

NOTICE OF PUBLIC MEETING
of the
Board of Directors of
SOMERSET ACADEMY OF LAS VEGAS

Notice is hereby given that the Board of Directors of Somerset Academy of Las Vegas, a public charter school, will conduct a telephonic public meeting on April 9, 2015 at 12:00 p.m. The call-in information is as follows:

Call-in Number: 1-866-244-8528

Access Code: 251188#

The public is invited to attend. Anyone that wishes to make public comment, that is unable to access the call-in telephone number listed above, is welcome to attend the meeting at the Academics Nevada offices located 1378 Paseo Verde Parkway, Suite 200, Henderson, Nevada 89012 to offer any public comment they would like.

Attached hereto is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the Chairperson.

Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend or participate at the meeting. Any persons requiring assistance may call Kimberly Ballou at (702) 431-6260 in advance so that arrangements may be conveniently made.

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

AGENDA

April 9, 2015 Meeting of the Board of Directors of Somerset Academy of Las Vegas

(Action may be taken on those items denoted “For Possible Action”)

1. Call to order and roll call. (For Possible Action).
2. Public Comment and Discussion. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.).
3. Review and Approval of All Necessary Documents for Bond Closing. (For Possible Action.)
4. Public Comments and Discussion. (Discussion.)
5. Adjournment. (For Possible Action.)

This notice and agenda has been posted on or before 9 a.m. on the third working day before the meeting at the following locations:

- (1) 385 W. Centennial Parkway, North Las Vegas, Nevada 89084
- (2) 7038 Sky Pointe Drive, Las Vegas, Nevada 89131
- (3) 50 N. Stephanie St., Henderson, Nevada 89074
- (4) 4650 Losee Road, North Las Vegas, Nevada 89081
- (5) North Las Vegas City Hall, 2200 Civic Center Dr., North Las Vegas, Nevada.
- (6) Henderson City Hall, 240 South Water Street, Henderson, Nevada.
- (7) Las Vegas City Hall, 495 S. Main St., Las Vegas, Nevada.
- (8) Academica Nevada, 1378 Paseo Verde Parkway, Suite 200, Henderson, Nevada 89012

Memorandum

To: Somerset Academy Board of Directors

From: Russ Caldwell, Financial Advisor

Regarding: Post Sale Analysis of Series 2015 Bonds

CC: Bob Howell, Eric Duran, and Clayton Howell

Date: 4-09-2015

The bond sale was conducted yesterday morning by D.A. Davidson and R.W. Baird, the underwriting team. Prior to the sale the underwriters distributed the official statement to the market (to institutional investors). A lengthy "investor call" was held with over 15 institutions participating and after that call individual questions from the analysts within those institutions were fielded by various members of the team (your staff, the underwriters, and me).

Leading up to the sale market conditions were mixed but favorable. US Treasury securities were bumping up and down over both international events and fears that the Fed will raise rates in June. In the municipal market conditions were relatively stable. Overall, we were assisted by last Thursday's weak jobs report.

The bond sale was organized as three "term bonds" with sinking fund maturities and this is the structure that produces relatively flat annual payments during the 30 year repayment of the bonds. Please refer to page #2 of the attached bond schedules. You will note the interest rate for the term bond maturing in 2025 in the amount of \$ 8,205,000 is 4.0%. Following that in the \$13,180,000 maturity in 2035 we have an interest rate of 4.95%, and then the last one in 2045 is 5.07% for the \$21,610,000 maturity.

The result of this structure and interest rates is twofold. First, the average coupon or return to the investor becomes 5.02% while the True Interest Cost to Somerset ends up at 5.06%. See page #3 of the attached schedules. When I compare this to results of recent charter school bonds sold with ratings in the "BB" category, I am quite pleased. The BB+ rated University Schools project in Colorado sold for a True Interest Cost of 5.02% (with a better rating than Somerset), and a South Carolina charter with a "BB" rating (the same as Somerset) sold at a True Interest Cost of 5.63%. Also, in both Colorado and South Carolina those states have substantial in-state tax exempt bond funds as eligible purchasers while Nevada has no in-state funds.

I would direct you back to page #1 of the bond schedules. You will see that the amount of the bonds sold is \$43,080,000 and this page lists the various ways the funds are being used. You have seen preliminary schedules like these before. The bonds purchase both campuses and move ownership to Somerset Academy.

