

LifeSchool of Dallas

d/b/a **Life School**

Dallas, Texas

January 2011



**TEXAS EDUCATIONAL AGENCY
RECOGNIZED DISTRICT**

>> Credit Strengths

Strong Enrollment Growth:

- Life School has seen enrollment grow every year since the School first opened in 1998. Over the past 5 years, enrollment has increased almost 90%, reaching 3,700 students in grades K-12 in Fall 2010. This rapid growth required the School to seek expansion of its original charter, which allowed for enrollment of up to 2,000 students—a charter expansion was approved in 2005, allowing the School to enroll up to 5,000 students. TEA approved in the Spring of 2010 maximum enrollment of 10,000 students. Enrollment growth is projected to continue regardless of the economic environment—unlike private schools, charter schools are publicly funded and do not charge tuition. Life School with its current campuses will hit a maximum enrollment of approximately 4,500 students in 2015-2016.

Debt Service Coverage:

- Adding back non-cash items and non-continuing rent expense, Life School has achieved historical pro-forma Maximum Annual Debt Service (“MADS”) coverage of 1.41x in FY 2009 and 1.25x in FY 2010. MADS Coverage is projected to be 1.36x in FY 2011 and will reach 1.68x in FY 2014.

Expense Control:

- Charter schools in Texas receive the same level of funding as local public schools (with a few exceptions), but are not subject to collective bargaining and are free to independently select vendors. As a result, charter schools are better able to control costs than traditional public schools. For example, salaries are generally one of the largest expenses for any school—by hiring non-union teachers; charter schools are able to keep salary costs down. Careful control over expenses has been, and will continue to be, an important factor in the School’s strong financial performance. Life School was identified by the Texas Comptroller’s office as a district having both high student achievement and low operation costs in April 2010.

>> Life School of Dallas

Life School of Dallas (“Life School” or the “School”) was founded in 1998 to serve students and families in southern Dallas. It is through the vision of the Chancellor and founder, Dr. Tom Wilson, that Life School opened its doors with 15 faculty and staff members serving 266 students at the Oak Cliff campus in Dallas, Texas. Since its inception over a decade ago, Life School has experienced substantial increases in enrollment without any form of advertisement. Testimonies from parents to friends, neighbors, and co-workers have fueled rapid growth. Today, Life School serves over 3,700 students at five campuses throughout the Dallas area. Dr. Wilson’s vision was to provide a quality education and give parents an educational choice regardless of a parent’s ability to pay. He envisioned a tuition-free school with the quality of an expensive private school. After enactment of charter school legislation, Dr. Wilson realized that a charter school was the avenue to fulfill this vision. Through the help of friends, educators and other professionals the charter was drafted and approved by the TEA in the spring of 1998, and the doors opened only a few months later in August 1998.

Life School seeks to develop leaders with the necessary skills to achieve success in the 21st century. Through character training, strong academics and parent involvement Life School will be successful in fulfilling its mission.

Character Education:

Life School seeks to develop the whole person. Character education is foundational to the development of student leaders and is not limited to a program or curriculum. Character development includes modeling from teachers and staff. Life School seeks qualified faculty and staff who are not only outstanding employees but stellar individuals and role models. Through the consistent application of the discipline system, Life School teaches students appropriate behavior and character qualities.

Strong Academics:

Intellectual development is a critical concept for future success. Life School prioritizes academics through qualified teachers, effective teaching strategies, continual professional development, a safe and orderly learning environment and vertically and horizontally aligned curriculum.

Parent Involvement:

Strong parent participation makes Life School unique with parenting seminars and parent-teacher update sessions scheduled regularly throughout the school year. Parents partner with teachers and administrators in their children's development. This partnership brings order and peace to the classroom and enhances the learning environment.

>> Charter History

The Texas State Board of Education issued the initial charter to the School for a period of five years from August 1, 1998 to July 31, 2003. Subsequent to the awarding of the initial charter, the School applied for and received a second charter renewal in July 2003 extending the charter ten years to July 31, 2013. Maximum enrollment permitted under the charter was increased from 2,000 to 3,000 in May 2005. In April 2008, maximum enrollment was again increased from 3,000 to 5,000 effective August 1, 2008. Approval from TEA was received in May 2010 to allow for 10,000 maximum enrollment. The approved campus locations are in Oak Cliff, Red Oak, Lancaster, Waxahachie and Cedar Hill, Texas.

>> Texas Charter Law

Texas first authorized charter schools in 1995, and the first Texas charter schools began operation in 1996. Current law allows for up to 215 independent charter schools (like Life School)—there is currently no limit on the number of university-sponsored and locally approved charters. According to a March 2009 report by the Institute for Public School Initiatives (IPSI), as of the 2006-2007 school year, 332 charter schools educating approximately 80,629 students were operating in the state.

Prior to 2001, Texas charter law guaranteed charter schools the same level of state funding per student (Average Daily Attendance, or "ADA") as the public school district in which the student resides. After 2001, new charter schools received funding based on the statewide average—a system that is gradually being extended to all charters, including those established prior to 2001, including Life School. These funds may be used for any purpose necessary for the school's operations and authorized by statute, including buying school sites and buying, building, repairing and renting school buildings. The law does not provide for any additional funds for start-ups nor does it allow for facilities funding from the

state. Texas Charter schools do not have the authority to impose local taxes, but do receive local funding based on the statewide average.

>> Current Project

Life School desires to finance the expansion of its Cedar Hill Campus, acquire real estate to expand its Oak Cliff Campus and refinance a number of loans all into a single long term bond financing. The following outline is intended as a brief presentation of the additional projects and current outstanding loans.

Cedar Hill Campus

The expansion of existing facility will be approximately 10,000 sq. ft and provide additional classrooms and support facilities. Construction costs estimated at \$1.8 million.

Oak Cliff Campus

Purchase of 11 acres of adjacent property. Purchase price is \$2.5 million but tract is appraised at \$1.4 million. Renovation costs of the existing facilities are estimated at \$12 million. The school plans to finance the purchase and \$1.875 million of the renovation costs in the 2010 Bonds.

Short Term Projects

The District plans to improve and renovate the existing campuses such as adding playgrounds, parking lot repairs and minor work on athletic fields.

Existing Indebtedness

Lender	Principal	Rate	Term
Southwest Securities I	\$ 2,421,656.42	7.39%	10/4/2026
Southwest Securities II	\$ 1,159,924.58	WSJP + 1% - 6% Fl.	N/A
Southwest Securities III	\$ 1,510,060.80	6%	
Regions Bank I	\$ 1,300,000.00	Floating	5 yrs
Regions Bank II	\$ 16,530,363.36	Floating	5 yrs
Vintage Bank A	\$ 275,619.39	6.90%	5 yrs
Vintage Bank B	\$ 465,016.54	7.00%	5 yrs
Oaks Fellowship	\$ 3,321,685.69	7.50%	8 yrs
Total	<u>\$ 26,984,326.78</u>	*as of 11/30/2010	

>> Source and Uses

The proposed sources and uses of funds are as follows:

Long Term - 30 years

1 Refinance existing debt	\$27,000,000.00
2 Construction funds (Cedar Hill)	\$1,800,000.00
3 Acquisition of property (Oak Cliff)	\$2,500,000.00
4 Debt Service Reserve Fund	\$2,867,000.00
5 Closing Costs	\$1,143,000.00
6 Lancaster roof	\$225,000.00
7 Oak Cliff infrastructure/renovation	\$1,875,000.00
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	\$37,410,000.00

Short Term - 3 years

8 Cedar Hill playground	\$125,000.00
9 Oak Cliff parking lot /concrete work	\$100,000.00
10 Lancaster playground	\$125,000.00
11 Lancaster parking lot	\$150,000.00
	<hr/>
	\$500,000.00

Short Term - 1 year

12 Red Oak parking lot repairs	\$60,000.00
13 Red Oak water wells	\$25,000.00
14 Waxahachie parking lot	\$75,000.00
15 Waxahachie athletic field	\$60,000.00
	<hr/>
	\$220,000.00

\$38,130,000.00

>> Current Texas Educational Agency ratings

Life School is a Recognized District

Campus	Address	Academic Rating	Owned/Leased
Lancaster Campus	950 South I-35E Lancaster, TX 75146	Academically Acceptable	Owned
Oak Cliff Campus	4400 South R.L. Thornton Fwy. Oak Cliff, TX 75224	Recognized	Owned
Red Oak Campus	777 South I-35E Red Oak, TX 75154	Recognized	Leased
Waxahachie Campus	3295 Hwy 77 Waxahachie TX 75154	Recognized	Owned
Cedar Hill Campus	129 W. Wintergreen Cedar Hill, TX 75104	New -- NYR	Owned

Facilities & Collateral Coverage

Oak Cliff Campus

4400 South R.L. Thornton Fwy. Oak Cliff, TX 75224

Opened in 1998, Oak Cliff is the original school and is currently the largest campus, with total 2010-11 enrollment of 1,304 in grades K-12. The maximum capacity is approximately 1,500 students. The facility is owned by Life School. The most recent appraisal, dated December 22, 2008, was completed by Land America Commercial Services and placed the value of the campus at \$10,250,000 on an "as is" basis.

The campus is located in a 17.99 acre parcel with 9 separate buildings totaling approximately 141,000 sq ft, plus three modular units that are used for classrooms and restrooms. The auditorium is located in a two-story, 115,064 sq ft building that also includes offices, a kitchen, large meeting rooms, classrooms, and a gymnasium. The Junior High school is housed in 7 single-story buildings totaling 10,336 sq ft, and include classrooms, a cafeteria, and restrooms. The High School is housed in 15,600 sq ft building that includes 13 classrooms. Additional site improvements include paved parking areas, one playground and an athletic field with a baseball stadium, football stadium, press box, bleachers, and field lights.



Elementary Building



Junior High School



The adjacent property has been a church and private school for the past 30 years. The site has 11.537 acres with four buildings totally 74,469 sq ft. This new facility will enhance the Oak Cliff campus significantly and will allow the campus to further expand its secondary campus. Early estimates show this facility would allow maximum enrollment to increase an additional three hundred students (300).



High School Building



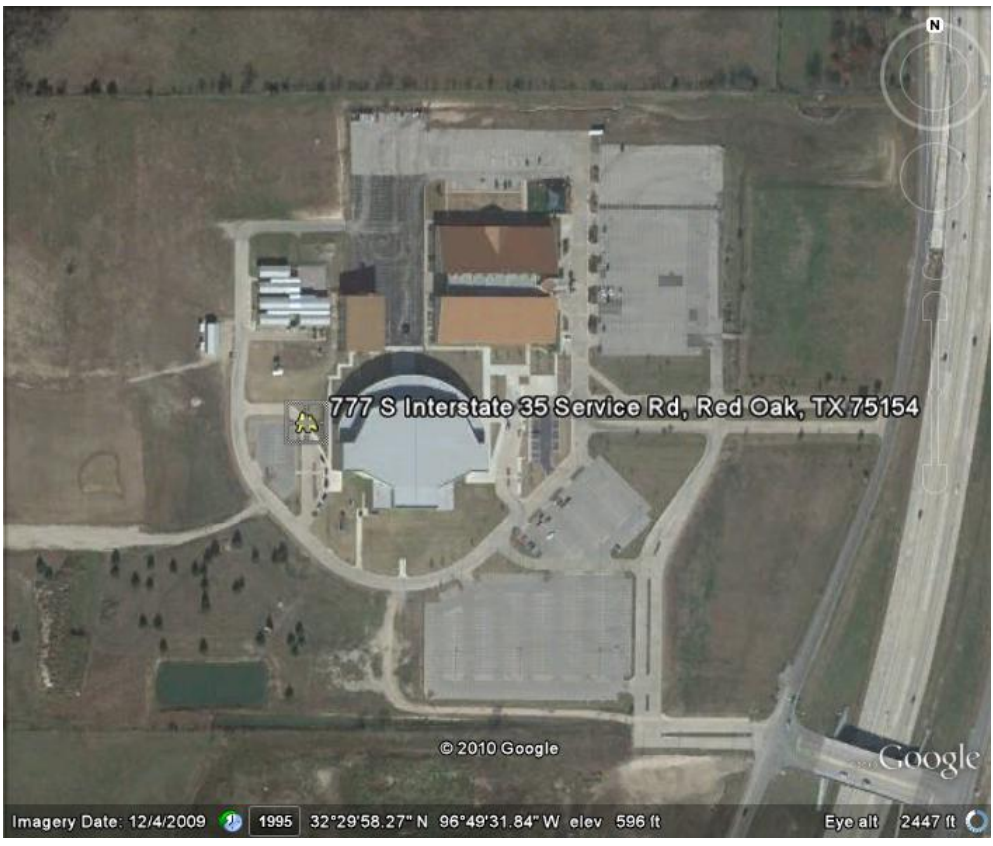
Football Field

The campus has typically had a waiting list of approximately 100-150 students. Oak Cliff has demonstrated high re-enrollment rates at 96.4% for 2009 and 94.33% for 2010. Attendance rates consistently hover around 96%.

