators. [According to Charter School officials, the Charter School Board anticipates a resignation from Rachel Lillian for personal reasons. The Charter School's Governing Board plans to begin interviews to replace Rachel Lillian in October 2019.]

Internal Controls

As set forth in the Bylaws, the Board may authorize any officer(s) or agent(s) to enter into any contract and deliver any instrument in the name of and on behalf of the Charter School. No loans shall be contracted and no evidence of indebtedness shall be issued unless authorized by a resolution of the Board. Further, all checks, drafts or other orders for payment of money, notes or other evidence of indebtedness shall be signed by such officer(s) or agent(s). The Board Chair and the Administrator are required to sign all checks over the amount of \$25,000.

Charter School Employees and Labor Relations

The following table sets forth information on employees of the Charter School for each of the past four years.

**Table 6:
Staff Composition**

	<u>2015-2016</u>		<u>2016-2017</u>		<u>2017-2018</u>		<u>2018-19</u>	
	<u>Full-Time</u>	<u>Part-time</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Full-time</u>	<u>Part-Time</u>	<u>Full-Time</u>	<u>Part-time</u>
Administration	5	--	5	--	5	--	5	--
Elementary Teachers	33	--	32	--	32	--	28	--
Secondary Teachers	12	--	14	--	14	--	25	2
Elective Teachers	6	--	11	1	11	--	10	4
Special Education	3	3	3	2	3	3	3	1
Instructional Support Staff	35	5	33	4	33	5	33	1
Other	<u>12</u>	<u>2</u>	<u>18</u>	<u>--</u>	<u>18</u>	<u>2</u>	<u>19</u>	<u>7</u>
Total	<u>106</u>	<u>10</u>	<u>116</u>	<u>7</u>	<u>116</u>	<u>10</u>	<u>123</u>	<u>15</u>

Source: The Management Company

The average teacher's salary for the 2018-19 school year was \$41,000. The following table sets forth information on historical teacher retention rates for the Charter School. The Charter School had an initial retention rate of 63.90% between the first and second year of operation with the retention rate increasing over the next two years. The first year of employment for an APA teacher can be challenging and different from other teacher jobs and both the Charter School and a teacher are able to determine in the first year or two whether that teacher is well-suited

for a long term position at APA. Thus the Charter Schools expects that it has already experienced the lowest retention rates as 1 and 2 year teachers have already left.

**Table 7:
Historical Teacher Retention Rates**

Year	Percent Retained
From 2016-2017 to 2017-2018	70.8%
From 2017-2018 to 2018-2019	80.3%
From 2018-2019 to 2019-2020	84.8%

Faculty and administration of the Charter School hold the following highest degrees*:

**Table 8:
Degrees Held by Charter School Faculty and Administration**

Highest Degree Held	Percent Holding Degree
High School	8.33%
Some College	23.61%
Bachelors	36.11%
Bachelors Plus ¹	2.78%
Masters	27.08%
Master Plus ¹	2.08%
Doctorate	<u>0.00%</u>
Total	<u>100.00%</u>

¹ Credit hours acquired toward an advanced degree.

Employee Benefits. Employees that work over 30 hours per week currently receive medical, dental and vision benefits. In addition, the Charter School provides life insurance and long-term disability insurance for full time employees (over 37 hours per week). All Charter School employees are members of the Public Employees’ Retirement System of Nevada (“PERS”) to which the Charter School and employees are required to contribute a statutorily determined percentage of salaries paid. For additional information regarding the Charter School’s contribution to PERS, see “—CHARTER SCHOOL FINANCIAL INFORMATION—Retirement and Pension Matters.”

Labor Relations. The Charter School Board contracts with the Management Company to handle all hiring and contract negotiations. The Principal, Administrative Director, Elementary and Secondary Directors sit on the Hiring Committee. Hiring decisions are presented to the Chair of the Hiring Committee (Board Member) who reports to the Board for approvals. Teachers are employed on an at-will basis pursuant to annually renewable contracts initially approved by the Charter School Board. The faculty, administration and Charter School Board have a strong and collaborative working relationship. The Charter School considers its relations with the teachers as “excellent.” The Charter School’s employees are not represented by any unions.

* The following information is not required to be annually updated pursuant to the Continuing Disclosure Agreement.

CHARTER SCHOOL OPERATIONS

Charter School Admissions, Lottery Policy and Enrollment

Recruitment. The purpose of the Charter School is to serve the educational needs of students who are considered at-risk due to socio-economic status, because they are English Language Learners or who speak English as their second language, and students whose boundary schools are not achieving State standards according to Federal standards and who may be in need of a compacted, accelerated curriculum in order to achieve multiple years' growth per year in order to achieve grade level proficiency. Therefore, the Charter School has located in an area where there is a concentration of at-risk students and is surrounded by public schools that are not achieving required standards. As a lottery school, the Charter School cannot control who is enrolled, but Charter School officials focus on an outreach initiative to at-risk communities so that as many at-risk students can be reached as possible.

The Charter School meets all State laws, including ensuring that the Charter School provides equal access to interested students and families. Current enrollment reflects the diversity of the surrounding communities. The Charter School is committed to recruiting students that reflect the demographic profile of the campuses surrounding the school zones. Strategies to accomplish this include grassroots local community outreach opportunities through flyers to local Asian and Hispanic markets as well as to surrounding neighborhoods, billboards that all community members can see, and parent information meetings at public libraries. Traditional recruitment includes electronic marketing through email, Facebook, and the website, as well as sending flyers home with all currently enrolled students. The Charter School expects some attrition throughout the school year and so it is continuously recruiting students via social media, family communication, flyers, and public notifications. The Charter School conducts a strictly "blind" enrollment process, wherein they do not gather any information regarding income or disability prior to students enrolling online. In this way, the Charter School can be certain at-risk or disabled students are not discriminated against in enrollment.