More importantly, on page #4 you must note the annual fixed payment for the bonds is roughly \$2,815,000 each year over the 30 year repayment. Obviously, fixing the payment at this low level is the chief goal of the Board. You will recall in our earlier meeting that a payment at or below \$3,000,000 per year would be considered highly favorable.

I recommend the Board approve the bond issuance documents before it today. These have been prepared by your bond counsel and action is necessary today for the underwriters to lock in the interest rates and organize the bond closing for the 16th of April. Thanks to all who have worked for so many weeks and months on this project.

Attachment:
Final Bond Schedule

SOURCES AND USES OF FUNDS

**DIRECTOR OF THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
CHARTER SCHOOL LEASE REVENUE BONDS, SERIES 2015A & SERIES 2015B (FEDERALLY TAXABLE)
(SOMERSET ACADEMY)**

**Assumes 'BB' Rating, NBQ, 30-Year Term, 12/15/25 Par Call
FINAL PRICING**

Dated Date 04/16/2015
Delivery Date 04/16/2015

Sources of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
Bond Proceeds:				
Term Bond due 2025	8,205,000.00			8,205,000.00
Term Bond due 2035	13,180,000.00		-53,115.40	13,233,115.40
Term Bond due 2045	21,610,000.00		-95,300.10	21,705,300.10
Taxable Bond	85,000.00			85,000.00
	43,080,000.00	0.00	-148,415.50	43,228,415.50

Uses of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
Project Fund Deposits:				
Project Fund	39,313,038.00			39,313,038.00
Title Insurance	35,000.00			35,000.00
Appraisal	15,000.00			15,000.00
Recordings	5,000.00			5,000.00
Real Estate Transfer Tax	100,000.00			100,000.00
	39,468,038.00			39,468,038.00
Other Fund Deposits:				
Debt Service Reserve Fund	2,816,531.26			2,816,531.26
Cost of Issuance:				
Underwriter's Counsel	25,000.00			25,000.00
Bond & Disclosure Counsel	130,000.00			130,000.00
Rating Fee	66,000.00			66,000.00
Financial Advisor to the School	90,000.00			90,000.00
School Counsel	15,000.00			15,000.00
Trustee Acceptance & First Annual	8,000.00			8,000.00
Custodian Acceptance & First Annual	3,000.00			3,000.00
Printing & Regulatory	15,000.00			15,000.00
B&I Administrative Fee	5,000.00			5,000.00
Financial Advisor to B&I	43,080.00			43,080.00
Financial Advisor to B&I Travel Reimbursement	3,000.00			3,000.00
Structuring Fee (D.A. Davidson)	10,000.00			10,000.00
Surveying	21,400.00			21,400.00
Environmental Report	3,200.00			3,200.00
Miscellaneous	10,000.00			10,000.00
	447,680.00			447,680.00
Delivery Date Expenses:				
Underwriter's Discount	495,420.00			495,420.00
Other Uses of Funds:				
Rounding Amount	746.24			746.24
	43,228,415.50	0.00	0.00	43,228,415.50

Note: Somerset has previously paid \$50,000 and can be reimbursed for this from Cost of Issuance.

BOND PRICING

DIRECTOR OF THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
CHARTER SCHOOL LEASE REVENUE BONDS, SERIES 2015A & SERIES 2015B (FEDERALLY TAXABLE)
(SOMERSET ACADEMY)
Assumes 'BB' Rating, NBQ, 30-Year Term, 12/15/25 Par Call
FINAL PRICING