Red Oak Campus

777 South I-35E. Red Oak, TX 75154

The Red Oak campus serves over 1,010 students in grades K-6. The maximum capacity is approximately 1,080 students. Opened in 2003, this campus includes classrooms, offices, a kitchen, large meeting rooms, and a half gymnasium. The School currently leases the Red Oak Campus from The Oaks Fellowship, and has no plans to acquire the site at this time – the lease expires July 31, 2019.



The campus has typically had a waiting list of approximately 100-150 students. Red Oak has demonstrated high re-enrollment rates at 97.9% for 2009 and 95.9% for 2010. Attendance rates consistently hover around 96.8%.

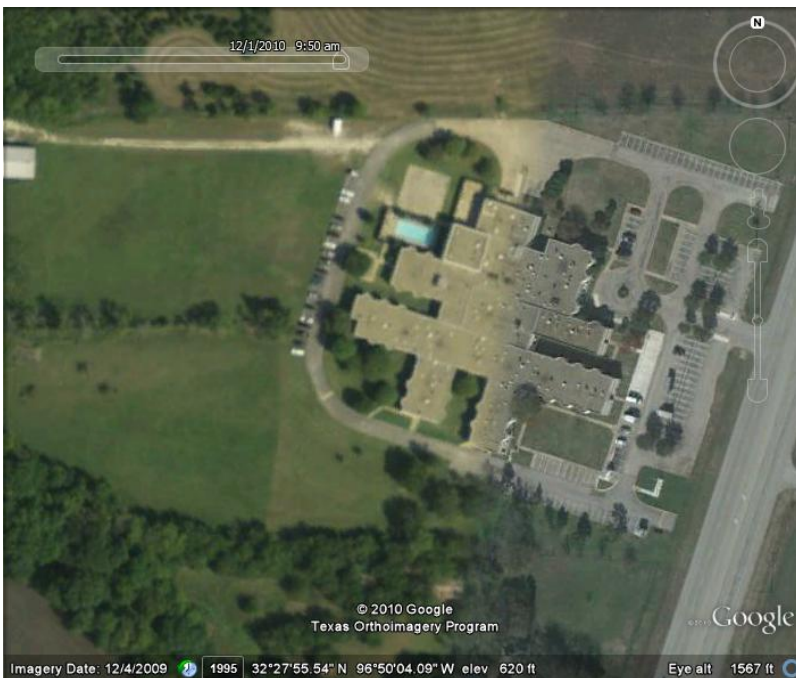
Waxahachie

3295 North Hwy 77 Waxahachie, TX 75165

Life School owns the Waxahachie property which is located approximately 2 miles from the existing Red Oak Campus. Due to the close proximity of these campuses, they are treated as a single campus for TEA Charter reporting purposes. The current enrollment is 489 students with a total capacity of 800 students. The previous owner of the property had recently lost a large government contract and, as a result, was no longer able to make monthly mortgage payments. Life School was able to acquire the property below market value due to the seller's desire to avoid foreclosure.



The Waxahachie site is approximately 16.85 acres, and includes a single-story, 63,000 sq ft building. Life School has renovated the property at a cost of approximately \$2,500,000. The most recent appraisal was completed by Butler Burgher Group, LLC and placed the market value on an "as completed" basis at \$6,625,000 as of June 14, 2010.



Lancaster Campus

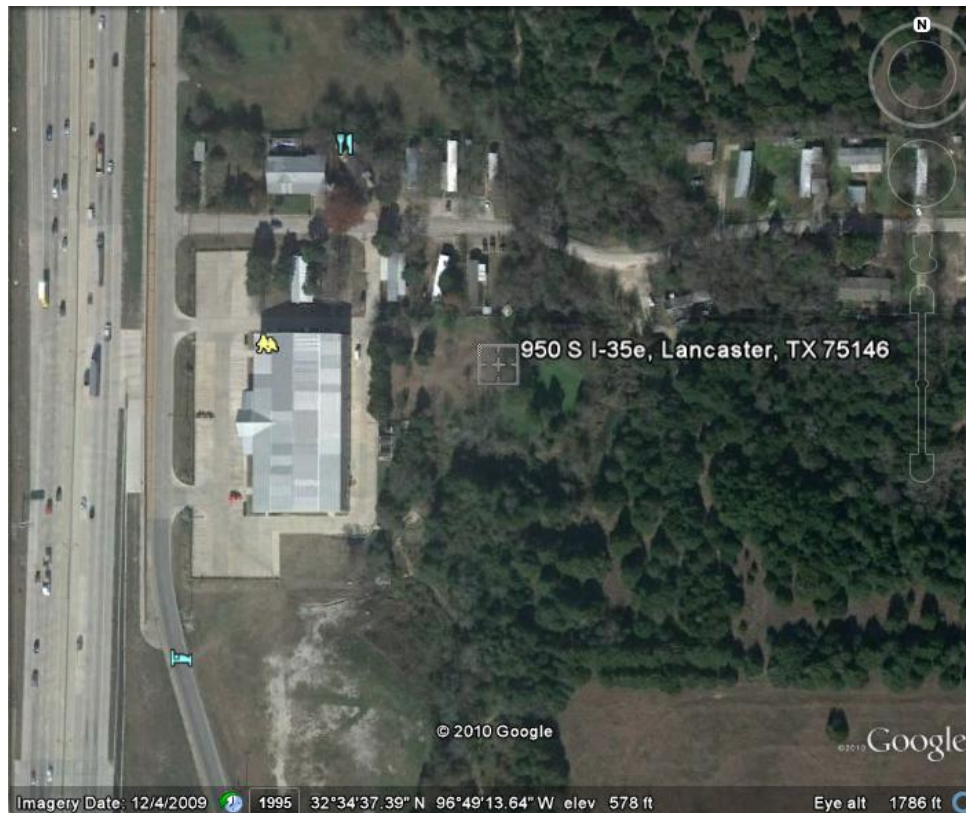
954 South I-35E Lancaster, TX 75146

The Lancaster Campus serves 640 students in grades K-6 with a capacity of 675 students. This campus opened in August 2007 and is owned by Life School. The facility is approximately 66,000 sq ft and includes offices, a kitchen, classrooms, and a competition gymnasium. The Lancaster site is approximately 14 acres. The Lancaster Campus also houses the district's administration offices.



The most recent appraisal, dated December 22, 2008, was completed by Land America Commercial Services and placed the value of the campus at \$9,400,000 on an "as is" basis.

Lancaster has demonstrated strong re-enrollment rates at 94.1% for 2009 and 98% for 2010. Attendance rates consistently hover around 97%.



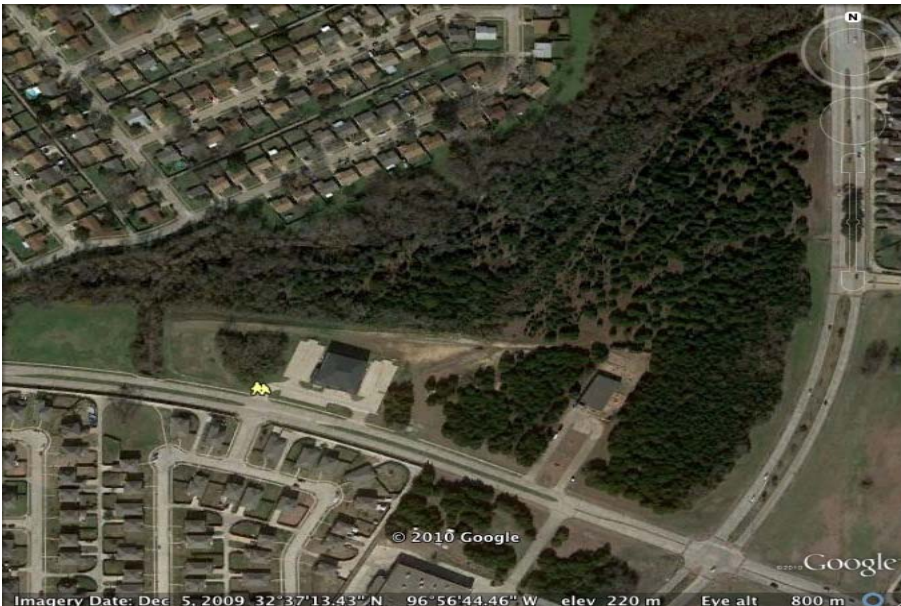
Cedar Hill Campus

129 W. Wintergreen Rd. Cedar Hill, TX 75104

The Cedar Hill Campus is the newest campus located approximately 10 miles from the existing Lancaster Campus. The campus is situated on a 10.04 acre plot that contains a two-story, 17,524 sq ft building. The Cedar Hill campus has a total capacity of approximately 310 students and has enrollment of 256 students. Currently, Life School offers grades K-3 at this location with plans to add grades through the 6th grade which will also increase the capacity once the additional 10,000 sq ft space is built. The new addition will allow for a maximum enrollment of 525 students.



The most recent appraisal, completed April 23, 2009 by Baxter Appraisal Co., placed the market value on "as completed" at \$2.945 million for the land and building.

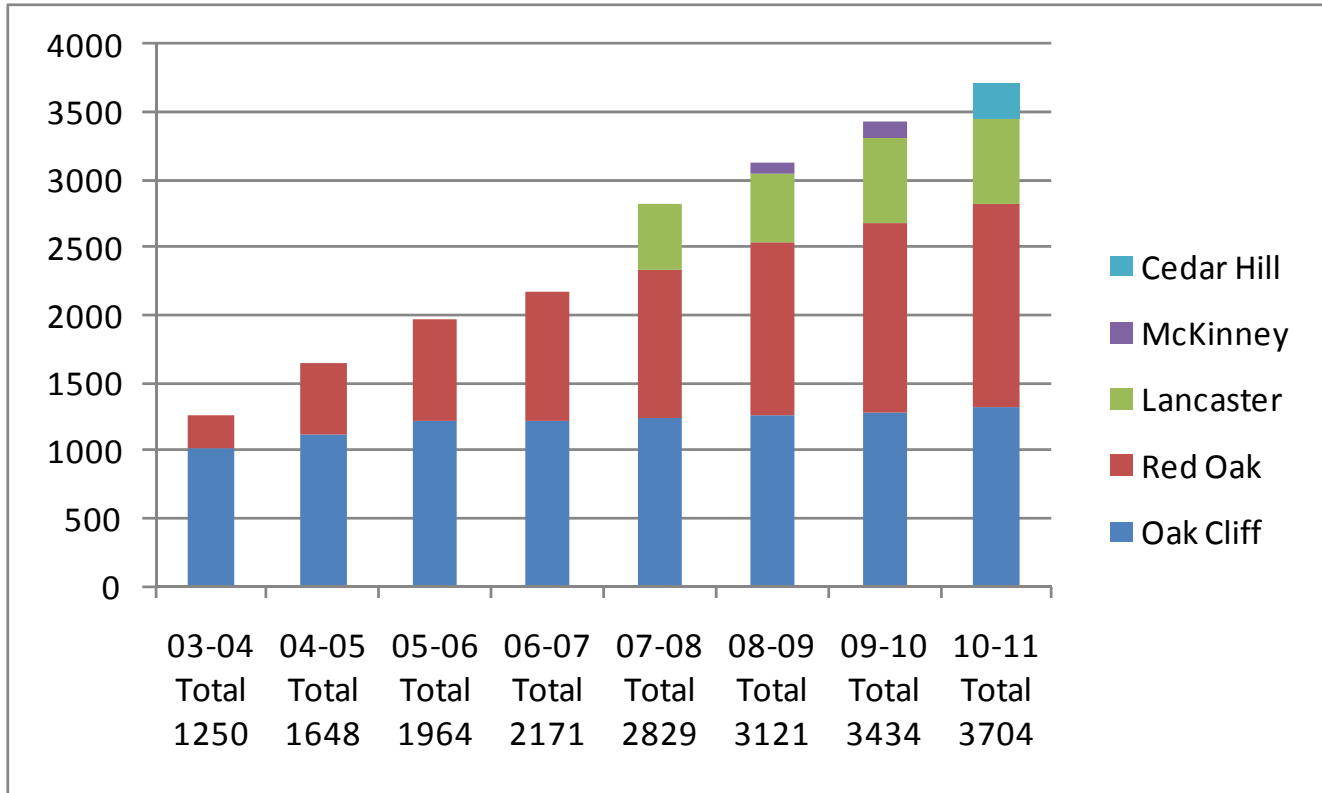


>>Collateral Coverage

Collateral coverage will be provided with a first mortgage lien on real property at the four campuses that will be owned by Life School. Based on existing appraisals, the total value of the Oak Cliff, Waxahachie, Lancaster, and Cedar Hill campuses is approximately \$29.22 million on an "as completed" basis. After completion of the Cedar Hill project and the acquisition of the Oak Cliff adjacent property, the total collateral coverage will be approximately \$32.42 million.