Enrollment Policy. Applications are received online on an ongoing basis. Parents of kindergarten students for the following school year can begin enrolling January 1st of the year they hope to enroll their student. The Charter School holds a lottery in March each year and assigns numbers to all applicants. Enrollment is offered according to the lottery numbers assigned, providing sibling priority as students were placed. The Charter School will continue to receive online applications. When a vacancy occurs and all numbered applicants have been placed (those applications that have been in a lottery), all applications for students in the grade where there is an opening are pulled, each application is assigned a number through the lottery process and the vacancy is filled from the numbered list.

The Charter School's overall student teacher ratio is 18:1. The following table sets forth historical enrollment at the Charter School since opening for 2014-15 school year based on the October 1 student count date.

**Table 9:
Historical Student Enrollment and Projected Growth for the Obligated Group**

		Historical ¹						Projected			
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 ²	2020-21	2021-22	2022-23	2023-24
APA-LV #1	K	72	166	100	100	99	99	90	90	90	90
	1	64	175	164	99	104	99	90	90	90	90
	2	58	158	165	165	99	99	90	90	90	90
	3	64	160	165	165	164	99	90	90	90	90
	4	33	212	132	165	164	165	90	90	90	90
	5	31	161	198	132	166	165	150	90	90	90
	6	26	124	163	198	132	165	150	150	90	90
	7	21	94	118	180	200	132	150	150	230	230
	8	23	65	90	120	190	200	132	150	230	230
	9	18	77	58	90	132	165	180	130	230	230
	10	--	29	55	60	86	132	180	175	120	120
	11	--	--	28	60	67	90	120	175	165	165
	12	--	--	--	30	48	65	90	120	165	165
	Total	<u>410</u>	<u>1,421</u>	<u>1,436</u>	<u>1,564</u>	<u>1,651</u>	<u>1,675</u>	<u>1,602</u>	<u>1,590</u>	<u>1,770</u>	<u>1,770</u>
APA-LV #2	K	--	--	--	--	--	--	100	100	100	100
	1	--	--	--	--	--	--	90	90	90	90
	2	--	--	--	--	--	--	90	90	90	90
	3	--	--	--	--	--	--	90	90	90	90
	4	--	--	--	--	--	--	90	90	90	90
	5	--	--	--	--	--	--	90	90	90	90
	6	--	--	--	--	--	--	90	90	90	90
	7	--	--	--	--	--	--	--	--	--	--
	8	--	--	--	--	--	--	--	--	--	--
	9	--	--	--	--	--	--	--	--	--	--
	10	--	--	--	--	--	--	--	--	--	--
	11	--	--	--	--	--	--	--	--	--	--
	12	--	--	--	--	--	--	--	--	--	--
	Total	--	--	--	--	--	--	<u>640</u>	<u>640</u>	<u>640</u>	<u>640</u>
Grand Total		<u>410</u>	<u>1,421</u>	<u>1,436</u>	<u>1,564</u>	<u>1,651</u>	<u>1,675</u>	<u>2,242</u>	<u>2,230</u>	<u>2,410</u>	<u>2,410</u>

¹ Historical enrollments are as of October 1 student count date.

² As of August 25, 2019.

The following table provides student retention rates for the APA-LV #1 Campus, calculated by tracking the students enrolled on the last day of the prior school year that were enrolled on the first day of the subsequent school year, one grade advanced, excluding those students in the respective school's highest grade level that could not continue enrollment because the next grade level was not offered by the respective school during the subsequent school year.

**Table 10:
Student Retention Rates by Grade**

Grade	Percent Retention from 2017-2018 to 2018-2019	Percent Retention from 2018-2019 to 2019-20
<i>APA-LV #1</i>		
1	99.0%	95.0%
2	99.0%	96.2%
3	93.9%	98.0%
4	92.6%	93.9%
5	93.7%	95.8%
6	89.2%	90.4%
7	90.7%	95.4%
8	87.5%	92.0%
9	73.2%	65.1%
10	84.7%	79.7%
11	88.7%	83.3%
12	85.7%	98.5%

The table below provides historical school-wide retention rates for the Charter School.

**Table 11:
Yearly School-Wide Student Retention Rates**

	2014-15 to 2015-16	2015-16 to 2016-17	2016-17 to 2017-18	2017-18 to 2018-19	2018-19 to 2019-20
Student Retention Rates	99.2%	81.4%	88.3%	88.4	87.7%

The student population at the APA-LV #1 Campus consists of students residing in the following zip codes, all of which are in Clark County, Nevada:

**Table 12:
Distribution of Charter School Students by Zip Code**

Zip Code	Percent	Zip Code	Percent	Zip Code	Percent
89014	0.44%	89110	0.03%	89139	7.90%
89030	0.19%	89113	9.09%	89141	1.87%
89031	0.37%	89115	0.56%	89143	0.19%
89032	0.31%	89117	5.10%	89144	0.62%
89044	0.12%	89118	3.86%	89145	1.06%
89052	0.56%	89119	0.50%	89146	1.62%
89074	0.56%	89120	0.12%	89147	7.90%
89081	0.06%	89121	0.19%	89148	24.08%
89084	0.06%	89123	1.56%	89149	0.68%
89102	0.31%	89128	0.75%	89155	0.06%
89103	2.74%	89129	1.00%	89166	0.31%
89105	0.12%	89130	0.19%	89178	11.01%
89106	0.12%	89131	0.31%	89179	4.36%
89107	0.56%	89134	0.25%	89183	0.62%
89108	0.31%	89135	6.10%	89193	0.06%
89109	0.12%	89138	1.49%		

The following table shows the diverse population of students in the Charter School for the 2017-18 school year, the most recent statistics available.