Bond Component	Maturity Date	CUSIP	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Term Bond due 2025:										
	12/15/2016		420,000	4.000%	4.000%	100.000				
	12/15/2017		735,000	4.000%	4.000%	100.000				
	12/15/2018		765,000	4.000%	4.000%	100.000				
	12/15/2019		795,000	4.000%	4.000%	100.000				
	12/15/2020		830,000	4.000%	4.000%	100.000				
	12/15/2021		860,000	4.000%	4.000%	100.000				
	12/15/2022		895,000	4.000%	4.000%	100.000				
	12/15/2023		930,000	4.000%	4.000%	100.000				
	12/15/2024		970,000	4.000%	4.000%	100.000				
	12/15/2025	25490L AA5	<u>1,005,000</u>	4.000%	4.000%	100.000				
			8,205,000							
Term Bond due 2035:										
	12/15/2026		1,045,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	4,211.35
	12/15/2027		1,100,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	4,433.00
	12/15/2028		1,155,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	4,654.65
	12/15/2029		1,215,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	4,896.45
	12/15/2030		1,275,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	5,138.25
	12/15/2031		1,335,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	5,380.05
	12/15/2032		1,405,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	5,662.15
	12/15/2033		1,475,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	5,944.25
	12/15/2034		1,550,000	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	6,246.50
	12/15/2035	25490L AB3	<u>1,625,000</u>	5.000%	4.950%	100.403 C	4.968%	12/15/2025	100.000	6,548.75
			13,180,000							53,115.40
Term Bond due 2045:										
	12/15/2036		1,705,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	7,519.05
	12/15/2037		1,795,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	7,915.95
	12/15/2038		1,885,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	8,312.85
	12/15/2039		1,985,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	8,753.85
	12/15/2040		2,085,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	9,194.85
	12/15/2041		2,190,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	9,657.90
	12/15/2042		2,305,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	10,165.05
	12/15/2043		2,420,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	10,672.20
	12/15/2044		2,545,000	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	11,223.45
	12/15/2045	25490L AC1	<u>2,695,000</u>	5.125%	5.070%	100.441 C	5.096%	12/15/2025	100.000	11,884.95
			21,610,000							95,300.10
Taxable Bond:										
	12/15/2016	25490L AD9	85,000	5.000%	5.000%	100.000				
			<u>43,080,000</u>							148,415.50

Dated Date	04/16/2015	
Delivery Date	04/16/2015	
First Coupon	06/15/2015	
Par Amount	43,080,000.00	
Premium	148,415.50	
Production	43,228,415.50	100.344511%
Underwriter's Discount	-495,420.00	-1.150000%
Purchase Price	42,732,995.50	99.194511%
Accrued Interest		
Net Proceeds	42,732,995.50	

BOND SUMMARY STATISTICS

DIRECTOR OF THE STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY CHARTER SCHOOL LEASE REVENUE BONDS, SERIES 2015A & SERIES 2015B (FEDERALLY TAXABLE) (SOMERSET ACADEMY)

**Assumes 'BB' Rating, NBQ, 30-Year Term, 12/15/25 Par Call
FINAL PRICING**

Dated Date	04/16/2015
Delivery Date	04/16/2015
First Coupon	06/15/2015
Last Maturity	12/15/2045
Arbitrage Yield	4.960620%
True Interest Cost (TIC)	5.058279%
Net Interest Cost (NIC)	5.002767%
All-In TIC	5.198832%
Average Coupon	5.020281%
Average Life (years)	19.671
Weighted Average Maturity (years)	19.683
Duration of Issue (years)	12.067
Par Amount	43,080,000.00
Bond Proceeds	43,228,415.50
Total Interest	42,543,884.18
Net Interest	42,890,888.68
Bond Years from Dated Date	847,440,333.33
Bond Years from Delivery Date	847,440,333.33
Total Debt Service	85,623,884.18
Maximum Annual Debt Service	2,833,118.76
Average Annual Debt Service	2,792,336.11
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	11.500000
Total Underwriter's Discount	11.500000
Bid Price	99.194511

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Taxable Bond	85,000.00	100.000	5.000%	1.664	13.60
Term Bond due 2025	8,205,000.00	100.000	4.000%	6.655	7,056.30
Term Bond due 2035	13,180,000.00	100.403	5.000%	16.566	10,807.60
Term Bond due 2045	21,610,000.00	100.441	5.125%	26.578	17,720.20
	43,080,000.00			19.671	35,597.70

	TIC	All-In TIC	Arbitrage Yield
Par Value	43,080,000.00	43,080,000.00	42,995,000.00
+ Accrued Interest			
+ Premium (Discount)	148,415.50	148,415.50	148,415.50
- Underwriter's Discount	-495,420.00	-495,420.00	
- Cost of Issuance Expense		-447,680.00	
- Other Amounts			
Target Value	42,732,995.50	42,285,315.50	43,143,415.50
Target Date	04/16/2015	04/16/2015	04/16/2015
Yield	5.058279%	5.198832%	4.960620%