Enrollment & Demand

Total Historical Enrollment by Campus



Over the past 6 years, enrollment has grown every year at each of the existing campuses. The McKinney Campus opened August 2008, but due to the economy the landlord could not renew the lease. Life School was unable to secure a new location in time for the 2010-2011 school year and was forced to close the school. Note that until 2005, enrollment was limited by the charter, which only allowed for total enrollment of 2,000. Life School received an expansion of this charter in 2005, 2008 and 2010, and currently may enroll a total of 10,000 students between all of its campuses. The continued growth at existing campuses is projected to allow enrollment to reach 4,500 by Fall 2015.

Total Projected Enrollment by Campus

2010-11 School Year **Total of All Schools = 3704**

	Elementary Schools				Middle & High Schools		Total
	Oak Cliff	Red Oak	Lancaster	Cedar Hill	Oak Cliff	Waxahachie	
Kindergarten	97	147	105	101	No Grade	No Grade	450
1st Grade	108	145	95	61	No Grade	No Grade	409
2nd Grade	104	140	88	40	No Grade	No Grade	372
3rd Grade	125	140	90	50	No Grade	No Grade	405
4th Grade	110	144	92	No Grade	No Grade	No Grade	346
5th Grade	112	150	89	No Grade	No Grade	No Grade	351
6th Grade	119	143	82	No Grade	No Grade	No Grade	344
7th Grade	No Grade	No Grade	No Grade	No Grade	151	121	272
8th Grade	No Grade	No Grade	No Grade	No Grade	96	117	213
9th Grade	No Grade	No Grade	No Grade	No Grade	78	75	153
10th Grade	No Grade	No Grade	No Grade	No Grade	72	74	146
11th Grade	No Grade	No Grade	No Grade	No Grade	74	78	152
12th Grade	No Grade	No Grade	No Grade	No Grade	69	22	91
Total	775	1009	641	252	540	487	3704

Maximum Capacity	800	1080	675	300	700	800	4355
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2011-12 School Year **Total of All Schools = 4000**

	Elementary Schools				Middle & High Schools		Total
	Oak Cliff	Red Oak	Lancaster	Cedar Hill	Oak Cliff	Waxahachie	
Kindergarten	100	147	105	63	No Grade	No Grade	415
1st Grade	97	147	100	100	No Grade	No Grade	444
2nd Grade	108	145	95	75	No Grade	No Grade	423
3rd Grade	104	140	88	75	No Grade	No Grade	407
4th Grade	125	140	90	75	No Grade	No Grade	430
5th Grade	110	144	90	No Grade	No Grade	No Grade	344
6th Grade	112	140	89	No Grade	No Grade	No Grade	341
7th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
8th Grade	No Grade	No Grade	No Grade	No Grade	151	121	272
9th Grade	No Grade	No Grade	No Grade	No Grade	96	117	213
10th Grade	No Grade	No Grade	No Grade	No Grade	78	75	153
11th Grade	No Grade	No Grade	No Grade	No Grade	72	74	146
12th Grade	No Grade	No Grade	No Grade	No Grade	74	78	152
Total	756	1003	657	388	601	595	4000

Maximum Capacity	800	1080	675	525	800	800	4680
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2012-13 School Year

Total of All Schools = 4176

	Elementary Schools				Middle & High Schools		Total
	Oak Cliff	Red Oak	Lancaster	Cedar Hill	Oak Cliff	Waxahachie	
Kindergarten	100	147	105	63	No Grade	No Grade	415
1st Grade	100	147	100	75	No Grade	No Grade	422
2nd Grade	97	147	96	100	No Grade	No Grade	440
3rd Grade	108	145	95	75	No Grade	No Grade	423
4th Grade	104	140	88	75	No Grade	No Grade	407
5th Grade	125	140	90	60	No Grade	No Grade	415
6th Grade	110	140	90	No Grade	No Grade	No Grade	340
7th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
8th Grade	No Grade	No Grade	No Grade	No Grade	140	130	270
9th Grade	No Grade	No Grade	No Grade	No Grade	151	121	272
10th Grade	No Grade	No Grade	No Grade	No Grade	96	117	213
11th Grade	No Grade	No Grade	No Grade	No Grade	78	75	153
12th Grade	No Grade	No Grade	No Grade	No Grade	72	74	146
Total	744	1006	664	448	667	647	4176

Maximum Capacity	800	1080	675	525	900	800	4780
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2013-14 School Year

Total of All Schools = 4353

	Elementary Schools				Middle & High Schools		Total
	Oak Cliff	Red Oak	Lancaster	Cedar Hill	Oak Cliff	Waxahachie	
Kindergarten	100	147	105	63	No Grade	No Grade	415
1st Grade	100	147	100	75	No Grade	No Grade	422
2nd Grade	100	147	96	75	No Grade	No Grade	418
3rd Grade	97	147	96	100	No Grade	No Grade	440
4th Grade	108	145	95	75	No Grade	No Grade	423
5th Grade	104	140	88	60	No Grade	No Grade	392
6th Grade	125	140	90	60	No Grade	No Grade	415
7th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
8th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
9th Grade	No Grade	No Grade	No Grade	No Grade	140	130	270
10th Grade	No Grade	No Grade	No Grade	No Grade	151	121	272
11th Grade	No Grade	No Grade	No Grade	No Grade	96	117	213
12th Grade	No Grade	No Grade	No Grade	No Grade	78	75	153
Total	734	1013	670	508	725	703	4353

Maximum Capacity	800	1080	675	525	1000	800	4880
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2014-15 School Year

Total of All Schools = 4433

	Elementary Schools				Middle & High Schools		Total
	Oak Cliff	Red Oak	Lancaster	Cedar Hill	Oak Cliff	Waxahachie	
Kindergarten	100	147	105	63	No Grade	No Grade	415
1st Grade	100	147	100	75	No Grade	No Grade	422
2nd Grade	100	147	96	75	No Grade	No Grade	418
3rd Grade	100	147	96	75	No Grade	No Grade	418
4th Grade	97	147	96	100	No Grade	No Grade	440
5th Grade	108	145	90	60	No Grade	No Grade	403
6th Grade	104	140	88	60	No Grade	No Grade	392
7th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
8th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
9th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
10th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
11th Grade	No Grade	No Grade	No Grade	No Grade	151	121	272
12th Grade	No Grade	No Grade	No Grade	No Grade	96	117	213
Total	709	1020	671	508	767	758	4433

Maximum Capacity	800	1080	675	525	1000	800	4880
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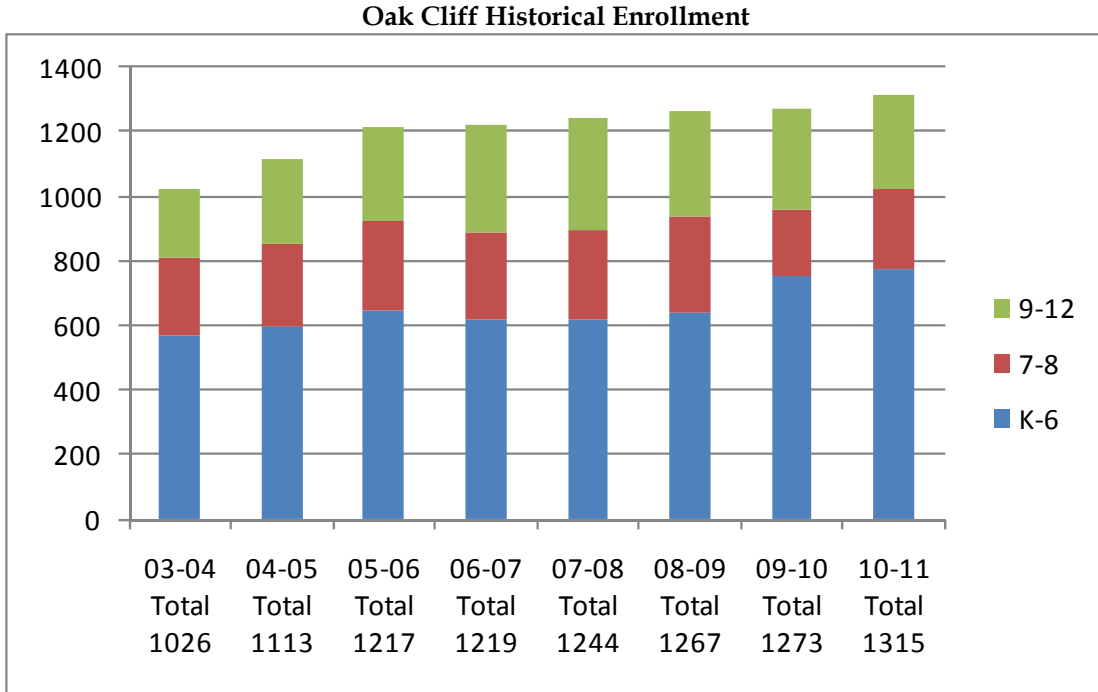
2015-16 School Year

Total of All Schools = 4487

	Elementary Schools				Middle & High Schools		Total
	Oak Cliff	Red Oak	Lancaster	Cedar Hill	Oak Cliff	Waxahachie	
Kindergarten	100	147	105	63	No Grade	No Grade	415
1st Grade	100	147	100	75	No Grade	No Grade	422
2nd Grade	100	147	96	75	No Grade	No Grade	418
3rd Grade	100	147	96	75	No Grade	No Grade	418
4th Grade	100	147	96	75	No Grade	No Grade	418
5th Grade	100	147	90	100	No Grade	No Grade	437
6th Grade	97	140	90	60	No Grade	No Grade	387
7th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
8th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
9th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
10th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
11th Grade	No Grade	No Grade	No Grade	No Grade	130	130	260
12th Grade	No Grade	No Grade	No Grade	No Grade	151	121	272
Total	697	1022	673	523	801	771	4487

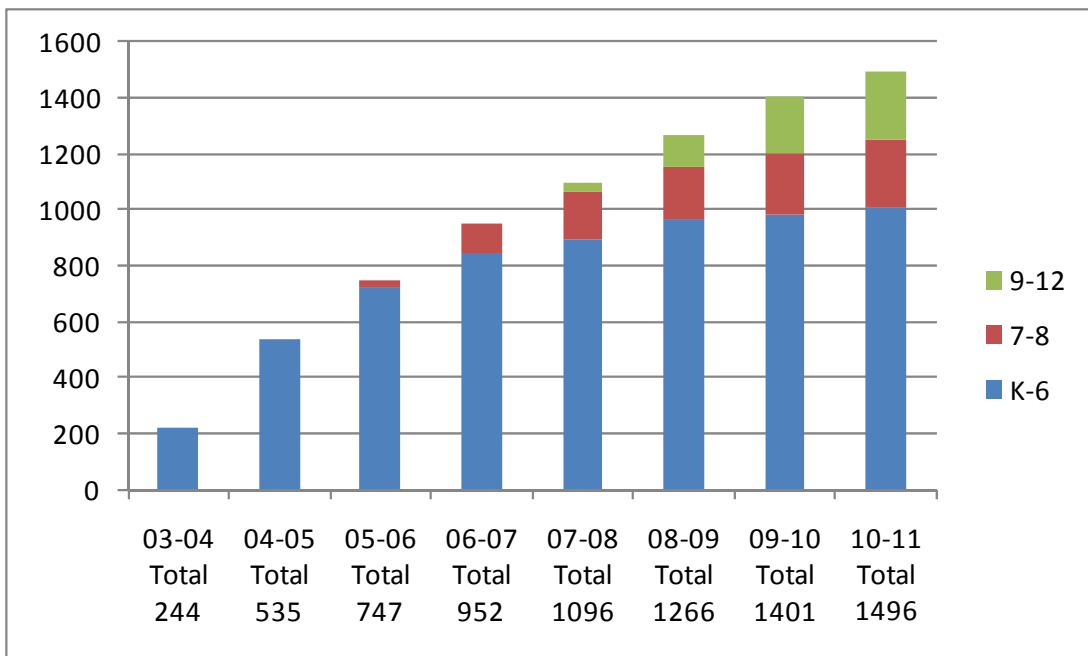
Maximum Capacity	800	1080	675	525	1000	800	4880
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Historical Enrollment by Campus