**Table 13:
Student Diversity***

K-5	Am Indian/ AK Native	Asian	Hispanic	Black	White	Pacific Islander	2 or More Races
The Charter School ¹	0.00	16.99	18.34	14.61	41.38	0.00	5.79
All Schools	0.88	5.49	42.41	11.09	32.47	1.41	6.24
Clark County	0.36	6.34	46.54	14.14	24.50	1.59	6.54
Rogers	0.00	21.74	24.24	16.86	24.71	0.00	10.60
Steele	0.00	25.35	18.28	8.31	32.55	3.60	11.91
Tanaka	0.00	13.75	28.5	18.46	26.27	1.36	11.65
Marion Earl	0.00	12.45	35.79	21.36	20.65	2.26	7.50
Batterman	0.00	17.82	23.33	9.70	34.08	0.00	11.93
Alamo	0.00	24.23	21.54	18.46	20.87	0.00	9.71
6-8	Am Indian/ AK Native	Asian	Hispanic	Black	White	Pacific Islander	2 or More Races
The Charter School ¹	0.00	16.99	18.34	14.61	41.38	0.00	5.79
All Schools	0.88	5.49	42.41	11.09	32.47	1.41	6.24
Clark County	0.36	6.34	46.54	14.14	24.5	1.59	6.54
Fertitta	0.00	14.12	25.75	10.84	37.73	0.00	9.13
Faiss	0.00	16.30	24.55	15.21	28.93	0.00	11.73
Canarelli	0.00	23.61	25.96	13.70	22.54	0.00	9.48
Sawyer	0.00	12.01	48.52	16.61	13.9	0.00	5.84
Lawrence	0.00	16.33	37.49	14.70	21.9	0.00	7.50
9-10	Am Indian/ AK Native	Asian	Hispanic	Black	White	Pacific Islander	2 or More Races
The Charter School ¹	0.00	16.99	18.34	14.61	41.38	0.00	5.79
All Schools	0.88	5.49	42.41	11.09	32.47	1.41	6.24
Clark County	0.36	6.34	46.54	14.14	24.50	1.59	6.54
Sierra Vista	0.60	18.69	25.69	16.10	24.38	4.53	10.00
Spring Valley	0.00	16.15	34.79	12.85	26.74	0.00	7.67
Durango	0.00	14.04	39.91	15.61	22.54	0.00	7.85

¹ Based on total student population.
Source: The Management Company

* The following information is not required to be annually updated pursuant to the Continuing Disclosure Agreement.

Wait List. A computerized lottery is used to select students for any available openings not to exceed the maximum class size. After all available classes are filled students are taken on a first-come, first-served basis and placed on a post lottery wait list. Enrollment by special education students is considered in accordance with applicable state and federal law. The Charter School has enrolled 78 students in the special education program for the 2019-2020 school year. When a student leaves the Charter School, the vacant spot is filled utilizing the wait list created from those students that did not obtain a spot through that year’s lottery. The wait list is purged in November annually and a new waitlist is created January 1 of each year for the following school year. Set forth below is the Charter School’s lottery summary, listed by grade level prior to the annual purge.

**Table 14:
Waitlist Data¹**

Grade	2015-16	2016-17	2017-18	2018-19	2019-20
K	460	664	748	814	947
1	465	325	386	446	571
2	289	246	290	363	436
3	253	264	242	319	406
4	238	234	250	281	308
5	236	168	236	279	316
6	211	236	222	296	349
7	105	98	153	174	219
8	86	79	126	140	153
9	85	75	105	132	165
10	33	33	40	59	79
11	2	17	26	37	48
12	<u>1</u>	<u>3</u>	<u>11</u>	<u>26</u>	<u>34</u>
Total	2,264	2,439	2,835	3,366	4,031

¹ Figures represent waitlist figures as of August 31 of the respective year.

² As of August 26, 2019.

Star Rating System

The Nevada Department of Education ("NDE") is to make final determinations of school ratings on or before September 15th of each year. Star ratings were assigned to elementary and middle schools in December 2017. High schools did not receive a star rating for the 2016-17 school year, but all schools, including high schools, received a star rating for the 2017-18 school year in September 2018. The APA-LV #1 high school did not receive a star rating for 2017-18 because the high school did not yet have a graduating class of seniors. The NDE has provided descriptions of each of the star rating categories as set forth below:

1-Star. A 1-Star School has room for substantial improvement in whole school proficiency and growth and is among the lowest-achieving schools in the State based upon whole school proficiency and growth over a number of years.

2-Star. A 2-Star School has room for improvement in whole school proficiency and growth.

3-Star. A 3-Star School has some areas of success as well as some areas that need improvement relative to student proficiency and/or student growth on the State assessments.

4-Star. A 4-Star School is a higher performing school in State in student proficiency and/or student growth on the State assessments. The 4-Star School is acknowledged for its achievement with public recognition and has some autonomy and/or flexibility in school planning and decision-making.

5-Star. A 5-Star School is among the highest performing schools in the State in student proficiency and/or student growth on the State assessments. The 5-Star School is acknowledged for its achievement with public recognition and has autonomy in school planning and decision-making.

Star ratings are used to develop performance plans for each school and the level of oversight correlates with the school’s star rating such that the lower the star rating, the higher the level of State and/or local school district involvement in the school’s operations.