BOND DEBT SERVICE



DIRECTOR OF THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
CHARTER SCHOOL LEASE REVENUE BONDS, SERIES 2015A & SERIES 2015B (FEDERALLY TAXABLE)
(SOMERSET ACADEMY)
Assumes 'BB' Rating, NBQ, 30-Year Term, 12/15/25 Par Call
FINAL PRICING

Dated Date 04/16/2015
 Delivery Date 04/16/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/15/2015			343,996.63	343,996.63	
12/15/2015			1,049,481.25	1,049,481.25	1,393,477.88
06/15/2016			1,049,481.25	1,049,481.25	
12/15/2016	505,000	** %	1,049,481.25	1,554,481.25	2,603,962.50
06/15/2017			1,038,956.25	1,038,956.25	
12/15/2017	735,000	4.000%	1,038,956.25	1,773,956.25	2,812,912.50
06/15/2018			1,024,256.25	1,024,256.25	
12/15/2018	765,000	4.000%	1,024,256.25	1,789,256.25	2,813,512.50
06/15/2019			1,008,956.25	1,008,956.25	
12/15/2019	795,000	4.000%	1,008,956.25	1,803,956.25	2,812,912.50
06/15/2020			993,056.25	993,056.25	
12/15/2020	830,000	4.000%	993,056.25	1,823,056.25	2,816,112.50
06/15/2021			976,456.25	976,456.25	
12/15/2021	860,000	4.000%	976,456.25	1,836,456.25	2,812,912.50
06/15/2022			959,256.25	959,256.25	
12/15/2022	895,000	4.000%	959,256.25	1,854,256.25	2,813,512.50
06/15/2023			941,356.25	941,356.25	
12/15/2023	930,000	4.000%	941,356.25	1,871,356.25	2,812,712.50
06/15/2024			922,756.25	922,756.25	
12/15/2024	970,000	4.000%	922,756.25	1,892,756.25	2,815,512.50
06/15/2025			903,356.25	903,356.25	
12/15/2025	1,005,000	4.000%	903,356.25	1,908,356.25	2,811,712.50
06/15/2026			883,256.25	883,256.25	
12/15/2026	1,045,000	5.000%	883,256.25	1,928,256.25	2,811,512.50
06/15/2027			857,131.25	857,131.25	
12/15/2027	1,100,000	5.000%	857,131.25	1,957,131.25	2,814,262.50
06/15/2028			829,631.25	829,631.25	
12/15/2028	1,155,000	5.000%	829,631.25	1,984,631.25	2,814,262.50
06/15/2029			800,756.25	800,756.25	
12/15/2029	1,215,000	5.000%	800,756.25	2,015,756.25	2,816,512.50
06/15/2030			770,381.25	770,381.25	
12/15/2030	1,275,000	5.000%	770,381.25	2,045,381.25	2,815,762.50
06/15/2031			738,506.25	738,506.25	
12/15/2031	1,335,000	5.000%	738,506.25	2,073,506.25	2,812,012.50
06/15/2032			705,131.25	705,131.25	
12/15/2032	1,405,000	5.000%	705,131.25	2,110,131.25	2,815,262.50
06/15/2033			670,006.25	670,006.25	
12/15/2033	1,475,000	5.000%	670,006.25	2,145,006.25	2,815,012.50
06/15/2034			633,131.25	633,131.25	
12/15/2034	1,550,000	5.000%	633,131.25	2,183,131.25	2,816,262.50
06/15/2035			594,381.25	594,381.25	
12/15/2035	1,625,000	5.000%	594,381.25	2,219,381.25	2,813,762.50
06/15/2036			553,756.25	553,756.25	
12/15/2036	1,705,000	5.125%	553,756.25	2,258,756.25	2,812,512.50
06/15/2037			510,065.63	510,065.63	
12/15/2037	1,795,000	5.125%	510,065.63	2,305,065.63	2,815,131.26
06/15/2038			464,068.75	464,068.75	
12/15/2038	1,885,000	5.125%	464,068.75	2,349,068.75	2,813,137.50
06/15/2039			415,765.63	415,765.63	
12/15/2039	1,985,000	5.125%	415,765.63	2,400,765.63	2,816,531.26
06/15/2040			364,900.00	364,900.00	
12/15/2040	2,085,000	5.125%	364,900.00	2,449,900.00	2,814,800.00
06/15/2041			311,471.88	311,471.88	
12/15/2041	2,190,000	5.125%	311,471.88	2,501,471.88	2,812,943.76
06/15/2042			255,353.13	255,353.13	
12/15/2042	2,305,000	5.125%	255,353.13	2,560,353.13	2,815,706.26
06/15/2043			196,287.50	196,287.50	
12/15/2043	2,420,000	5.125%	196,287.50	2,616,287.50	2,812,575.00
06/15/2044			134,275.00	134,275.00	
12/15/2044	2,545,000	5.125%	134,275.00	2,679,275.00	2,813,550.00
06/15/2045			69,059.38	69,059.38	
12/15/2045	2,695,000	5.125%	69,059.38	2,764,059.38	2,833,118.76
	43,080,000		42,543,884.18	85,623,884.18	85,623,884.18