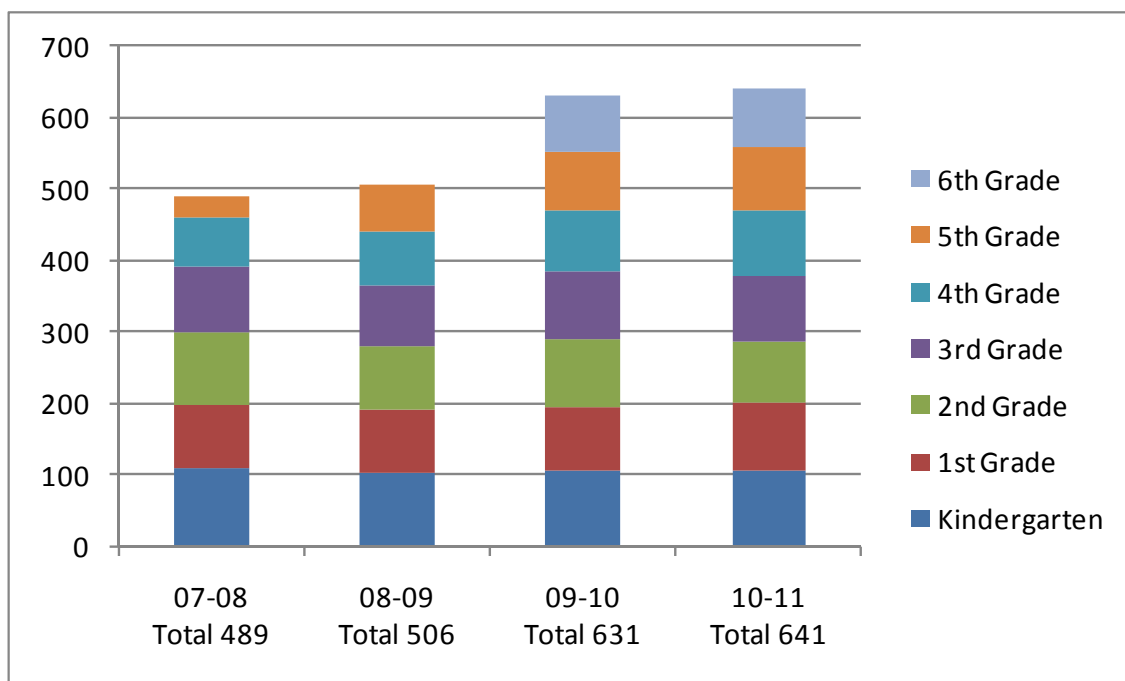
Founded in 1998 as the flagship campus, the Oak Cliff campus is currently the largest of the four campuses. Originally serving 266 students, the Oak Cliff campus grew to 1,026 students in grades K-12 by 2003. 95 teaching staff provided for a student to teacher ratio of 13.34 to 1 during the 2008-2009 academic year. Enrollment growth has slowed in recent years due to space constraints. The maximum capacity at Oak Cliff is approximately 1,500 students. Re-enrollment for Oak Cliff has typically been around 96%.

Red Oak Historical Enrollment



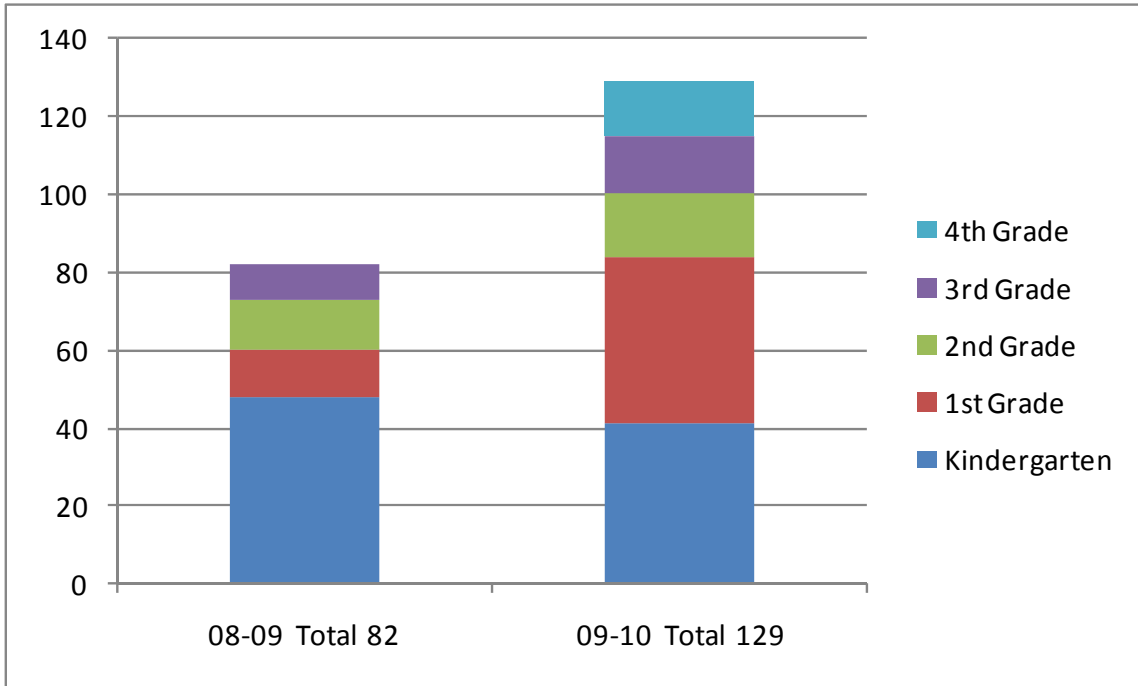
Founded in 2002, Red Oak has also seen steady enrollment growth. While much of the historical growth has come with the addition of higher grade levels, Red Oak has seen lower grade levels rapidly reach capacity. For example, 5th & 6th grades were added in Fall 2004, and had reached the 140 student capacity by Fall 2008. 83 teaching staff provided for a 15.25 to 1 student to teacher ratio during the 2008-2009 academic year. Enrollment is projected to continue to grow through 2012 with the elementary grade levels reaching capacity in Fall 2009. The Waxahachie facility, which is part of the Red Oak campus, will bring total capacity to approximately 1,800 students. Re-enrollment for Red Oak has typically been 96%.

Lancaster Historical Enrollment



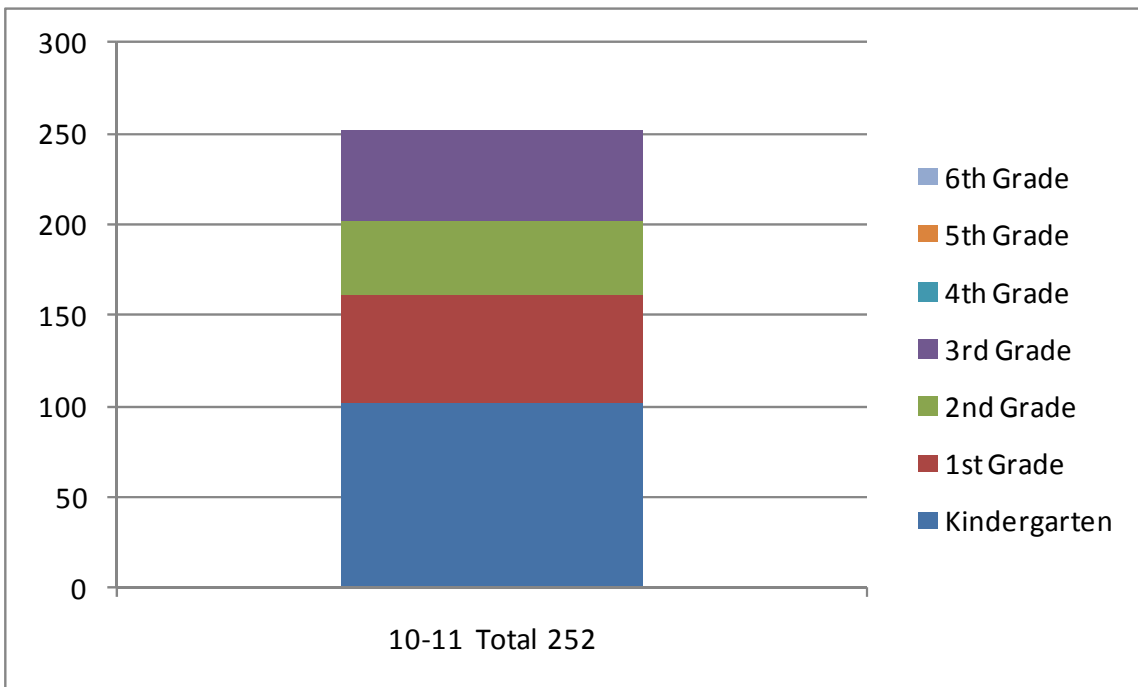
Founded in 2007, Lancaster has seen enrollment fluctuate across grade levels, with overall enrollment increasing in Fall 2008. Note that the apparent decrease in some grade levels is not a reflection of demand, but instead a reflection of the strategic growth plans for this campus. In order to allow for the addition of a 6th grade in Fall 2009, Life School intentionally reduced class sizes in Fall 2008 for some of the grade levels that were at or near capacity. With the addition of the 6th grade, Lancaster projects total enrollment to stabilize at approximately 650 students across all grade levels. There are currently no plans to add additional grade levels beyond 6th grade at the Lancaster campus. With a total of 36 teaching staff during the 2008-2009 academic year, the student to teacher ratio was approximately 14.06 to 1. The maximum capacity of the facility is approximately 675 students. Re-enrollment for Lancaster has typically been 94%.

McKinney Historical Enrollment



The McKinney Campus opened August 2008, but due to the economy the landlord could not renew the lease. Life School was unable to secure a new location in time for the 2010-2011 school year and was forced to close the school. Life School McKinney was an Exemplary campus.