The following table provides a summary of the star ratings for the APA-LV #1 Campus for 2017-18.

**Table 15:
Charter School Star Ratings**

Campus	Grade Level	2017-18 State Star Rating ¹	2018-19 State Star Rating
APA-LV #1 Campus	Elementary		
APA-LV #1 Campus	Middle		
APA-LV #1 Campus	High School	N/A	

[Add discussion of Star results]







¹ The APA-LV #1 Elementary School initial Star Rating in 2016-17 was four stars and the APA-LV #1 Middle School initial Star Rating in 2016-17 was five stars.

Source: Nevada Accountability Portal by the Nevada Department of Education

Competition

The majority of the Charter School’s students currently attend the Charter School to obtain the type of education and instruction set forth in the Charter. There can be no assurance that the Charter School will attract and retain the number of students that are needed to produce the Gross Revenue that is necessary to pay the debt service on the Bonds. See “RISK FACTORS—Competition for Students.” The Charter School is located in the City within the Clark County School District. The following table provides a summary of the competitive schools that are within a two-mile radius of the Charter School and that serve at least one grade level served by the Facilities.

**Table 16:
Competitive Schools***

School Name	School Type	Grades Served	Enrollment	Distance (miles)	2018-19 State Star Rating ¹
Lucille S. Rogers	Elementary Public	PK-5	964	1.4	
Wayne N. Tanaka	Elementary Public	PK-6	841	2.1	
Sierra Vista	High School Public	9-12	2,612	3.3	
Durango	High School Public	9-12	2,390	2.5	
Grant Sawyer	Middle Public	6-8	1,202	3.2	
Judith D. Steele	Elementary Public	K-5	777	3.8	
Challenger School-Desert Hills	Private	PK-1	[280]	2.0	N/A
Merryhill	Elementary Private	K-5	[95]	1.6	N/A

¹ The ratings set forth in this column are based on the testing results from the school year 2018-19, which is the most recent school year for which results are available. Five stars is the highest achievable rating under the current rating system. The APA-LV #1 Campus earned a two star rating for the elementary school, a five star rating for the middle school and a two star rating for the high school for 2018-19. See “—Star Rating System” above.

State Assessments

The NDE is required to develop and operationalize a new accountability system based on the 2017-18 school year, under the federal Every Student Succeeds Act. Beginning with the graduating class of 2017, the State’s End of

* The following information is not required to be annually updated pursuant to the Continuing Disclosure Agreement.

Course examinations took the place of the High School Proficiency Examination as a graduation requirement for a Nevada standard diploma. The following describes the current State mandated assessments that must be administered by the Borrower at the Doral Academy Schools. The Nevada Board of Education is in the process of interpreting recent State legislation that will likely necessitate changes in the following assessments.

The NDE's testing program consists of different state prescribed tests. NDE develops or selects and administers all state assessments. All students enrolled in public schools, including the Charter School, at a grade level where a mandated test is administered statewide, will participate in test administration per Nevada statutes. Federal and state requirements have been aligned so that all students must participate fully and meaningfully in the state assessments. Students with disabilities and students classified as English learners must also participate and may use accommodations and/or designated supports, as appropriate.

Grades K-3: Measure of Academic Progress:

For grades K-3 the State utilizes Measure of Academic Progress (MAP), a computer-adaptive assessment that monitors student growth and informs teachers in a way that allows them to personalize instruction. This assessment program was adopted in the State to help achieve the Read by Grade Three Act that aims to ensure all students are able to read proficiently by the end of the 3rd grade. A student taking a MAP assessment will first answer a question that is appropriate for that student's grade level, as the test continues, the questions dynamically adapt in response to the student's performance. The results of the MAP assessments are easy to understand and designed to help educators recognize each individual student's needs.

Grades 3-8: Smarter Balanced Assessments:

The Smarter Balanced Assessment is a computer testing system aligned with the Common Core State Standards in English language arts ("ELA") and mathematics and is given to students in grades 3 through 8. It was developed by a group of states known as the Smarter Balanced Assessment Consortium ("SBAC"). The goal in implementing the Smarter Balanced Assessment is to prepare all State students for success in college and careers readiness. The online format of this assessment allows for more meaningful feedback for both teachers and parents. The computer adaptive technology makes each testing experience customized. During the test if a student answers a question correctly, the next question will be harder, an incorrect answer will be followed by an easier question. In addition to multiple choice questions, this assessment includes writing questions which allow students to demonstrate their research, writing, and problem solving skills.

Grades 5, 8 & 10: Science:

Federal testing regulations require all public school students in 5th, 8th, and 10th grade to participate in science assessments. These assessments are computer-based tests that are administered once a year by schools in the spring. Student performance is measured against the recently adopted Nevada Academic Content Standards ("NVACS") for Science.

In the fifth grade students are expected to demonstrate grade-appropriate proficiency in the following areas to demonstrate understanding of the core ideas: developing and using models, planning and carrying out investigations, analyzing and interpreting data, using mathematics and computational thinking, engaging in argument from evidence, and obtaining, evaluating, and communicating information.

By the eighth grade, students are expected to complete physical science, life science, earth and space science, and engineering design. Students are expected to be able to define a problem by precisely specifying criteria and constraints for solutions as well as potential impacts on society and the natural environment, systematically evaluating alternative solutions, analyzing data from tests of different solutions and combining the best ideas into an improved solution, and developing a model and iteratively testing and improving it to reach an optimal solution.