Note: ** Indicates varying coupon amounts. See 'Bond Pricing' schedule.



BOND DEBT SERVICE

**DIRECTOR OF THE STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
CHARTER SCHOOL LEASE REVENUE BONDS, SERIES 2015A & SERIES 2015B (FEDERALLY TAXABLE)
(SOMERSET ACADEMY)
Assumes 'BB' Rating, NBQ, 30-Year Term, 12/15/25 Par Call
FINAL PRICING**

Dated Date 04/16/2015
Delivery Date 04/16/2015

Period Ending	Principal	Coupon	Interest	Debt Service
12/15/2015			1,393,477.88	1,393,477.88
12/15/2016	505,000	** %	2,098,962.50	2,603,962.50
12/15/2017	735,000	4.000%	2,077,912.50	2,812,912.50
12/15/2018	765,000	4.000%	2,048,512.50	2,813,512.50
12/15/2019	795,000	4.000%	2,017,912.50	2,812,912.50
12/15/2020	830,000	4.000%	1,986,112.50	2,816,112.50
12/15/2021	860,000	4.000%	1,952,912.50	2,812,912.50
12/15/2022	895,000	4.000%	1,918,512.50	2,813,512.50
12/15/2023	930,000	4.000%	1,882,712.50	2,812,712.50
12/15/2024	970,000	4.000%	1,845,512.50	2,815,512.50
12/15/2025	1,005,000	4.000%	1,806,712.50	2,811,712.50
12/15/2026	1,045,000	5.000%	1,766,512.50	2,811,512.50
12/15/2027	1,100,000	5.000%	1,714,262.50	2,814,262.50
12/15/2028	1,155,000	5.000%	1,659,262.50	2,814,262.50
12/15/2029	1,215,000	5.000%	1,601,512.50	2,816,512.50
12/15/2030	1,275,000	5.000%	1,540,762.50	2,815,762.50
12/15/2031	1,335,000	5.000%	1,477,012.50	2,812,012.50
12/15/2032	1,405,000	5.000%	1,410,262.50	2,815,262.50
12/15/2033	1,475,000	5.000%	1,340,012.50	2,815,012.50
12/15/2034	1,550,000	5.000%	1,266,262.50	2,816,262.50
12/15/2035	1,625,000	5.000%	1,188,762.50	2,813,762.50
12/15/2036	1,705,000	5.125%	1,107,512.50	2,812,512.50
12/15/2037	1,795,000	5.125%	1,020,131.26	2,815,131.26
12/15/2038	1,885,000	5.125%	928,137.50	2,813,137.50
12/15/2039	1,985,000	5.125%	831,531.26	2,816,531.26
12/15/2040	2,085,000	5.125%	729,800.00	2,814,800.00
12/15/2041	2,190,000	5.125%	622,943.76	2,812,943.76
12/15/2042	2,305,000	5.125%	510,706.26	2,815,706.26
12/15/2043	2,420,000	5.125%	392,575.00	2,812,575.00
12/15/2044	2,545,000	5.125%	268,550.00	2,813,550.00
12/15/2045	2,695,000	5.125%	138,118.76	2,833,118.76
	43,080,000		42,543,884.18	85,623,884.18

Note: ** Indicates varying coupon amounts. See 'Bond Pricing' schedule.