Cedar Hill Historical Enrollment



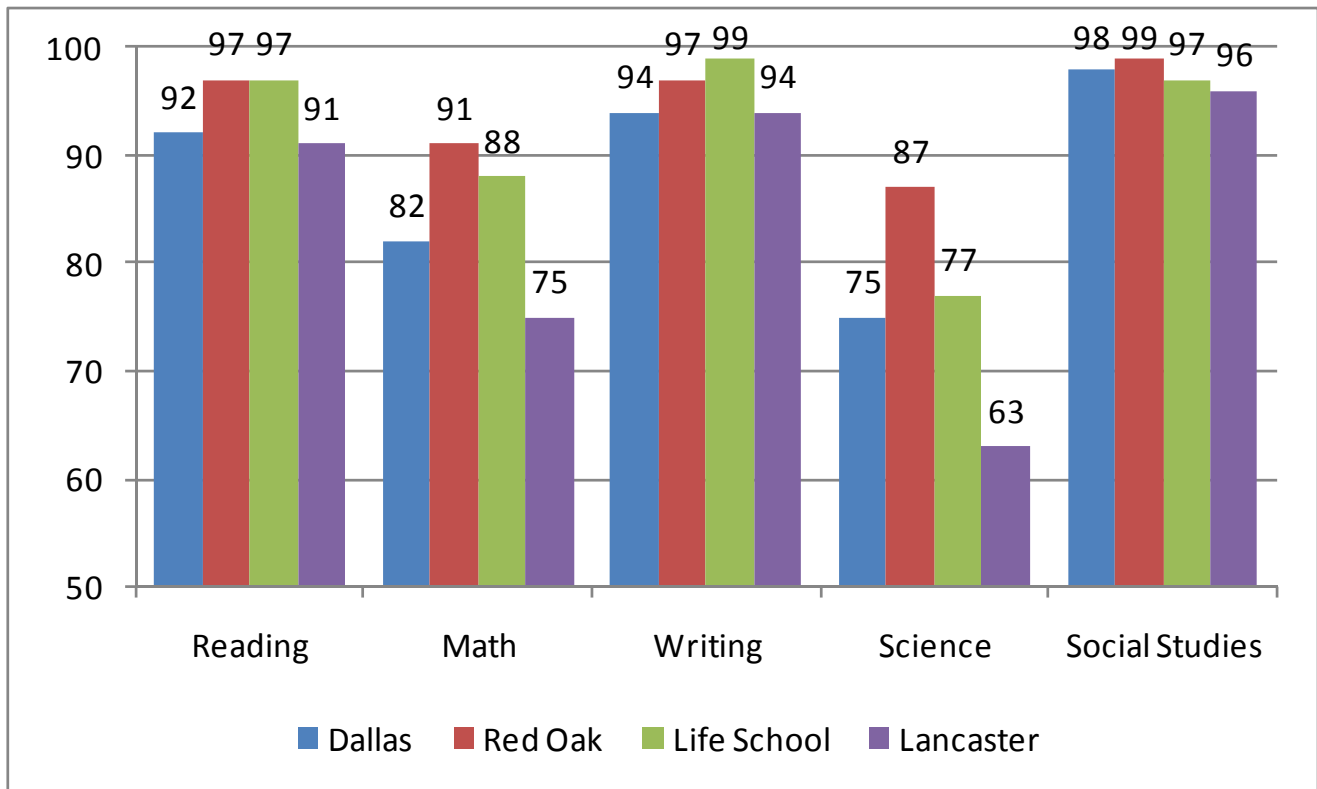
Cedar Hill is the newest campus. The long-term plan is to limit total enrollment to approximately 525 students. The school plans to add additional grades each year through the 6th grade. As part of the current financing, Life School will be constructing an additional 10,000 sq ft of new space at Cedar Hill. Construction is scheduled to be completed in the Summer 2011 and will open Phase II in August 2011.

>> Demand

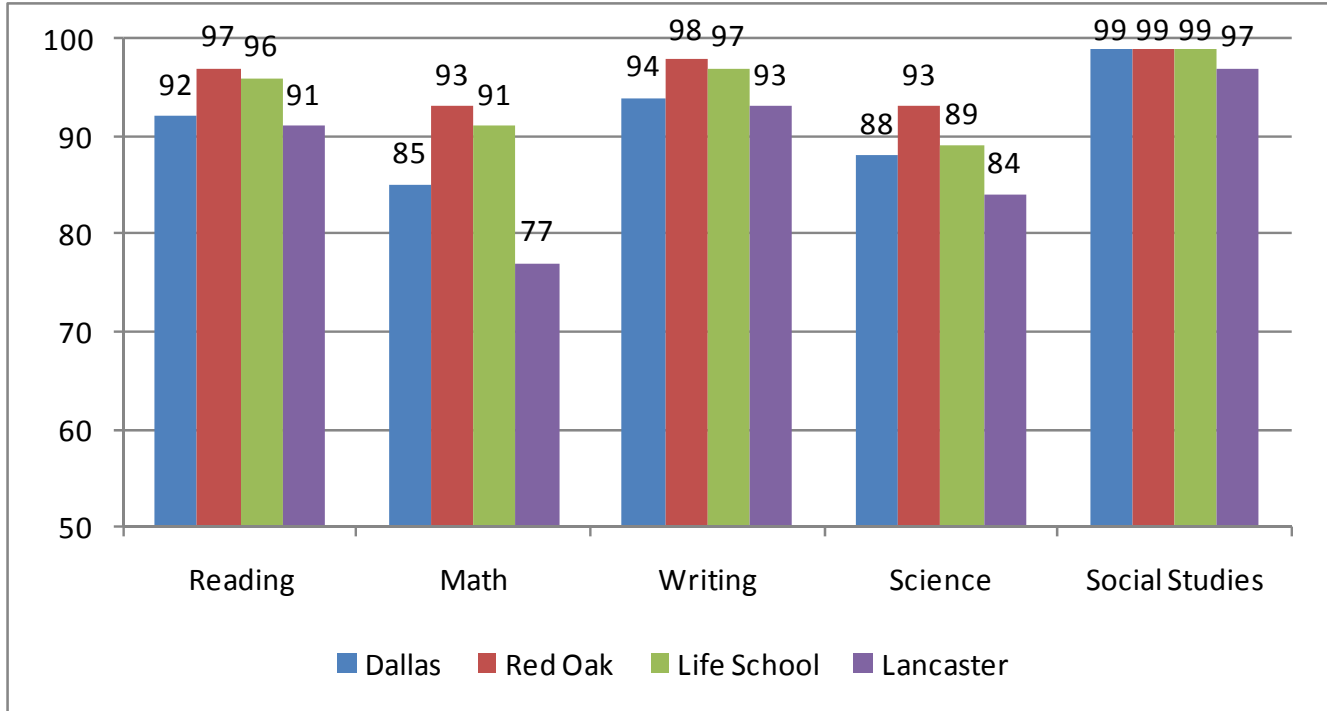
As a publicly funded charter school, Life School is largely immune to economic downturns. Unlike a private school, Life School cannot charge tuition. As a result, the economic downturn could actually boost demand for Life School as families look for alternatives to private and traditional public school education. Excellent academic results and a focus on instilling sound values make Life School an attractive alternative to traditional public schools. These factors, combined with the lack of out-of-pocket tuition expense, have driven a high level of historical demand, allowing the School to achieve its remarkable historical growth.

Life School consistently sees a higher percentage of students pass the Texas Assessment of Knowledge and Skills (TAKS) tests compared to the local school district. Considering the school’s mission of reaching out to at-risk students, even a slight difference in passing rates is a significant accomplishment.

TAKS Passing Rates with TPM (2009)



TAKS Passing Rates with TPM (2010)



Test performance only provides part of the picture. Other less tangible benefits of a Life School education are just as important to the students and families who select Life School. For example, the school's focus on parent involvement includes parenting seminars as well as encouragement of routine parent-teacher communication through regular update sessions. Additionally, the ability to select staff members based not only on qualification, but also on their ability to provide positive role models for students, help the school create a positive learning environment. Life School is a particularly attractive option for families that might otherwise pursue a private Christian School education. Although charter schools have the same guidelines as public schools requiring secular programming and prohibiting promotion of religion, the background of Life School's founder (as pastor) and the school's focus on developing sound moral values can be an important factor to many families.

These factors have historically driven very high levels of demand for Life School's programming. Red Oak and Oak Cliff's waiting list has generally held approximately 100 students. Lancaster has not had a waiting list. All of the campuses demonstrate high re-enrollment rates – for Fall 2009, re-enrollment levels were 94.1% for Lancaster, 94.6% for McKinney, 96.4% for Oak Cliff, and 97.9% for Red Oak. For Fall 2010 – re-enrollment levels were 98% for Lancaster, 94.33% for Oak Cliff, and 95.9% for Red Oak.

Financial Overview

>> Operating Performance

Life School of Dallas Operating Performance										
Revenues:	Audit Aug 31, 2006		Audit Aug 31, 2007		Audit Aug 31, 2008		Audit Aug 31, 2009		Audit Aug 31, 2010	
Local Support										
Contributions	\$ 23,084	0.17%	\$ 247	0.00%	\$ 39,764	0.19%	\$ 936,002	3.63%	\$ 2,762	0.01%
Food Service Activity	\$ 123,952	0.90%	\$ 131,938	0.84%	\$ 185,588	0.87%	\$ 171,947	0.67%	\$ 173,730	0.67%
Athletic Activities	\$ 131,251	0.95%	\$ 132,927	0.85%	\$ 123,163	0.58%	\$ 88,469	0.34%	\$ 76,119	0.29%
Rent	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 20,070	0.08%	\$ 14,450	0.06%
Interest and Other Income	\$ 13,194	0.10%	\$ 27,076	0.17%	\$ 6,029	0.03%	\$ 3,708	0.01%	\$ 11,316	0.04%
Other Revenues	\$ 164,020	1.19%	\$ 33,490	0.21%	\$ 86,588	0.41%	\$ 51,508	0.20%	\$ 149,870	0.58%
Total Local Support	\$ 455,501	3.30%	\$ 325,678	2.07%	\$ 441,132	2.08%	\$ 1,271,704	4.93%	\$ 428,247	1.66%
State Program Revenues										
Foundation School Program	\$ 12,030,381	87.13%	\$ 13,962,140	88.87%	\$ 19,191,599	90.47%	\$ 22,614,758	87.63%	\$ 26,850,044	104.05%
Student Success Initiative	\$ 70,008	0.51%	\$ 61,273	0.39%	\$ 60,305	0.28%	\$ 118,484	0.46%	\$ 60,753	0.24%
Technology Allotment	\$ 51,785	0.38%	\$ 57,068	0.36%	\$ 80,692	0.38%	\$ 89,195	0.35%	\$ 97,527	0.38%
High School Allotment	\$ -	0.00%	\$ 88,561	0.56%	\$ 87,172	0.41%	\$ 116,808	0.45%	\$ -	0.00%
Automated External Defibrillators	\$ -	0.00%	\$ -	0.00%	\$ 2,944	0.01%	\$ 11,777	0.05%	\$ -	0.00%
Food Service	\$ 3,640	0.03%	\$ 4,030	0.03%	\$ 4,275	0.02%	\$ 5,338	0.02%	\$ 5,472	0.02%
Total State Program Revenues	\$ 12,155,814	88.04%	\$ 14,173,072	90.22%	\$ 19,426,987	91.58%	\$ 22,956,360	88.96%	\$ 27,013,796	104.68%
Federal Program Revenues										
ESEA Title IV - Drug Free Schools	\$ 5,663	0.04%	\$ 4,440	0.03%	\$ 8,300	0.04%	\$ 8,979	0.03%	\$ 8,350	0.03%
IDEA Part B, Formula	\$ 212,428	1.54%	\$ 238,305	1.52%	\$ 251,794	1.19%	\$ 338,618	1.31%	\$ 255,490	0.99%
IDEA Part B, Preschool	\$ 1,486	0.01%	\$ 1,585	0.01%	\$ 1,660	0.01%	\$ 2,024	0.01%	\$ 487	0.00%
ESEA Title I Part A	\$ 413,108	2.99%	\$ 407,129	2.59%	\$ 438,131	2.07%	\$ 521,713	2.02%	\$ 619,547	2.40%
National School Breakfast & Lunch	\$ 298,049	2.16%	\$ 313,082	1.99%	\$ 436,646	2.06%	\$ 489,363	1.90%	\$ 610,781	2.37%
Reading First	\$ 164,001	1.19%	\$ 129,073	0.82%	\$ 98,016	0.46%	\$ 67,205	0.26%	\$ 3,043	0.01%
Title II Part D - Enhancing Education	\$ 6,646	0.05%	\$ 3,785	0.02%	\$ 3,692	0.02%	\$ 4,287	0.02%	\$ 3,936	0.02%
Title III Part A - English Language	\$ 18,778	0.14%	\$ 14,372	0.09%	\$ 10,370	0.05%	\$ 19,076	0.07%	\$ 13,822	0.05%
ESEA Title II Part A	\$ 73,031	0.53%	\$ 99,054	0.63%	\$ 93,784	0.44%	\$ 120,804	0.47%	\$ 123,341	0.48%
Title I Part A - ARRA Stimulus	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 5,788	0.02%	\$ -	0.00%
ARRA Title XIV, State Fiscal Stabilizati	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 514,026	1.99%
ARRA Title II Part D - Enhancing Educa	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 13,539	0.05%
ARRA IDEA Part B, Formula	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 139,293	0.54%
ARRA IDEA Part B, Preschool	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 1,900	0.01%
ARRA ESEA Title 1 Part A	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 345,358	1.34%
Title V, Part A	\$ 2,263	0.02%	\$ 651	0.00%	\$ 2,129	0.01%	\$ -	0.00%	\$ -	0.00%
Total Federal Program Revenues	\$ 1,195,453	8.66%	\$ 1,211,476	7.71%	\$ 1,344,522	6.34%	\$ 1,577,857	6.11%	\$ 2,652,913	10.28%
Total Revenues:	\$ 13,806,768	100.00%	\$ 15,710,226	100.00%	\$ 21,212,641	100.00%	\$ 25,805,921	100.00%	\$ 30,094,956	116.62%
Expenses:										
Program Services										
Instruction & Related Services	\$ 6,082,682	44.06%	\$ 7,238,984	52.43%	\$ 9,399,346	44.31%	\$ 11,040,926	42.78%	\$ 13,094,603	50.74%
Instructional & School Leadership	\$ 976,783	7.07%	\$ 1,345,104	9.74%	\$ 1,703,044	8.03%	\$ 1,809,470	7.01%	\$ 2,249,774	8.72%
Support Services										
Administrative Support Services	\$ 587,426	4.25%	\$ 644,432	4.67%	\$ 837,524	3.95%	\$ 1,269,246	4.92%	\$ 2,043,260	7.92%
Support Services - Non-Student	\$ 3,435,425	24.88%	\$ 4,497,825	32.58%	\$ 6,115,500	28.83%	\$ 7,027,891	27.23%	\$ 7,045,674	27.30%
Support Services - Student (Pupil)	\$ 1,003,444	7.27%	\$ 1,229,283	8.90%	\$ 1,766,590	8.33%	\$ 1,861,678	7.21%	\$ 2,131,729	8.26%
Debt Service	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 324	0.00%	\$ 706,702	2.74%
Ancillary Services	\$ 145,139	1.05%	\$ 187,413	1.36%	\$ 230,646	1.09%	\$ 139,576	0.54%	\$ 90,373	0.35%
Fundraising	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 101,732	0.39%	\$ 84,300	0.33%
Total Expenses:	\$ 12,230,899	88.59%	\$ 15,143,041	96.39%	\$ 20,052,650	94.53%	\$ 23,250,843	90.10%	\$ 27,446,415	91.20%