Grades 7-13: End of Course Examinations (EOC):

The End of Course examinations are designed to measure student understanding of the courses they are enrolled in. These exams are aligned to the NVACS in ELA, mathematics, and science. The End of Course exams

are administered for Math I Emphasis on Algebra I, Math II Emphasis on Geometry, Integrated Mathematics 1, Integrated Mathematics 2, ELA I with a Focus on Reading Comprehension, ELA II with a Focus on Writing, Science with a focus on Life Science for Graduation Cohort 2020 and beyond, ELA Combined (reading and writing) for Graduation Cohort 2020 and beyond.

All State public schools are required to administer exams that align to the NVACS which include the MAP exam for grades K through 3, SBAC exams for grades 3 through 8 which provide Nevada’s criterion-referenced exams in content areas of ELA/Literacy and Mathematics, 5th grade writing assessments, the Nevada Alternative Assessment, and the English Language Proficiency Assessments.

The following tables set forth 2018-19 SBAC results for grades 3 through 8, compared to State results and the competitive schools for the APA-LV #1 Campus.

**Table 17:
Charter School SBAC Results – 2018-19**

	ELA					
	3rd	4th	5th	6th	7th	8th
STATE OF NEVADA	46.3%	49.2%	50.9%	45.8%	49.9%	47.5%
APA-LV #1	42.7%	63.0%	61.4%	71.2%	73.9%	54.3%
Lucille S. Rogers	64.2%	60.4%	69.6%	--	--	--
Wayne N. Tanaka	56.5%	50.4%	44.4%	--	--	--
Sierra Vista	--	--	--	--	--	--
Durango	--	--	--	--	--	--
Grant Sawyer	--	--	--	37.3%	48.1%	43.0%
Judith D. Steele	64.4%	76.1%	72.1%	--	--	--
Challenger School-Desert Hills	--	--	--	--	--	--
Merryhill	--	--	--	--	--	--
	MATH					
	3rd	4th	5th	6th	7th	8th
STATE OF NEVADA	47.8%	43.9%	36.8%	34.2%	32.4%	30.3%
APA-LV #1	49.4%	41.2%	36.7%	63.6%	59.3%	41.1%
Lucille S. Rogers	72.4%	63.4%	65.4%	--	--	--
Wayne N. Tanaka	71.3%	55.7%	38.9%	--	--	--
Sierra Vista	--	--	--	--	--	--
Durango	--	--	--	--	--	--
Grant Sawyer	--	--	--	27.1%	27.6%	18.3%
Judith D. Steele	78.0%	74.5%	52.9%	--	--	--
Challenger School-Desert Hills	--	--	--	--	--	--
Merryhill	--	--	--	--	--	--

NO LITIGATION

As of the date hereof, no action, suit, proceeding or investigation at law or in equity, before or by any court, governmental agency or public board or body is pending or, to the knowledge of the Charter School or the Borrower, overtly threatened, affecting the validity of the Indenture, the Loan Agreement or the Bonds or contesting the corporate existence or powers of the Charter School or the Borrower or that is otherwise material to the business or operations

of the Charter School, the Borrower or the Management Company, to the knowledge of the Charter School and Borrower.

CHARTER SCHOOL FINANCIAL INFORMATION

State Payments

As further described in “APPENDIX A—Charter Schools in Nevada—*Funding Process*,” Nevada charter schools receive funding from state, local, and federal sources. The Legislative declaration is that “the proper objective of state financial aid to public education is to ensure each Nevada child receive a reasonably equal educational opportunity.” Therefore, the quintessence of the State’s financial obligation for such programs can be expressed in a formula partially on a per pupil basis and partially on a per program basis. This program is designated the “Nevada Plan.” The primary purpose of the Distributive School Account (“DSA”) is to “supplement local financial ability to whatever extent necessary” and provide the means by which Nevada meets its guaranteed financial support to school districts under the Nevada Plan. The State Board of Education, through the Nevada Department of Education (“NDE”), is responsible for administering the Nevada Plan and allocating the legislatively-approved funds from the DSA to school districts and charter schools. See “APPENDIX A—Charter Schools in Nevada—*Funding for Charter Schools*.”

Historical and Budgeted Financial Information

Accounting Principles. The Charter School follows NDE’s guidelines with respect to budgeting, accounting and auditing of public schools. The Charter School Board in conjunction with the Management Company, and Business Manager administer the financial affairs of the Charter School and is responsible for implementing proper accounting controls. The Charter School maintains one governmental fund, the General Fund, to account for all transactions of the Charter School, except those required to be accounted for in another fund. The fund represents and accounts for the Charter School’s ordinary operations financed from State revenues, primarily per-pupil revenue.

As set forth in the Charter, the Charter School agrees to establish, maintain and retain appropriate financial records in accordance with all applicable federal, state and local laws, rules, policies and regulations, and to make such records available on a quarterly basis to the State Charter School Authority. In addition, as provided in the Charter, an independent financial audit is to be conducted each fiscal year. The financial statements of the Charter School are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles applicable to government organizations. The Charter Schools audited financial statements for the year ended June 30, 2018 are appended hereto as APPENDIX C.

