



ITINERIS

EARLY COLLEGE HIGH SCHOOL

West Jordan, UT

Enrollment: **372** students

Loan Amount: **\$7.9** million
to refund bonds

School Savings: **\$1.9** million



APPENDIX A

ITINERIS EARLY COLLEGE HIGH SCHOOL West Jordan, Utah

\$7,965,982.00 EFF Financing / Closed: October 17, 2019 / Final Maturity: December 1, 2049

Obligor Overview

Itineris Early College High School (“Itineris”) was founded in 2004, with a School Year 2018-2019 enrollment of 372 students in grades 10 – 12 at a single campus in West Jordan, Utah.

Itineris’ mission is to “create a learning community that inspires high expectations, supports cognitive challenges, and encourages self-discovery and civic responsibility to maximize individual potential.”

Charter Contract

Itineris operates under a charter contract with the Utah State Charter Board. Itineris’ charter agreement automatically renews each year unless terminated by the State Board or Itineris’ Board pursuant to the Charter School Act.

Management & Governance

Under its bylaws, Itineris is governed by a Board of Directors (the “Itineris Board”) of at least seven persons and no more than nine. Itineris currently has a seven-member board. The Itineris Board has a formal conflict of interest policy and no Itineris Board member or senior staff member is considered a related party.

Senior staff includes the Principal, who has led Itineris for four years and who has overseen teacher professional development, and an Assistant Principal, who has been with Itineris since 2004 and has managed recruiting and community partnerships for three years. Senior management contracts a third party to provide accounting and bookkeeping services.

Enrollment & Student Information

Itineris’ student count for the past four fiscal years is as follows:

Itineris Early College High School Historical Student Enrollment FY16 – FY19

| <u>FY16</u> | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> |
|-------------|-------------|-------------|-------------|
| 407 | 386 | 404 | 372 |

Itineris’ facility is at 90% capacity and Itineris expects its enrollment to reach capacity by 2020. For the past three years, student retention has been at least 87%.

45% of students identify as ethnic minorities. Itineris’ free and reduced lunch and English learner populations are approximately 26% and 4%, respectively.

Academic Program & Results

Itineris’ curriculum blends high school and college into an educational program that is designed so that all students can achieve up to two years of college credit while simultaneously earning a high school diploma. Itineris built its facility near the Salt Lake Community College campus as the location is central to Itineris’ mission and culture.

The Utah State Board of Education has issued annual letter grades to public schools since 2014. Less than ten high schools per year have been awarded an “A” grade, with Itineris being one of those A-rated schools every year since 2015.

The Project

Itineris operates on a single campus located at 8714 Roy Del Cir just south of Salt Lake City in West Jordan, Utah. The campus comprises one building (approximately 36,900 total square feet) on 2.18 acres of land.

The EFF financing was completed for the purpose of refunding the Utah Charter School Finance Authority Charter School Revenue Bonds (Itineris High School Project), Series 2013A (the “Series 2013A Bonds”). The proceeds of the Series 2013A Bonds were used to acquire land and to construct the Itineris campus building. As a result of the refinancing, Itineris will reduce its debt service by approximately \$200,000 per year through 2049.

As of October 17, 2019, the Itineris loan will be transferred to Equitable School Revolving Fund, LLC (“ESRF”), and will constitute approximately 4.8% of the ESRF loan pool.

Financial Information

Certain historical financial information for Itineris is listed below. These metrics will be updated and included in EFF’s continuing disclosure annual report.

Itineris Early College High School Historical Financial Information

| <u>Metric</u> | <u>FY16</u> | <u>FY17</u> | <u>FY18</u> |
|-----------------------|-------------|-------------|-------------|
| Total Revenue (TR) | \$3,190,975 | \$3,325,773 | \$3,555,451 |
| DS Coverage Ratio | 1.12x | 1.23x | 1.24x |
| Debt Burden (% of TR) | 20.5% | 19.8% | 18.8% |
| Days Cash on Hand | 34.0 | 35.2 | 51.4 |

Ratings

S&P: BB¹

Itineris Early College High School Security and Loan Covenants

| | |
|-----------------------------|--|
| Security | Pledged revenues and a first lien mortgage on the land and real estate on which the school is located |
| Debt Service Coverage Ratio | 1.10x |
| Additional Bonds Test | 1.20x |
| Liquidity Covenant | 50 days cash on hand for FY20 and 60 days cash on hand for each FY thereafter |
| Academic Covenant | Exceed the State in percentage of students obtaining an 18 or higher composite score on the ACT and to exceed the State in Math and English Language Arts proficiency scores |
| Enrollment Covenant | Minimum of 370 students |

¹ S&P Global Ratings has assigned an underlying rating of “BB” to Itineris. Any explanation of the significance of the rating may only be obtained from the rating agency. The rating is not a recommendation to buy, sell or hold any securities related to Itineris. There can be no assurance that the rating will continue for any period of time or that it will not be revised or withdrawn entirely by the rating agency, if in its judgement, circumstances so warrant.