As a charter school, Life School receives the majority of its funding from State and Local government with a portion of funding coming from the Federal government and private sources. State funding, which runs through the Texas Education Agency ("TEA"), provides the vast majority of the School's operating budget, accounting for 88.96% of total FY 2009 revenues. State funding is guaranteed by law

and allocated based on FTE enrollment. The School receives monthly deposits into its checking account from the TEA. Federal funding comes mainly in the form of specific program grants such as English as a Second Language (ESL) and Drug Free Schools. Local funds are mainly for breakfast, lunches and athletics while private support includes donations and fees generated by the campuses.

Life School’s revenues are affected by changes to its Average Daily Attendance (ADA) count and by changes to government funding levels—primarily State funding from TEA. While Life School can affect enrollment, it has no direct control over funding levels. In order to account for the lack of control over its ADA funding levels, Life School is extremely conservative with its budgets. Although Federal and Local funding levels have fluctuated over the past 4 years, State Funding has increased every year, reaching \$7,344 per ADA in FY 2009 and \$7,867 per ADA in FY 2010.

Life School of Dallas Historical Per-Student Allocation							
	06-07	07-08	% change	08-09	% change	09-10	% change
Federal	\$ 150	\$ 475	216.82%	\$ 505	6.20%	\$ 773	53.05%
State	\$ 6,528	\$ 6,867	5.19%	\$ 7,344	6.94%	\$ 7,867	7.12%
Local	\$ 558	\$ 156	-72.06%	\$ 407	160.89%	\$ 125	-69.35%

Life School’s ability to control its budget stems mainly from its ability to increase enrollment and control expenses. Over the past twelve years, the School has demonstrated the ability to do both, and revenue growth has exceeded expense growth every year except FY 2007. FY 2007 results reflect approximately \$1 million in expensed renovations to the Lancaster Campus to prepare for opening in Fall 2007.

>> Cash Flows

Life School of Dallas					
Historical Debt Coverage Analysis					
	Audit Aug 31, 2006	Audit Aug 31, 2007	Audit Aug 31, 2008	Audit Aug 31, 2009	Audit Aug 31, 2010
Change in Unrestricted Net Assets					
From Operations:	\$ 1,575,879	\$ 567,195	\$ 1,159,991	\$ 2,567,728	\$ 2,604,623
plus: Depreciation	\$ 213,075	\$ 138,801	\$ 295,515	\$ 331,580	\$ 674,832
plus: Interest	\$ 26,653	\$ 26,863	\$ 63,495	\$ 114,238	\$ 708,989
plus: Non-recurring Rental Expense	\$ 743,515	\$ 822,798	\$ 1,427,120	\$ 1,484,534	\$ -
Cash Flow Available for Debt Service	\$ 2,559,122	\$ 1,555,657	\$ 2,946,121	\$ 4,498,080	\$ 3,988,444
Maximum Annual Debt Service (MADS)				\$ 3,193,338	\$ 3,193,338
MADS Coverage				1.41	1.25
Average Annual Debt Service (AADS)				\$ 2,866,136	\$ 2,866,136
AADS Coverage				1.57	1.39

Life School of Dallas					
Projected Debt Coverage Analysis					
	Projected Aug 31, 2011	Projected Aug 31, 2012	Projected Aug 31, 2013	Projected Aug 31, 2014	Projected Aug 31, 2015
Change in Unrestricted Net Assets					
From Operations:	\$ 3,350,979.00	\$ 3,410,537.56	\$ 3,898,479.98	\$ 4,359,307.31	\$ 4,023,796.40
plus: Depreciation	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
plus: Interest	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Non-recurring Rental Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flow Available for Debt Service	\$ 4,350,979	\$ 4,410,538	\$ 4,898,480	\$ 5,359,307	\$ 5,023,796
Maximum Annual Debt Service (MADS)	\$ 3,193,338	\$ 3,193,338	\$ 3,193,338	\$ 3,193,338	\$ 3,193,338
MADS Coverage	1.36	1.38	1.53	1.68	1.57
Average Annual Debt Service (AADS)	\$ 2,866,136	\$ 2,866,136	\$ 2,866,136	\$ 2,866,136	\$ 2,866,136
AADS Coverage	1.52	1.54	1.71	1.87	1.75

Adding back interest expense, depreciation, and the rental expense for the Oak Cliff and Lancaster campus when Life School rented those facilities, Life School has achieved historical pro-forma MADS coverage of 1.41x in FY 2009 and 1.25x in FY 2010. Note that FY 2007 was the year that the school expensed approximately \$1 million of leasehold improvements to the Lancaster facility. It is important to note that the school added a campus in FY 2008 and increased total enrollment by nearly 72% during this period. This clearly illustrates that the school's ability to operate efficiently is scalable so the school can reasonably be expected to maintain or improve its operating performance even as it continues to add students and additional campuses.

>>Financial Condition

Life School of Dallas					
Financial Condition					
	Audit Aug 31, 2006	Audit Aug 31, 2007	Audit Aug 31, 2008	Audit Aug 31, 2009	Audit Aug 31, 2010
Assets:					
Cash and Equivalents	\$ 1,122,178	\$ 1,225,754	\$ 922,330	\$ 1,610,541	\$ 1,505,334
Due from TEA	\$ 1,400,928	\$ 1,152,649	\$ 1,276,832	\$ 1,828,261	\$ 2,272,899
Deferred Expenses	\$ -	\$ -	\$ 20,805	\$ 44,524	\$ 55,672
Other current assets	\$ -	\$ -	\$ -	\$ 15,000	\$ 160,473
Other Receivables	\$ 129,787	\$ 151,838	\$ 294,144	\$ 123,839	\$ 78,445
Land	\$ -	\$ -	\$ -	\$ 505,774	\$ 3,663,708
Building and Improvements	\$ 54,663	\$ 443,030	\$ 511,920	\$ 4,905,943	\$ 30,779,613
Leasehold Improvements	\$ 1,666,197	\$ 3,524,624	\$ 4,080,837	\$ 4,265,153	\$ -
Furniture and Equipment	\$ 330,646	\$ 354,375	\$ 423,465	\$ 739,608	\$ 867,211
Vehicles	\$ 95,684	\$ 172,335	\$ 254,733	\$ 303,595	\$ 398,965
Less accumulated depreciation	\$ (694,861)	\$ (833,662)	\$ (1,129,177)	\$ (1,422,323)	\$ (2,097,155)
Other Assets	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Total Assets:	\$ 4,106,222	\$ 6,191,943	\$ 6,656,889	\$ 12,920,915	\$ 37,686,165
Liabilities:					
Accounts Payable	\$ 407,050	\$ 871,390	\$ 497,516	\$ 417,127	\$ 267,677
Accrued Wages Payable	\$ 321,911	\$ 358,556	\$ 300,356	\$ 378,557	\$ 516,518
Accrued Payroll Deductions	\$ 13,828	\$ 263,591	\$ 236,606	\$ 345,656	\$ 169,931
Due to State Government	\$ -	\$ 58	\$ 123	\$ 213	\$ 341
Due to Student Groups	\$ 5,050	\$ 45,973	\$ 72,308	\$ 114,626	\$ 87,642
Accrued Interest	\$ -	\$ -	\$ -	\$ 18,288	\$ 33,320
Capital Leases Payable	\$ -	\$ -	\$ -	\$ 26,126	\$ 51,712
Current Maturities of LT Debt	\$ 84,391	\$ 258,491	\$ 269,741	\$ 381,531	\$ 1,754,330
Long Term Debt	\$ 280,279	\$ 832,976	\$ 559,340	\$ 3,950,164	\$ 24,911,444
Total Liabilities:	\$ 1,112,509	\$ 2,631,035	\$ 1,935,990	\$ 5,632,288	\$ 27,792,915
Unrestricted	\$ 241,160	\$ 327,977	\$ 429,399	\$ 535,283	\$ 644,224
Temporarily Restricted	\$ 2,752,553	\$ 3,232,931	\$ 4,291,500	\$ 6,753,344	\$ 9,249,026
Total Net Assets:	\$ 2,993,713	\$ 3,560,908	\$ 4,720,899	\$ 7,288,627	\$ 9,893,250

Life School has historically maintained cash balances of approximately \$1 million at fiscal year end; however these balances fluctuate during the course of the year. As a public charter school, Life School's primary focus is on expanding its educational services rather than building liquidity. This is largely due to the limitations on the use of public funding that are imposed on all charter schools. As is typical with charter schools, Life School does not have significant investments, nor does it have an endowment. Since it has historically leased all of its facilities, the school's PP&E has been limited to leasehold improvements and FF&E.

The school has also historically incurred very little long-term debt. Having leased its facilities, the only debt the school has incurred is related to either leasehold improvements or equipment purchases. As a result, the school has traditionally had a clean balance sheet. In 2009 and 2010, Life School began purchasing its current campuses with the exception of the Red Oak property. The current project will consolidate all long-term debt. Although total long-term debt will increase, the financing will be within normal LTV parameters, ensuring that debt-to-equity will remain well below 1:1.

>>Projections

Life School of Dallas												
Projected Operating Performance												
		Budgeted		Projected		Budgeted		Budgeted		Budgeted		
ADA:		2010-2011		2011-2012		2012-2013		2013-2014		2014-2015		
		3704		4000		4176		4353		4433		
Revenues:												
Local Support												
Athletic Fees	\$	75,000	0.23%	\$	80,000	0.24%	\$	82,500	0.24%	\$	87,500	0.24%
Breakfast/Lunch Program - Local	\$	321,334	1.00%	\$	346,000	1.06%	\$	362,000	1.06%	\$	382,000	1.06%
Total Local Support	\$	396,334	1.24%	\$	426,000	1.30%	\$	444,500	1.30%	\$	469,500	1.30%
State Program Revenues												
State ADA Funds	\$	24,123,551	75.25%	\$	26,144,000	79.92%	\$	27,294,336	80.03%	\$	28,451,208	80.14%
Special Education Funds	\$	1,916,300	5.98%	\$	2,040,000	6.24%	\$	2,129,760	6.24%	\$	2,220,030	6.25%
Gifted and Talented Funds	\$	57,072	0.18%	\$	60,000	0.18%	\$	62,640	0.18%	\$	65,295	0.18%
Career & Technology Funds	\$	100,809	0.31%	\$	104,000	0.32%	\$	108,576	0.32%	\$	113,178	0.32%
Technology Allotment	\$	104,728	0.33%	\$	112,000	0.34%	\$	116,928	0.34%	\$	121,884	0.34%
Compensatory Education Program	\$	1,744,263	5.44%	\$	1,880,000	5.75%	\$	1,962,720	5.75%	\$	2,045,910	5.76%
ESL Program	\$	117,501	0.37%	\$	128,000	0.39%	\$	133,632	0.39%	\$	139,296	0.39%
High School Allotment	\$	88,086	0.27%	\$	92,000	0.28%	\$	96,048	0.28%	\$	100,119	0.28%
Student Success Initiative	\$	45,654	0.14%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Total State Program Revenues	\$	28,297,964	88.27%	\$	30,560,000	93.42%	\$	31,904,640	93.55%	\$	33,256,920	93.68%
Federal Program Revenues												
Federal Funds Title I	\$	622,954	1.94%	\$	622,954	1.90%	\$	622,954	1.83%	\$	622,954	1.75%
Federal Funds Title II (Part A)	\$	121,908	0.38%	\$	121,908	0.37%	\$	121,908	0.36%	\$	121,908	0.34%
Federal Funds Title II (Part D)	\$	5,075	0.02%	\$	5,075	0.02%	\$	5,075	0.01%	\$	5,075	0.01%
Federal Funds Title III	\$	20,936	0.07%	\$	20,936	0.06%	\$	20,936	0.06%	\$	20,936	0.06%
Federal Funds Title IV	\$	4,850	0.02%	\$	4,850	0.01%	\$	4,850	0.01%	\$	4,850	0.01%
IDEA B (formula)	\$	315,277	0.98%	\$	315,277	0.96%	\$	315,277	0.92%	\$	315,277	0.89%
IDEA B (preschool)	\$	483	0.00%	\$	483	0.00%	\$	483	0.00%	\$	483	0.00%
Breakfast/Lunch Program - Federal	\$	588,499	1.84%	\$	636,000	1.94%	\$	663,984	1.95%	\$	692,127	1.95%
Arra Stimulus - Title 1 Part A	\$	15,039	0.05%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Arra Stimulus - Title 1 Part D	\$	465,494	1.45%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Arra Stimulus - Title II Part D	\$	598,122	1.87%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Arra Stimulus - IDEA B (formula)	\$	15,458	0.05%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Arra Stimulus - IDEA B (preschool)	\$	575,583	1.80%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Arra Stimulus - Title XIV SFSF	\$	14,539	0.05%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Total Federal Program Revenues	\$	3,364,217	10.49%	\$	1,727,483	5.28%	\$	1,755,467	5.15%	\$	1,783,610	5.02%
Total Revenues:	\$	32,058,515	100.00%	\$	32,713,483	100.00%	\$	34,104,607	100.00%	\$	35,500,530	100.00%
Expenses:												
Program Services												
Instructional	\$	14,719,251	45.91%	\$	15,013,636	45.89%	\$	15,464,045	45.34%	\$	15,927,966	44.87%
Instructional & School Leadership	\$	1,937,542	6.04%	\$	1,976,293	6.04%	\$	2,035,582	5.97%	\$	2,096,649	5.91%
Support Services												
Administrative Support Services	\$	2,135,884	6.66%	\$	2,178,602	6.66%	\$	2,243,960	6.58%	\$	2,311,279	6.51%
Support Services - Non-Student	\$	6,341,235	19.78%	\$	6,468,060	19.77%	\$	6,662,101	19.53%	\$	6,861,965	19.33%
Support Services - Student (Pupil)	\$	3,455,520	10.78%	\$	3,524,630	10.77%	\$	3,630,369	10.64%	\$	3,739,280	10.53%
Debt Service	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%
Ancillary Services	\$	118,104	0.37%	\$	141,725	0.43%	\$	170,070	0.50%	\$	204,084	0.57%
Total Expenses:	\$	28,707,536	89.55%	\$	29,302,945	89.57%	\$	30,206,127	88.57%	\$	31,141,223	87.72%
Change in Total Net Assets:	\$	3,350,979		\$	3,410,538		\$	3,898,480		\$	4,359,307	

As discussed earlier, the School is very conservative with its revenue projections. The majority of revenues are State funding that comes in through the TEA. State funding per ADA headcount is \$7,867 for FY 2010, up from \$7,344 in FY 2009. On a projected basis; however, State funding is being held steady at \$7,640 per ADA. This is conservative compared with average annual increases of at least 5% over the past 3 years. Local support is projected to remain at the same percentage levels as FY 2010. No increase is projected for Federal funds except the Breakfast/Lunch funds which increase slightly due to enrollment. Stimulus Funds have been removed from the Federal Funds category after 2010. As a result of these assumptions, all State revenue growth is based on enrollment growth.

Life School of Dallas

Projected Per-Student Allocation

	10-11	11-12	% change	12-13	% change	13-14	% change
Federal	\$ 908	\$ 420	-53.76%	\$ 402	-4.21%	\$ 386	-4.07%
State	\$ 7,640	\$ 7,640	0.00%	\$ 7,640	0.00%	\$ 7,640	0.00%
Local	\$ 107	\$ 107	-0.47%	\$ 106	-0.05%	\$ 106	0.00%

On the expense side, the majority of the increases is related to the additional facilities and increased enrollment. Maintenance, utilities, janitorial and property insurance expenses are projected to increase 25% in 2011-2012 due to the opening of the second phase of the Cedar Hill campus and the expanded Oak Cliff campus. They are projected to increase 5% per year for the next three years. The school's largest expense, salaries and benefits are projected to increase 3% in 2011-2012. The school projects that staffing levels by FY 2013 should be sufficient to cover enrollment growth so related expense growth is projected to drop to 2%. Health care benefits are projected to increase 20% in 2011-2012 and then reduced to annual increases of 10% in FY 2014 & 2015. Overall, expenses are projected to increase slightly 2-3% per year from FY 2011-2015, compared with historical growth of 24.77% from FY 2005-2009. This decrease reflects the fact that the school has stabilized as its campuses have matured – total enrollment growth is projected to be 12.18% from FY 2011-2015, compared with growth of 89.68% from FY 2005-2009.

The critical factors to Life School reaching its financial targets are stable funding levels, reaching enrollment targets and controlling costs. Funding levels are out of the school's control; however, by now charter laws are well established and the current political environment seems to favor school choice. Charter schools that have Life School's strong track record seem to be on solid ground as far as public funding is concerned.

The school's enrollment goals should be easy to reach given historical growth trends and the high level of demand demonstrated by waiting lists and high levels of re-enrollment. Unlike private schools, which tend to suffer when the economy struggles, publicly funded charter schools continue to flourish, because they do not charge tuition and, in the case of strong schools like Life School, are often seen as better alternatives to traditional public school education.

Cost controls are always a challenge; however, Life School has demonstrated that it can operate efficiently and that the school's operational efficiency is fully scalable. Life School's advantages over public schools, including the ability to hire non-union faculty on an "at-will" basis, as well as freedom to independently select vendors based on performance and cost, will continue to serve the School well going forward. The strength of the management team is evident in the school's historical success, and the conservative budgeting and plans to establish an emergency reserve fund demonstrate managements continued focus on strengthening the school's financial position.

Key Staff and Board

>> Executives

Dr. Tom Wilson, Chancellor



Dr. Tom Wilson, Founder and Chancellor of Life School, began a career in education in 1966. He has served as a speaker, pastor, director of private schools, and has worked with organizations that have founded both national and international schools. Dr. Wilson married Brenda Kaye Mangrum in 1966, and four sons were born to them from 1969 to 1980.

Dr. Wilson organized Life School of Dallas in 1989 to train adults who were jobless and without employable skills. Homeless housing, medical care, and job placement services operated success-fully. Activities for youth and children were provided, and they were very successful in terms of the hundreds of youth involved. However, the crowds came and went, and Dr. Wilson was dissatisfied to see only a small percentage of persons whose lifestyles were permanently changed.

Gang warfare erupted on the streets in Dallas in 1993. Dallas became the murder capital of the nation with the highest percentage of murders per capita of any United States city of 100,000 people or more. Dr. Wilson envisioned a free tuition school to teach and train the children before they get in trouble.

During the next five years, Dr. Wilson read scores of textbooks addressing educational philosophy and successful school paradigms, and raised funds to provide resources to start a school. In 1997 he worked on a charter school application from the Texas Education Agency (TEA).

Skilled educational lawyers, notable educators, and community leaders all worked together with Dr. Wilson to complete the extensive documentation required in the application. The TEA charter was granted on March 6, 1998, and Life School became a free tuition, open enrollment public charter school on August 12, 1998.

Since its modest beginning, Life School's enrollment has soared from 266 students to over 3,700 students in the 2010-2011 school year. All school campuses are "Recognized" based on TEA Spring 2010 test results. Life School student composite test scores exceeded those of many surrounding public school districts on the Texas Assessment of Knowledge and Skills (TAKS) tests last year.

Dr. Wilson's remarkable vision, coupled with the dedication and professionalism of Life School faculty and staff, are impacting a new generation of successful achievers.

Brent Wilson, Executive Superintendent



Brent Wilson serves as the Executive Superintendent of Life School of Dallas, which includes four elementary schools, two middle schools, and two 2A public high schools (Over 3,700 Enrollment). Mr. Wilson received a Bachelor of Science degree from Texas A&M University in 1995. He joined the Life School Executive Team as Chief Operations Officer in July 2009 after a fourteen year career in the private sector. As Executive Superintendent, he has oversight and management of the Academic, Operations, and Financial Departments of Life School.

Life School of Dallas has been featured in the Dallas Morning News, Dallas Talk Radio, KLIF and other forms of media.

Before joining Life Schools of Dallas, Mr. Wilson developed his collaborative, systems based management style in diverse and varied corporate settings. He has worked and performed management coordination for a world-wide marketing and sales company, Merck & Co. He helped manage several major multi-year projects in the energy sector for Kvaerner Oilfield Products. At another world-wide corporation, Brinker International, he served as an operational manager while overseeing operational channels between Brinker International and major private sector companies. Mr. Wilson now brings his strong, well-rounded management abilities to Life Schools of Dallas. He is leading the organization as it transitions from the growth phase into maturity by building and strengthening infrastructure, creating and refining systems and processes, and instilling a professional management culture at all levels of leadership.

Mr. Wilson is married to Kirstin Booher Wilson. They have two children Cooper and Kaitlin.

Joseph Mena, Assistant Superintendent/Chief Academic Officer



Mr. Mena received his Bachelor of Science degree in Elementary Education from Southwestern AG University in 1995 and earned his teacher certification the same year. He went straight into his graduate studies at Dallas Baptist University and earned his Master of Arts in Teaching degree in 1997. After several successful years of teaching, he was one of 15 teachers accepted into the Urban Collaborative for Leadership Development program. This program partnered with the University of Texas at Arlington to develop strong campus leadership. Upon completion of the program, he earned his second graduate degree, a Masters in Educational Leadership and Policy Study with corresponding principal certification. He is currently a doctoral student

at Baylor University where he looks to complete his Ed. D in Curriculum and Instruction within the next three years.

Mr. Mena started his teaching career in 1999 with the Dallas ISD. His fellow teachers voted him "Teacher of the Year" in 2002. It is an honor he cherishes, and he is thankful for the opportunity to have worked with such fine educators. He also received the Golden Oaks Award which recognizes outstanding teachers from the surrounding Dallas area. The award was presented to him at his alma mater, Dallas Baptist University, in the spring of 2003. In 2008, he was chosen to receive the Young Alumnus Award from Southwestern AG University for exemplifying integrity and adhering to the spirit, philosophy, and vision of the university while working in the field of education.

Mr. Mena served as Principal of Life School Red Oak for 6 years. He led the Red Oak campus from an enrollment of 227 students to over 1,300 in his final year as principal. In March of the 2008/2009 school year, he was promoted to the position of assistant superintendent over academics. The district and all of its respective campuses made AYP for the 2009/2010 school year and posted unprecedented passing rates on the state TAKS tests. The overall district scores earned Life School a T.E.A. rating of "Recognized", which is a first in Life School's twelve year history. Mr. Mena is married to Jennifer Mena. He enjoys spending time with his two children, Ethan and Ariana.

Barry West, Chief Operations Officer



Barry West is Chief Operations Officer for Life School of Dallas, which includes five elementary schools and two junior and high schools. Barry received his Bachelors of Business Administration in Marketing from Baylor University in 1994. After graduating from Baylor, he joined Advanced Planning to provide estate and financial planning services to retirees. In 1998, he went to work with Hearst Media Services in Houston, Texas where he received numerous awards and accolades as a marketing consultant. In 2010, Mr. West joined Life School of Dallas as COO. Mr. West is married to Kristina they have four children Brynn, Anna Kate, Kenzie and Miles.

Scott Fuller, Chief Financial Officer



Scott Fuller has 15 years of experience in non profit administration. During that period, he has been involved in a wide range of experiences. He has been with the organization from the beginning and has seen the tremendous growth firsthand. For a number of years he served as the Director of Finance and Facilities for both The Oaks Fellowship church, a thriving mega church and Life School of Dallas. In August 2009, Scott focused his attention full time to Life School and became the Chief Financial Officer. Scott received his Bachelors of Science degree in Management from Dallas Baptist University and has been accepted into the Master of Education in Educational Leadership program at DBU. He is married to Melody and they have two children, Graham and Macy.

>> Directors

Andrew Barbee, Director of Academics



Mr. Barbee received his Bachelor of Arts degree in Bible from Dallas Christian College, earned his Master's Degree in Education from Dallas Baptist University and a Superintendent certification from the University of Texas at Arlington. In addition, he is currently pursuing a Ph.D. in K-16 Educational Leadership and Policy Studies from UTA. He has worked in private, charter, and public education as a junior high and high school math teacher and as an elementary, junior high and high school principal. Mr. Barbee currently serves as the Director of Academics at Life School. He has served Life School for seven years.

Andy Chester, Director of Athletics



Andy Chester serves as Director of Athletics for Life School, which includes two middle schools and two high schools which participate in the University Interscholastic League in Conference AA. Andy received a Bachelors of Science from Texas Wesleyan in 1987. Certified to teach English and Physical Education, Andy began teaching high school English and coaching in 1988 and spent the next 18 years working at the following Texas high schools: Jacksonville, Saginaw Boswell, Priddy, Amarillo, Flower Mound Marcus, and Palmer.

In 2006, Andy joined the Life School staff to coordinate a new athletic program at Life School Red Oak. In 2008, Andy became the district's athletic director, overseeing a staff of over 40 coaches with 600+ students participating in 15 interscholastic sports. During his 23 years in education, Andy has served on numerous campus and district planning committees, has chaired UIL District Committees and has spent time as a campus administrator. Andy received the Mirabeau B. Lamar Educator of the Year in 2004 and was honored twice as District Basketball Coach of the Year. Andy is married to Kimberly Partain and they have two daughters, Sarah and Katie.

Bryon Ding, Director of Operations



Bryon Ding is the Director of Operations for Life School. Bryon received his Bachelor of Business Administration from the University of Mary Hardin-Baylor in 1998 and his Master of Business Administration from the University of Mary Hardin-Baylor in 1999. He is currently in his eleventh school year with Life School, where he has been a part of the immense growth of the school from one campus to four campuses in five locations. He served nine years as the school's Business Administrator before serving in his current capacity

as Director of Operations. In this area he oversees various facets of the school's operations including technology, insurance and operational planning. During his time at Life School, he founded the golf team at Life School's original campus and coached golf at the campus for eight years. He currently holds the certification of Registered Texas School Business Official from the Texas Association of School Business Officials (TASBO) and also the designation of Registered School Business Official from the Association of School Business Officials International (ASBO).

Cindy Iverson, Director of Finance



Cindy Iverson is the Director Finance for Life School. Mrs. Iverson earned a Bachelor of Accountancy from New Mexico State University and is a Certified Public Accountant. She has extensive accounting experience in both public and private industry, including auditing, taxation, and governmental accounting. She came to Life School in February 2008, after making the decision to return to work within the education field. Cindy and her husband, Duane, have 3 children – Christopher, Jessica and Joshua.

Shawn Thomas, Director of Facilities



Shawn Thomas is the Director of Facilities of Life School of Dallas, which includes 5 campuses that encompass 2 middle schools, 5 elementary schools, and 2 high schools. Shawn brought 20 years of maintenance and construction experience from the multi-family industry and joined the Life School team in July of 2006. Since 2006 Life School has grown from 2 to 5 locations through acquisitions and renovations of more than 250,000 square feet of building space.

Shawn is married to Kymberly Mack, and they have 4 children Gaige, Demi, Jared and Parker.

>> Campus Principals

Wendy Dansby, Principal (Red Oak Elementary)



Wendy Dansby is principal of Life School Red Oak Elementary. Life School Red Oak Elementary consist of 1047 students from kindergarten through sixth grade. Mrs. Dansby received a Bachelor of Arts from California State University of Fresno in 1999 and a Masters of Education from Dallas Baptist University in 2008. After graduating from CSUF, she began teaching fifth grade in Ivanhoe, California. In 2001, ministry moved the family to Louisiana and Mississippi where she continued teaching fifth grade. In 2004, the family moved to Dallas and began teaching sixth grade at Life School. In 2007, Mrs. Dansby was promoted to Assistant Principal and in 2010 was promoted to Principal. Mrs. Dansby is married to Greg, and they have two children

Courtney and Austin.

Ena Meyers, Principal (Waxahachie Secondary)



Ena Meyers is Principal of Life School Red Oak Secondary in Waxahachie. Serving in her second year as a High School principal, Ms. Meyers assisted in opening the doors of the Red Oak campus in 2002 and has served as the campus Special Programs Coordinator, Assistant Principal and classroom teacher. She left LSRO for one year to teach at the Life School Oak Cliff campus, gaining a broader picture of the district. She graduated from Dallas Baptist University with her Masters degree in Education Administration and Organization with Principals certification. She is currently enrolled in and taking classes at the University of Texas in Arlington for her doctorate and superintendents certification.

Carlotta Mitchell, Principal (Cedar Hill Elementary)



Carlotta Mitchell serves as the instructional leader and Principal of Life School Cedar Hill. This is her 13th year in the educational field. Carlotta earned two associate degrees from Mountain View Community College. She continued her college education and earned a Bachelor of Science in Economics from the University of Texas at Arlington (UTA). After graduating from UTA, she was accepted into Dallas Independent School District (DISD) Alternative Certification Program. This opportunity gave her the option to teach for DISD; she taught third grade for five years in DISD. She then moved to Cedar Hill Independent School District (CHISD) and instructed third graders for two more years. Mrs. Mitchell wanted to assist students with reading difficulties, so she became a reading specialist and served in that capacity for two years. During her time as a reading specialist, she served

students in grades first – fourth. For the 2006-2007 school year, she was nominated and voted Teacher of the Year by her colleagues. In 2008, she pursued and earned a Master of Arts in Educational Leadership from Argosy University-Dallas. This educational mile stone afforded her the opportunity to serve as an assistant principal for three years for CHISD. She is currently pursuing her doctorate degree in educational leadership from Argosy University. Mrs. Mitchell is married to Erik; they have four children.

DeWayne Parker, Principal (Lancaster Elementary)



DeWayne Parker began with Life School in 2003 and is now in his eighth year. He completed his student teaching in the Austin area and received his Bachelor of Science in Interdisciplinary Studies from Texas State University. In 2003, Life School Red Oak opened its doors for the first time and in walked the first student. Mr. Parker was there as one of two fourth grade teachers. Beginning in the 2006-2007 school year, DeWayne began his administrative career as an assistant principal also at the Life School Red Oak campus. As the Life School organization continued to grow, the Life School Lancaster campus was completed and began operations during the 2007-2008 school year. Once again, as in Life School Red Oak, DeWayne was there as the first student walked into the new facility only this time he was the acting principal. He earned his graduate degree as Master of Education in Educational Leadership from Dallas Baptist University and currently remains the principal at Life School Lancaster. DeWayne is married to Angela Parker and they have two daughters Kaylee and Tehya.

Keith Shull, Principal (Oak Cliff Secondary)



Keith Shull is an accomplished education professional having greater appreciation for the intricacies associated with a major construct of our society...Education. Mr. Shull has served Life School in the capacities of Teacher and Administrator. He held the title teacher from August 2004 until May 2007. Since then he has served in both Assistant Principal and Principal roles. His most recent assignment of two years has been at Life High School's Oak Cliff campus. In this assignment he along with a dedicated staff has lead the campus to become "Recognized" by the Texas Education Agency for Academic Performance. Mr. Shull received his Bachelors of Business Administration for Texas State University in 1982 and will complete his Master's degree in Educational Leadership from Dallas Baptist University in December 2010.

Mr. Shull is adept at applying newly acquired skill sets to administration as well as the School District at large. By uniquely blending his technical expertise with aggressive professional development, he has been able to distinguish himself as a leader by securing Teacher of the Year during his second year in the educational field. His demonstrated dedication to education is evident to all who come in contact with him.

Mr. Shull has an excellent command of oral and written communication skills as well as computer skills and program familiarity. He is an astute problem solver who manages trouble with ease and can work well independently. Mr. Shull is a foresighted pacesetter, adept at coming up with imaginative and innovative solutions to challenging and adverse situations or problems. He handles new and varied activities well, takes responsibility, avoids passing the buck and can accept aggression and assertiveness from others with restraint.

Kathleen Witte, Principal (Oak Cliff Elementary)



Kathleen has served at Life School since 1999 in the roles of teacher, assistant principal and principal. She loves working at Life School because of the strong vision to develop leaders through partnerships with parents, rigorous academics and character training. She believes that the Life School Oak Cliff teams are some of the most dedicated and caring educators anywhere! Mrs. Witte received a Bachelor of Arts and Science degree in Christian Ministry and Education from Dallas Baptist University and will complete her Master of Educational Leadership in December of 2010. Before coming to Life School, she directed the preschool program for Christ of the Nations Institute and sailed to fourteen countries with Mercy Ships, an international relief and development organization. She is married to

Tim and they have two daughters, Annette and Bethany.

>> Board of Trustees

Mr. Brent Wilson – Board President/Executive Superintendent

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and refining systems and processes, and instilling a professional management culture at all levels of leadership.

Mr. Wilson is married to Kirstin Booher Wilson. They have two children Cooper and Kaitlin.

Mr. Justin Lathrop - Treasurer

Justin Lathrop is a graduate from North Central University and the President of HelpStaff.Me. He is in his third term on the Board of Trustees and was elected to serve as Treasurer for the 2011 year. He is the Co-Founder of The Oaks School of Leadership in Red Oak, Texas. Justin is married to Andrea and they have two children, McKenna and Parker.

Ms. Sharon Williams - Secretary

Sharon Williams has served on the Board of Trustees for eight terms. She has also been an Energy Consultant for over eight years and an Officer of a footwear company for Therapeutic Shoes for four years. She is dedicated to helping her community and hopes to continue making a difference for years to come.

Mr. Ruben Martinez - Board Member

Ruben Martinez is a Business Development Representative for Akzo Nobel. He was on the original board that founded Life School. Mr. Martinez has served on the Board of Trustees for six terms and has also served in the role of Treasurer. He has served on various community boards and associations over the years.

Dr. Charlie Osborn - Board Member

Dr. Osborn is in his third term on the Board of Trustees. He is a graduate of Texas Chiropractic College and UHSA School of Medicine. Dr. Osborn is retired after 20+ years in healthcare and currently works in World Missions. He is married to Brie and has two children, Victoria and Jackson.

Mr. Theo Washington - Board Member

Theo Washington is a graduate from North Texas State University and is an Account Manager for Andrews International. He also holds a Nursing Home Administrator License and is a Certified Assisted Living Manager. Mr. Washington has served on the Board of Trustees for nine years. He is married to Debra and has a son, Alex.

Mrs. Cara Railey - Board Member

Cara Railey is a new member to the Board of Trustees. She is an Academic Director for The Oaks School of Leadership and Adjunct Instructor at Southwestern University. Mrs. Railey is married to Chris and together they pastor The Oaks Mesquite Fellowship. They have three children Canon, Caleb, and Cooper. Mrs. Railey earned a Bachelors of Science in Elementary Education and a Masters of Education from Evangel University along with a Reading Recovery and Early Literacy Training Certification from the University of Arkansas.

Dr. Matthew Moreland – Board Member

Dr. Moreland is a new member to the Board of Trustees. He is a family physician for Baylor Medical Center. Dr. Moreland is married to Sara and they have three children. He earned a Bachelor of Arts from Abilene Christian University and a Masters in Public Health and his medical degree from the University of North Texas Health Science Center. Moreland is a member of the Texas Medical Association, Texas Academy of Family Physicians, and American Academy of Family Physicians.

Mr. Christopher Clemmons – Board Member

Christopher Clemmons is a new member to the Board of Trustees. He is an Assistant Vice President of Merchant Services at Bank of America. He has an Economics and Finance Applications degree from Southern Methodist University. He is married to Christina and they have two children, Samantha and Camden.