**Table 18:
Historical General Fund Revenue, Expenditures and Changes in Fund Balance**

	Audited 2015-16	Audited 2016-17	Audited 2017-18¹	Unaudited 2018-19
Revenues				
State sources	\$8,996,101	\$9,195,611	\$10,477,090	\$11,470,940
Federal sources	--	82,443	81,388	--
Local sources	<u>5,015</u>	<u>64,391</u>	<u>302,742</u>	<u>553,589</u>
Total Revenues	<u>9,001,116</u>	<u>9,342,445</u>	10,861,220	12,024,529
Expenditures				
Regular instruction	3,384,668	3,925,948	5,241,042	5,629,147
Special instruction	--	262,074	--	--
Administration	2,753,312	1,920,959	2,169,494	2,082,379
Facilities	23,028,897	536,241	886,684	978,653
Support services	338,742	74,305	495,112	332,720
Capital outlay	--	6,795	--	--
Debt service	--	<u>1,838,851</u>	<u>2,344,657</u>	<u>1,599,193</u>
Total Expenditures	<u>29,505,619</u>	<u>8,565,173</u>	<u>11,136,989</u>	<u>10,622,092</u>
Other Financing Sources				--
Capital lease	21,861,063	--	--	
Net Change in Fund Balance	1,356,560	777,272	(275,769)	1,402,437
Beginning Fund Balance	<u>256,562</u>	<u>1,613,122</u>	<u>2,390,394</u>	<u>2,114,625</u>
Ending Fund Balance	<u>\$1,613,122</u>	<u>\$2,390,394</u>	<u>\$2,114,625</u>	<u>\$3,517,062</u>

¹ Due to a change in auditors, amounts included in certain line items may vary versus past years.

Source: Charter School's audited financial statements for the years ended June 30, 2016-2018; unaudited numbers for 2019 from the Charter School

**Table 19: [Highlighted numbers below do not sum]
Historical Statement of Net Position**

	Audited 2015-16	Audited 2016- 17	Audited 2017-18¹	Unaudited 2018-19
Assets				
Current Assets				
Cash	\$1,524,973	\$2,640,338	\$1,607,471	\$2,189,686
Receivables	816,945	35,881	1,015,629	1,051,824
Deposits	15,000	21,654		2,724
Prepaid Expense	<u>71,630</u>	<u>172,631</u>	<u>72,050</u>	<u>81,489</u>
Total Current Assets	2,428,548	2,870,504	2,695,150	2,424,087
Noncurrent Assets				
Capital assets, net	21,282,153	20,039,863	29,890,539	29,965,000
Refundable deposits	<u>-</u>	<u>-</u>	<u>38,724</u>	<u>12,907</u>
Total Noncurrent Assets	<u>21,282,153</u>	<u>20,039,863</u>	<u>29,929,263</u>	<u>29,977,907</u>
Total Assets	23,710,701	22,910,277	32,624,413	31,381,457
Deferred outflows of resources	<u>1,244,023</u>	<u>3,802,948</u>	<u>6,321,937</u>	<u>6,321,937</u>
Total assets and deferred outflow of resources	<u>24,954,724</u>	<u>26,713,225</u>	<u>\$38,946,350</u>	<u>\$37,703,394</u>
Liabilities				
Current Liabilities				
Accounts Payable	42,761	\$90,311	\$226,473	80,807
Accrued payroll and benefits	633,104	389,709	392,776	368,060
Accrued interest	-	953,798	-	-
Due to related party	139,561	-	-	-
Capital leases, current	411,224	435,591	364,995	483,988
Notes payable, current	<u>-</u>	<u>-</u>	<u>68,807</u>	<u>1,180</u>
Total current liabilities	1,226,650	1,869,409	1,053,051	865,013
Noncurrent liabilities				
Capital leases, noncurrent	21,947,987	21,062,335	30,373,140	29,801,672
Notes payable, noncurrent	-	-	19,252	-
Net pension liability	<u>958,325</u>	<u>3,760,303</u>	<u>6,776,193</u>	<u>6,776,193</u>
Total noncurrent liabilities	<u>22,906,312</u>	<u>24,822,638</u>	<u>37,168,585</u>	<u>36,577,865</u>
Total liabilities	24,132,962	26,692,047	38,221,636	37,442,878
Deferred inflows of resources	<u>144,410</u>	<u>373,028</u>	<u>444,655</u>	<u>444,655</u>
Total liabilities and deferred inflows of resources	24,277,372	27,065,075	38,666,291	37,887,533
Net position				
Invested in capital assets, net	60,282	(1,396,937)	(530,471)	(965,398)
Restricted	5,000	-	-	-
Unrestricted	<u>612,070</u>	<u>1,045,087</u>	<u>810,530</u>	<u>781,259</u>
Total net position	<u>\$677,352</u>	<u>\$(351,850)</u>	<u>\$280,059</u>	<u>\$(184,139)</u>

¹ Due to a change in auditors, amounts included in certain line items may vary versus past years.
Source: Charter School's audited financial statements for the years ended June 30, 2016-2018; 1 numbers for 2019 from the Charter School

Budget Process. Annual budgets are prepared and adopted in accordance with NRS 387.730 for the Charter School on or before June 8 annually. The budget is prepared by fund, function and activity and includes information on the past year, current year projections and requested funds for the next fiscal year. The Management Company drafts the initial budget which is then reviewed by the Business Manager. Prior to April 15 each year, the budget is presented to the Charter School Board for approval. See “APPENDIX A—CHARTER SCHOOLS IN NEVADA.”

The following table sets forth the Charter School’s General Fund budgets for the fiscal years ended June 30, 2019 and June 30, 2020.

**Table 20:
Budget Summary and Comparison ¹**

	2018-19 Budget	2018-19 Actual Unaudited	2019-20 Budget
Revenues			
Local Sources	\$372,841	\$553,589	\$500,000
State Sources	11,395,968	11,470,940	11,627,857
Federal Sources	<u>87,655</u>	<u>0</u>	<u>0</u>
Total Revenues	11,856,464	12,024,529	12,127,857
Expenditures			
Regular instruction	8,252,469	8,044,246	8,159,641
Special programs	0	0	0
Facilities	877,097	978,653	1,109,882
Debt service	<u>1,599,207</u>	<u>1,599,193</u>	<u>1,720,813</u>
Total Expenditures	10,728,774	10,622,092	10,990,336
Net Change in Fund Balance	1,127,690	1,402,437	1,137,521
Beginning Fund Balance	<u>2,114,625</u>	<u>2,114,625</u>	<u>3,517,062</u>
Ending Fund Balance	<u>\$3,242,315</u>	<u>\$3,517,062</u>	<u>\$4,654,583</u>

¹ Figures have been rounded.

Source: The Charter School’s 2018-19 and 2019-20 Budgets

Management’s Discussion and Analysis

For an analysis of the Charter School’s financial performance during the year ended June 30, 2018, see the Charter School’s audited financial statements for the year ended June 30, 2018 attached as Appendix C to this Limited Offering Memorandum.

Other Financial Obligations

Series 2017 Bonds. The Public Finance Authority previously issued its Charter School Revenue Bonds, Series 2017A and Taxable Series 2017B, dated December 5, 2017 (collectively, the “Series 2017 Bonds”). The Series 2017 Bonds are outstanding in the aggregate principal amount of \$29,855,000. The Series 2019 Bonds are being issued on a parity with the Series 2017 Bonds.

Other Financial Obligations. The following table provides information regarding other financial obligations of the Charter School.

**Table 21:
Outstanding Financial Obligations ¹**

Type of Debt	Lending Institution	Original Amount	Interest Rate	Payments	Outstanding Amount	Maturity Date
Equipment Lease	Zions Credit Corporation dba Vectra Equipment Finance	\$1,711,063	4.99%	\$31,673/mo.	\$577,074.76	12/31/20
Total					<u>\$577,074.76</u>	

¹ As of September 17, 2019.

Future Financing

The Borrower and the Charter School currently do not expect to pursue any additional financing over the next 12 months.

Retirement and Pension Matters

The Charter School is a public employer participating in the Public Employees Retirement System of Nevada (“PERS”), a defined benefit cost-sharing multiple-employer program, and all full-time employees are covered as well as part-time employees working at least 20 hours per week and more than 120 days, unless employed by another participating employer. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The Charter School’s net pension liability at June 30, 2017 was \$6,776,193.

Member contribution rates, which are actuarially determined, are established by NRS 286.421 for public employees enrolled in the contribution plan. Two contribution plans are offered to eligible employees, the employee/employer contribution plan and the employer-pay contribution plan. The employee/employer plan increases the employee’s salary. A contribution of 14.50% is deducted from the employee and a matching contribution of 14.50% is paid by the employer. The employer-pay contribution plan requires an employer paid contribution rate of 28.00% on a lower salary schedule. For the fiscal year ended June 30, 2018, the Charter School recognized a pension expense of \$1,025,846. See Note 8 to the Charter School’s audited financial statements attached hereto.

Risk Management

The Charter School Board acts to protect the Charter School against loss and liability by maintaining certain insurance coverages. The Charter School’s administration believes the present insurance coverage to be adequate and in compliance with the Charter. However, there can be no assurance that the Charter School will continue to maintain this level of coverage. See Note 12 to the Charter School’s audited financial statements appended hereto. See also “APPENDIX D—Definitions and Summary of Certain Provisions of the Indenture, the Loan Agreement and the Custodial Agreement—*The Loan Agreement*.”

Financial Projections

This Limited Offering Memorandum contains certain "forward-looking" statements of the type described in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although the Charter School believes that the assumptions upon which the forward-looking statements contained in this Limited Offering Memorandum are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect.

The information contained in the following table has been prepared by Specialized Public Finance Inc. in consultation with the Charter School. Such information has not been prepared in accordance with generally accepted

accounting principles ("GAAP"). No feasibility studies have been conducted with respect to the related projections. Such projections relate only to a limited number of fiscal years and consequently do not cover the entire period that the Series 2019 Bonds will be outstanding. Neither the Underwriter nor the Authority have independently verified the following projections, and they make no representation nor give any assurances that such projections or the assumptions underlying them are complete or correct. The financial projections are based on assumptions made by the Charter School (on matters such as future enrollment, revenues and anticipated expenses but there can be no assurance that actual enrollment, revenues and expenses will be consistent with such assumptions. All phases of the operations of the Charter School involve risks and uncertainties, many of which are outside of the Charter School's control and any one of which, or a combination of which, could materially affect the Charter School's financial results. Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions; the willingness of Nevada to fund public schools including charter schools at present or increased levels; competitive conditions; lower-than-projected enrollment; unanticipated expenses; changes in government regulation including changes in the law governing charter schools in Nevada; future claims for accidents against the Charter School and the extent of insurance coverage for such claims; and other risks discussed in this Limited Offering Memorandum.

NO REPRESENTATION OR ASSURANCE CAN BE GIVEN THAT THE BORROWER WILL REALIZE REVENUES IN AMOUNTS SUFFICIENT TO MAKE ALL REQUIRED PAYMENTS ON THE SERIES 2019 BONDS. THE REALIZATION OF FUTURE REVENUES DEPENDS ON, AMONG OTHER THINGS, THE MATTERS DESCRIBED IN "RISK FACTORS" AND FUTURE CHANGES IN ECONOMIC AND OTHER CONDITIONS THAT ARE UNPREDICTABLE AND CANNOT BE DETERMINED AT THIS TIME. THE UNDERWRITERS AND AUTHORITY MAKE NO REPRESENTATION AS TO THE ACCURACY OF THE PROJECTIONS CONTAINED HEREIN, OR AS TO THE ASSUMPTIONS ON WHICH THE PROJECTIONS ARE BASED.

The Charter School has prepared the following Financial Projections table for illustrative purposes only. The Charter School does not plan to issue any updates or revisions to those forward-looking statements if or when changes in its expectations, or events, conditions or circumstances on which such statements are based occur. The following Financial Projections table is not presented in the format of the financial statements included herein, was not prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), and has not been prepared or reviewed by the certified public accounting firm that prepares the Charter School's audited financial statements. See "RISK FACTORS—Reliance on Projections" in the Limited Offering Memorandum.

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[add projections table]

APPENDIX B1

CERTAIN INFORMATION REGARDING THE AREA OF THE CHARTER SCHOOL

This appendix provides certain information regarding the economic and demographic conditions of the area of the Charter School. The information is historic, and it is not possible to predict whether any past trends will continue in the future.

Population

The following tables sets forth population statistics for the City of Las Vegas, Clark County, and the State of Nevada.

**Table B1-1:
Comparative Population**

Year	City of Las Vegas	Percent Change	Clark County	Percent Change	State of Nevada	Percent Change
1990	258,295	N/A	741,459	N/A	1,201,833	N/A
2000	478,434	85.3%	1,375,765	85.5%	1,998,257	66.3%
2010	583,736	22.0%	1,951,269	41.8%	2,700,551	35.1%
2011	589,340	1.0%	1,969,975	1.0%	2,723,322	0.8%
2012	596,440	1.2%	2,000,759	1.6%	2,758,931	1.3%
2013	603,525	1.2%	2,027,868	1.4%	2,790,136	1.1%
2014	613,590	1.7%	2,069,681	2.1%	2,839,099	1.8%
2015	623,769	1.7%	2,114,801	2.2%	2,890,845	1.8%
2016	632,916	1.5%	2,155,664	1.9%	2,940,058	1.7%
2017	641,708	1.4%	2,204,079	2.2%	2,998,039	2.0%

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, Census 2010, Census 2000, and 1990 Census.

**Table B1-2:
Population by Age**

	Clark County	City of Las Vegas
Under 5 Years	6.3%	6.5%
5 to 9 Years	6.7%	6.6%
10 to 14 Years	6.5%	6.7%
15 to 19 Years	6.1%	6.0%
20 to 24 Years	6.2%	5.3%
25 to 34 Years	14.9%	14.8%
35 to 44 Years	13.8%	13.6%
45 to 54 Years	13.4%	14.0%
55 to 59 Years	6.1%	6.6%
60 to 64 Years	5.6%	5.6%
65 to 74 Years	9.0%	8.7%
75 Years and over	5.4%	5.5%

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates.

The median age for the residents of the City of Las Vegas is 35.9 years and for residents of Clark County is 35.5 years. The State-wide median age is 35.9 years. (Source: U.S. Department of Commerce, Bureau of the Census, 2010 Census.)

Housing Stock

The following table sets forth housing unit information for the City of Las Vegas and Clark County.

**Table B1-3:
Housing Units**

	2000	2010	Percent Change
City of Las Vegas	190,724	243,701	27.8%
Clark County	559,799	940,343	68.0%

Source: U.S. Census Bureau, Census 2000, Census 2010.

Building Permit Activity

The following table provides information regarding the number of residential building permits in the City of Las Vegas for the years indicated.

**Table B1-4:
History of Estimated
Residential Building Activity**

Year	City of Las Vegas
2014	1,453
2015	1,662 ¹
2016	1,470 ¹
2017	1,622
2018	1,810

Source: U.S. Census Bureau.

¹ No reported data; estimates with imputation.

Income

The following table sets forth per capita personal income for Clark County, the State of Nevada and the United States.

**Table B1-5:
Per Capita Personal Income**

	2013	2014	2015	2016	2017
Clark County	\$38,423	\$40,459	\$42,665	\$43,005	\$44,217
State of Nevada	39,440	41,467	44,026	44,486	46,159
United States	44,826	47,025	48,940	49,831	51,640

Source: U.S. Department Commerce, Bureau of Economic Analysis.

The following table sets forth median household income for the City of Las Vegas, Clark County and the State of Nevada.

**Table B1-6:
Median Household Income**

	City of Las Vegas	Clark County	State of Nevada
2013	\$49,289	\$51,057	\$51,230
2014	50,291	51,214	51,450
2015	49,676	51,552	52,431
2016	51,115	54,384	55,180
2017	56,699	57,189	58,003

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates.

Unemployment

The following table sets forth information related unemployment.

**Table B1-7:
Unemployment**

	2018	2017	2016	2015	2014
City of Las Vegas ¹	4.8%	5.3%	5.9%	6.8%	8.0%
Clark County	4.8%	5.3%	5.9%	6.8	8.0%
State of Nevada	4.6%	5.1%	5.7%	6.8	7.9%
United States	3.9%	4.4%	4.9%	5.3%	6.2%

¹ Las Vegas-Henderson-Paradise MSA

Source: Bureau of Labor Statistics

Education Obtainment

The following table sets forth information related to the level of education obtained by Clark County and City of Las Vegas residents.

**Table B1-8:
Education Obtainment**

	Clark County		City of Las Vegas	
	Population	Percent	Population	Percent
Less Than 9th Grade	87,115	5.8%	28,331	6.4%
9th Grade to 12th Grade	122,657	8.1%	36,417	8.2%
High School Diploma	438,733	29.1%	126,514	28.6%
Some College	374,144	24.8%	104,216	23.6%
Associate's Degree	115,615	7.7%	35,526	8.0%
Bachelor's Degree	245,576	16.3%	70,886	16.0%
Graduate Degree or Higher	121,997	8.1%	39,777	9.0%

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates.