ZIONS PUBLIC FINANCE, INC.

MEMORANDUM

DATE: Tuesday, August 11, 2026

TO: Marlo Oaks, State Treasurer and Utah Charter School Finance Authority Board

FROM: Japheth McGee, Vice President and Johnathan Ward, Senior Vice President of Zions Public Finance

RE: Beehive Science and Technology Academy Application to the Utah Charter School Finance Authority and Credit Enhancement Program

Conflicts of Interest

In general, Zions Bancorporation, National Association is made up of many departments and provides various services. Some of those services and departments can be involved on the same transaction. Zions Public Finance Inc. and Zions Corporate Trust are affiliated entities operating under Zions Bancorporation and we all benefit from a strong stock price derived from strong performance by the company and its component members and affiliates across the country. Zions Public Finance does not receive financial or other benefits in association with transactions performed by Zions Corporate Trust who may act as Trustee on charter school transactions. Likewise, Zions Public Finance operates separately from commercial loan divisions of the Bancorporation who may have provided private financing to developers or charter schools to construct the school initially. Zions Public Finance is not aware of the circumstances where this occurs unless told when a charter school applies. Zions Public Finance does not receive financial or other benefits that could result from actions taken by the Charter School Finance Authority outside of the agreed upon fees for services rendered to the Authority.

Zions' entities engaged with the School:

Zions Public Finance:	Yes. (Advisor to the Authority)
Zions Corporate Trust:	Yes
Zions Commercial Involvement:	No

Executive Summary

Borrower:	Beehive Science and Technology Academy
Management Company:	Business Manager: Ram Prasad Boppana
Municipal Advisor:	RoundTable Funding: Clint Biesinger
Borrower's Counsel:	Farnsworth Johnson: Brandon Johnson
Underwriter:	Crews & Associates: Michael Lambert
Bond Counsel:	Gilmore & Bell: Jacob Carlton
Issuer's Counsel:	Chapman & Cutler: Eric Hunter
Trustee:	Zions Bancorporation: Pasquel Hansen

Par Amount:	$28,790,000 in tax-exempt bonds.
Enhancement Requested:	Yes
Purpose:	Fund the construction of a new campus in Saratoga Springs, fund renovation of the second floor of the Sandy campus, fund capitalized interest, fund a debt service reserve fund, and pay costs of issuance.
Structure:	Bonds will be repaid with a roughly level amortization of principal and interest over 40 years. The bonds will carry a fixed rate of interest.
Term:	Final maturity in 2067. Bonds will likely carry a 5 to 7-yr call feature.
Rating:	Moody's Ratings: Ba1
Costs of Issuance Estimate:	$250,000
Underwriter Fee Estimate:	$4.24/$1,000 (est. $122,069.60)
Litigation:	None of which we are aware.
Summary:	Beehive Academy is well known for its academics. This has led to a historically strong demand profile. The School has utilized its historical waitlist to increase the size of its enrollment through a recent expansion at its original campus. Now the School would like to expand to an additional campus in Saratoga Springs. The School provided a breakeven analysis that shows that it could cover the debt service with 238 students at the Saratoga Springs campus in FY 2028. Existing resources are not sufficient to cover expected debt service. The School's strong demand profile and location in a fast-growing area should allow it to meet these demands. However, the Authority has seen a number of charter schools looking to expand into this same market in recent years. Currently strong cash balances help to mitigate near-term concerns and the School's historically conservative budgeting and operations should allow it to weather any unforeseen problems.

Purpose

The purpose of this memo is to document the adherence of Beehive Science and Technology Academy (the "School") to the application requirements of the Utah Charter School Finance Authority (the "Authority") Credit Enhancement Program Standards and provide credit analysis of the School for the Authority's consideration. The analysis contained herein is based on the School's application to the Authority and inquiry for clarification of the Municipal Advisor to the Authority.

Introduction

The School is a non-profit, 501c3 designated, public K-12 charter school with one campus in Sandy City. The School is using funds from this financing to expand to a second campus in Saratoga Springs. The School was approved by the Utah State Charter School Board (the "SCSB") and opened for operation in 2005.

MISSION

At Beehive, students of diverse cultures achieve academic excellence and personal skills in a challenging and innovative STEM environment to become contributing global citizens.

VISION

Students of Beehive Science and Technology Academy excel in a diverse and supportive learning community as they acquire the academic, social, and technological skills necessary to become responsible leaders and citizens of a globalizing world.

Enrollment/Student Demand

October enrollment for the 2025 - 2026 school year was 893 students. The School plans to increase student enrollment to 1,993 by 2034. The School has a strong waitlist and has shown strong retention and resulting enrollment throughout the entire look back period. Average daily membership is above 98%.

	ADM
2025	98%
2024	98%
2023	98%

	Re-enrollment Rates		
	'22-'23	'23-'24	'24-'25
Beehive	75%	80%	80%
Utah	84%	84%	84%

Beehive Science and Technology Academy Enrollment by School Year

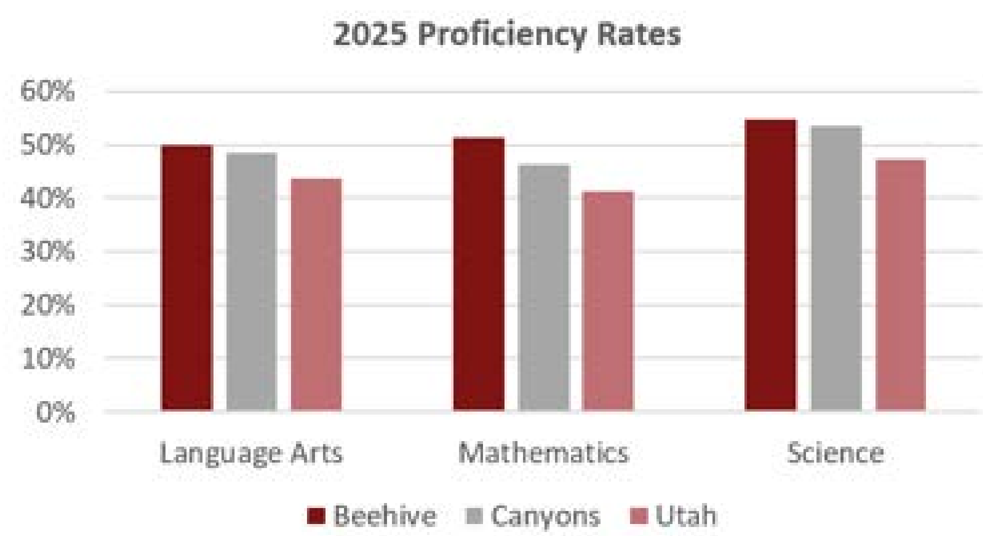
Grade	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
K	-	57	61	66	75	100	150	175	200	200
1	-	43	71	75	74	100	150	175	200	200
2	-	45	56	83	80	85	150	150	175	200
3	-	47	68	69	91	80	140	150	150	175
4	-	31	55	72	72	80	130	135	150	150
5	-	47	49	70	71	75	135	135	135	150
6	37	71	83	82	94	80	130	130	125	125
7	54	72	76	95	74	85	130	125	125	120
8	60	54	72	70	84	75	80	120	120	120
9	46	70	47	55	54	50	50	50	100	100
10	38	53	63	40	48	60	50	50	50	98
11	22	26	36	49	30	60	50	50	45	45
12	36	19	23	35	46	45	50	50	45	45
Totals	293	635	760	861	893	975	1,395	1,495	1,620	1,728

	Saratoga Springs Campus					Sandy Campus Enrollment				
Grade	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
K	-	50	75	100	100	100	100	100	100	100
1	-	50	75	100	100	100	100	100	100	100
2	-	50	50	75	100	85	100	100	100	100
3	-	50	50	50	75	80	90	100	100	100
4	-	50	50	50	50	80	80	85	100	100
5	-	50	50	50	50	75	85	85	85	100
6	-	50	50	50	50	80	80	80	75	75
7	-	50	50	50	50	85	80	75	75	70
8	-	-	50	50	50	75	80	70	70	70
9	-	-	-	50	50	50	50	50	50	50
10	-	-	-	-	50	60	50	50	50	48
11	-	-	-	-	-	60	50	50	45	45
12	-	-	-	-	-	45	50	50	45	45
Totals	0	400	500	625	725	975	995	995	995	1,003

Beehive Science and Technology Academy Waitlist by School Year

Grade	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
K	100	69	81	84	34
1	34	36	41	39	14
2	29	30	43	33	21
3	33	26	49	30	12
4	40	42	27	22	16
5	39	34	37	33	8
6	94	54	55	32	10
7	49	47	50	44	17
8	35	41	27	21	9
9	21	38	37	22	11
10	-	15	19	11	3
11	5	9	9	2	2
12	3	4	-	1	3
Total Waitlist	482	445	475	374	160
Total Enrollment	293	635	760	861	893
% of Enrollment	165%	70%	63%	43%	18%

Academic Performance



Management

1. The School currently has a five-member board. The board members have backgrounds in: computer engineering, education, data analysis, budget analysis, and a former student currently enrolled at the University of Utah studying Mathematics, Quantitative Analysis, and Computer Programming.
2. The School employs Hanifi Oguz as Executive Director/Principal. Mr. Oguz has a Master of Education from Concordia University in educational leadership, a BS in teaching mathematics from Bogazici University in Istanbul, and a School Leadership Management Certificate from the Harvard Business School. He was named principal of the year by the Best of State Utah in 2017.
3. The School employs Ram Prasad Boppana for accounting and business services. Mr. Boppana has a bachelor's degree in commerce (cost accounting and auditing). Mr. Boppana serves as a consultant for Utah International Charter School (since 2013). He is the 2009 and 2019 Utah Association of Public Charter Schools Business

Manager of the year. He has consulted with other charter schools over the years and oversaw finance and operations for the Utah Association of Public Charter Schools from 2008 to 2010.

4. The School has formal policies for budgeting, cash handling, fundraising and donations, and procurement. The school has no formal policies on debt or investments.

Plan of Finance

The School is seeking authorization to sell up to $28,790,000 of Ba1 rated bonds via negotiated sale with Crews & Associates serving as the Underwriter. **The School is seeking credit enhancement through the Utah Charter School Credit Enhancement Program.** The bonds will be tax-exempt bonds for the purpose of funding construction of a new campus in Saratoga Springs, renovating the second floor of the Sandy campus ($1.5 million), funding a debt service reserve, funding capitalized interest, and paying costs of issuance. The bonds will carry a fixed rate of interest and will likely carry a 5 to 7-year call. The bonds are secured by an assignment and secured interest in the revenues of the School and trust accounts and a security interest and pledge of the deed of trust in the land and building located at:

- 10 S. Saratoga Rd, Saratoga Springs, UT 84045
- 2165 E 9400 S, Sandy, UT 84093

Ratings

The bonds are rated Ba1 by Moody's Ratings. Moody's noted the following credit strengths in its rating report.

- Reputation as a high performing and unique STEM school.
- Solid operating performance driving good coverage of existing debt and growing liquidity.
- Favorable demographics within service area benefit enrollment growth trajectory.

The following credit challenges were noted:

- High leverage relative to similarly rated peers with cash to pro-forma debt of 11%.
- Risks associated with replicating a school with a unique model and teacher needs.
- Continued enrollment growth will be required to comfortably support debt service.

Moody's noted that the School could achieve a rating upgrade with continued liquidity growth and stronger coverage through the expansion. Inability to achieve expected enrollment and revenue targets or declining cash balances could lead to a rating downgrade.

Financial Performance

Summary:

The School has taken advantage of strong operating margins in expansion to build cash balances. Increased scale while managing strong debt coverage has allowed the School to increase its cash balances as a percent of operations. Conservative budgeting procedures have facilitated the healthy margins. Figures presented for FY 2022 through FY 2025 represent audited figures. Figures for FY 2026 are unaudited. Comparisons to Credit Enhancement Program Standards are generally given against audited figures with other figures presented for context.

1. End-of-year audited financials have differed significantly from original budgets in part due to additional revenues and related to its expansion over the past five years. The School has managed this transition well keeping expenditures below original budgets in each of the past two years while revenues have exceeded expectations in each of the past five years.

	Actual Variation from Budget				
	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Revenue	14.4%	116.0%	10.6%	6.0%	6.0%
Expenditures	698.7%	45.5%	4.2%	-3.0%	-3.7%

2. Cash Position

Requirement	Measure at end of FY 2025
At least 75 days	178

Often during expansion periods, small schools that enroll more students see large increases in expenditures. That increase in expenditures tends to cause a decline in the overall days cash on hand. The School saw that during its initial expansion phase but has been able to use the expansion and continued strong operations to improve both the total cash on hand and the days cash on hand (which is representation of cash to expenditures).

Days Cash on Hand				
'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
225	196	165	178	191

3. Fund Balance

Requirement	Measure at end of FY 2025
At least 15% of following year expenses	27%

The School has met this metric each year in the look back period.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Fund Balance	6,232,792	4,049,021	2,012,461	2,730,327	3,724,625
Following Year Operating Expenses	5,893,985	8,055,985	8,917,075	9,928,495	11,031,276
Fund Balance % of Future Expenses	106%	50%	23%	27%	34%

	'26-'27	'27-'28	'28-'29	'29-'30
Fund Balance	4,334,914	5,819,038	7,350,121	9,324,610
Following Year Operating Expenses	15,453,154	16,974,818	18,763,442	20,294,954
Fund Balance % of Future Expenses	28%	34%	39%	46%

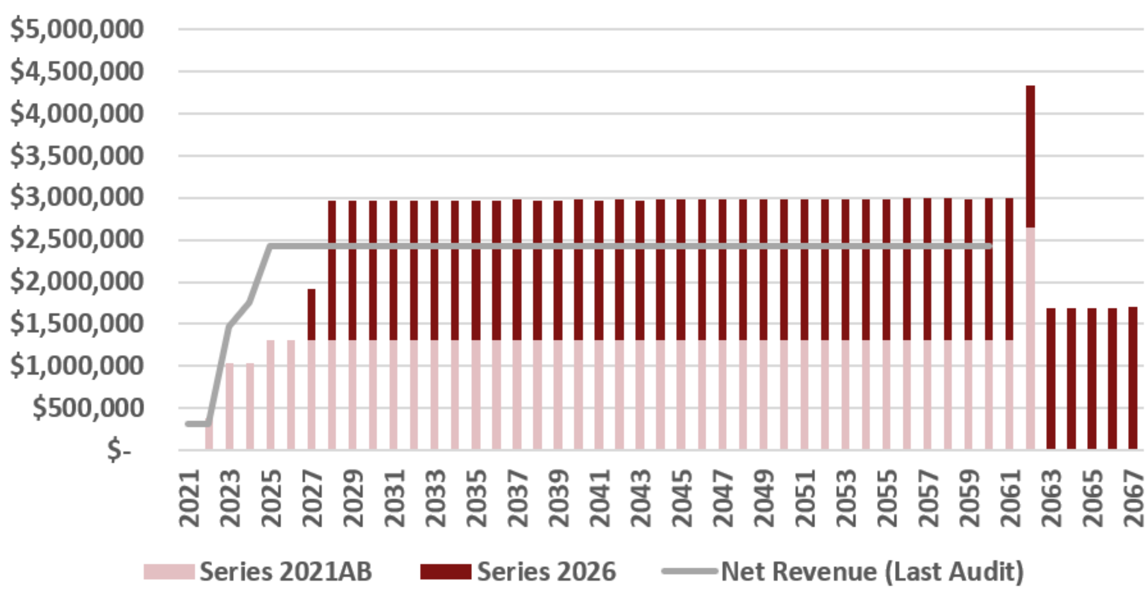
4. Debt Coverage Ratio

BB+ Requirement	Measure at end of FY 2025
At least 115%	185%

Debt service coverage has been strong on the School's existing debt. Net revenues for FY 2025 were $2.4 million. Annual debt service is expected to max out at nearly $3 million. This means that at current operating levels the School will be unable to meet debt service needs. Future enrollment growth is necessary to meet debt service requirements.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Net Income Available for Debt Service	318,702	1,465,700	1,761,042	2,428,804	2,619,783
Annual Debt Service	388,875	1,036,000	1,036,000	1,315,800	1,308,800
Debt Coverage Ratio	82%	141%	170%	185%	200%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	2,725,410	4,942,332	5,010,670	5,601,376	6,089,656
Annual Debt Service	1,911,692	2,963,500	2,969,225	2,968,725	2,967,100
Debt Coverage Ratio	143%	167%	169%	189%	205%



5. Debt Burden Ratio

BB+ Requirement	Measure at end of FY 2027	Measure at end of FY 2025
Less than 18%	21.6%	11.6%

The School met this metric in each year of the look back period but would not using Maximum Annual Debt Service against FY 2027 Operating Revenues. The Standards for Credit Enhancement requirement reads, "demonstrating substantial compliance for the three years prior to and after application". By year two and three of the pro-forma the School is expected to meet this metric.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Maximum Annual Debt Service	388,875	1,036,000	1,036,000	1,315,800	1,308,800
Unrestricted Operating Revenues	3,691,272	7,359,685	9,817,027	11,345,879	12,548,278
Debt Burden Ratio	10.5%	14.1%	10.6%	11.6%	10.4%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Maximum Annual Debt Service	2,969,225	2,969,225	2,969,225	2,969,225	2,969,225
Unrestricted Operating Revenues	13,756,686	20,395,486	21,985,488	24,364,818	26,384,610
Debt Burden Ratio	21.6%	14.6%	13.5%	12.2%	11.3%

6. Operating Margin

BB+ Requirement	Measure at end of FY 2025
At least 14%	21.4%

The School has maintained strong operating margins through the expansion with the lone exception in FY 2022. Projections show slightly improved margins but are not outside the realm of possibility if the School achieves economies of scale.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Net Income Available for Debt Service	318,702	1,465,700	1,761,042	2,428,804	2,619,783
Revenues	3,691,272	7,359,685	9,817,027	11,345,879	12,548,278
Operating Margin	8.6%	19.9%	17.9%	21.4%	20.9%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	2,725,410	4,942,332	5,010,670	5,601,376	6,089,656
Revenues	13,756,686	20,395,486	21,985,488	24,364,818	26,384,610
Operating Margin	19.8%	24.2%	22.8%	23.0%	23.1%

7. Current Ratio

Requirement	Measure at end of FY 2025
At least 150%	201%

The School's current ratio was strong for the past four years. FY 2022 was an expansion year which typically muddies the financial picture.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Current Assets	2,455,031	3,659,209	3,999,724	4,558,748	5,227,703
Current Liabilities	2,077,639	1,614,355	2,052,315	2,267,864	2,617,895
Current Ratio	118%	227%	195%	201%	200%

Bond Documents

Legal bond documents are being reviewed by Chapman & Cutler in its capacity as Issuer's Special Counsel to the Authority, and all requirements are being incorporated. In addition, Gilmore & Bell, as Bond Counsel, has certified that each of the required legal provisions is present in the bond documents.

Continuing Disclosure

The School did not file FY 2025 Audited financials until right around the time its application was submitted to the Authority. This is several months late. The School had submitted the report to the Trustee on time but the Trustee had failed to file the report. While the ultimate responsibility for filing lies with the School, this mitigates some concerns. The School had several Quarterly Financial Report filings that were several months late for similar reasons.

Conclusion

The School meets each of the requirements for credit enhancement. It has a history of high academic performance that should give it credibility in entering a new fast growing charter school market. Historical operations have been conservative and allowed the School to operate at much smaller scales. The School should be able to take advantage of the increased scale multiple campuses provides to meet the challenges of expansion. Moody's Ratings rated the School at Ba1 and noted the challenges facing the School that are balanced by a strong management team.

ZIONS PUBLIC FINANCE, INC.

MEMORANDUM

DATE: Tuesday, August 11, 2026

TO: Marlo Oaks, State Treasurer and Utah Charter School Finance Authority Board

FROM: Japheth McGee, Vice President and Johnathan Ward, Senior Vice President of Zions Public Finance

RE: Treeside Charter School Application to the Utah Charter School Finance Authority

Conflicts of Interest

In general, Zions Bancorporation, National Association is made up of many departments and provides various services. Some of those services and departments can be involved on the same transaction. Zions Public Finance Inc. and Zions Corporate Trust are affiliated entities operating under Zions Bancorporation and we all benefit from a strong stock price derived from strong performance by the company and its component members and affiliates across the country. Zions Public Finance does not receive financial or other benefits in association with transactions performed by Zions Corporate Trust who may act as Trustee on charter school transactions. Likewise, Zions Public Finance operates separately from commercial loan divisions of the Bancorporation who may have provided private financing to developers or charter schools to construct the school initially. Zions Public Finance is not aware of the circumstances where this occurs unless told when a charter school applies. Zions Public Finance does not receive financial or other benefits that could result from actions taken by the Charter School Finance Authority outside of the agreed upon fees for services rendered to the Authority.

Zions' entities engaged with the School:

Zions Public Finance:	Yes. (Advisor to the Authority)
Zions Corporate Trust:	No
Zions Commercial Involvement:	No

Executive Summary

Borrower:	Treeside Charter School
Management Company:	Business Manager: Red Apple Financial
Municipal Advisor:	RoundTable Funding: Clint Biesinger
Borrower's Counsel:	Farnsworth Johnson: Brandon Johnson
Underwriter:	Raymond James: Hanna Degen
Bond Counsel:	Chapman & Cutler: Eric Hunter
Issuer's Counsel:	Gilmore & Bell: Jacob Carlton
Trustee:	US Bank: Laurel Bailey

Par Amount:	$15,415,000 in tax-exempt and taxable bonds.
Enhancement Requested:	No
Purpose:	Fund construction of the School's new facility, fund a debt service reserve fund, fund capitalized interest, and pay costs of issuance.
Structure:	Bonds will be repaid over an 8-year period with interest only payments in 2027 and 2028 followed by amortization of debt in 2029 through 2033 based off a 25-year amortization after a two-year capitalized interest period. The bonds will carry a fixed rate of interest.
Term:	Final maturity in 2034. Bonds will likely carry a 4 or 5-yr call feature.
Rating:	N/A
Costs of Issuance Estimate:	$260,000
Underwriter Fee Estimate:	$7.00/$1,000 (est. $107,905)
Litigation:	None of which we are aware.
Summary:	The School has been operating for roughly a decade. Recent disputes with the developer-landlord led to a desire to leave its lease and pursue owning its own building. The School was operating at the capacity of the prior building and will build in more space at the new facility to expand enrollment in the future. The School left its old facility and is currently leasing an interim space during the construction period. Enrollment has dropped in the transition period but the School expects enrollment to return upon completion of its new facility. Historic net revenues have been sufficient to meet future debt service in some years (though not at required coverage levels). The ability to meet the new debt service assumes enrollment is able to return to historic levels.

Purpose

The purpose of this memo is to document the adherence of Treeside Charter School (the "School") to the application requirements of the Utah Charter School Finance Authority (the "Authority") and provide credit analysis of the School for the Authority's consideration. The analysis contained herein is based on the School's application to the Authority and inquiry for clarification of the Municipal Advisor to the Authority.

Introduction

The School is a non-profit, 501c3 designated, public K-6 charter school with one campus in Provo. The School was approved by the Utah State Charter School Board (the "SCSB") and opened for operation in 2016.

MISSION

Creating the leaders, life-long learners, innovators & artisans of tomorrow by educating the head, heart and hands today.

Enrollment/Student Demand

October enrollment for the 2025 - 2026 school year was 364 students. The School plans to increase enrollment to 450 students, in part by expanding into 7th grade. The School has no waitlist and has shown retention below State averages in most years. Average daily membership is above 99%.

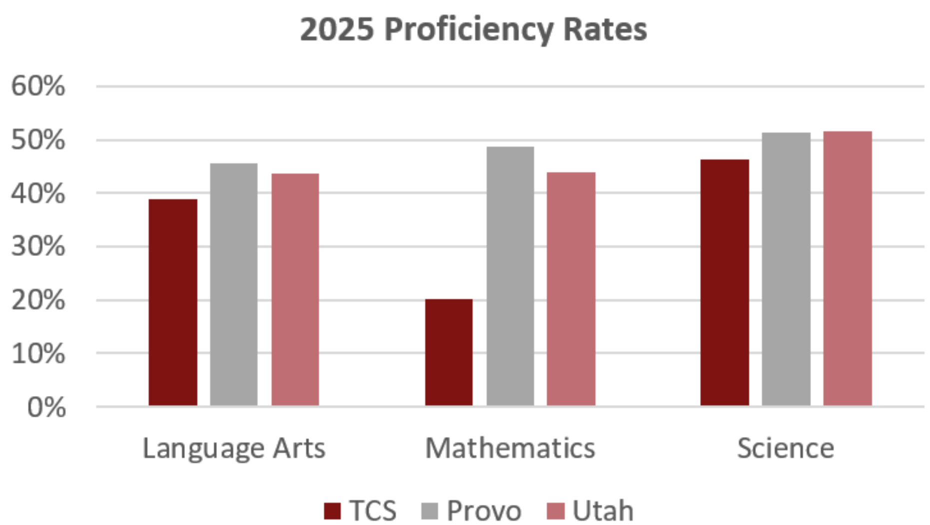
	ADM
2025	99%
2024	99%
2023	95%

	Re-enrollment Rates		
	'22-'23	'23-'24	'24-'25
TCS	76%	84%	71%
Utah	83%	83%	84%

Treeside Charter School Enrollment by School Year

Grade	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
K	86	88	79	59	57	64	80	85	85	85
1	66	64	70	85	38	50	60	70	70	70
2	72	61	60	72	65	40	55	60	60	60
3	52	53	57	70	48	60	40	60	60	60
4	50	54	44	58	61	45	60	50	50	50
5	43	50	49	51	46	60	50	50	50	50
6	36	39	40	42	49	45	50	50	50	50
7	0	0	0	0	0	0	25	25	25	25
Totals	405	409	399	437	364	364	420	450	450	450

Academic Performance



Management

1. The School currently has a five-member board. The board members have backgrounds in: business management, real-estate and military leadership, marketing, the arts, and communications.
2. The School employs Rachel Brunson as Director. Ms. Brunson received a Master of Arts in Administration and Supervision from Southern Utah University; endorsements in mathematics, instructional coaching, and English as a second language (also from SUU); and a BS in Elementary Education from Utah State University.
3. The School will employ Red Apple for business management services.
4. The School has formal policies for cash handling, fundraising and donations, and procurement. No formal policies on budgeting, debt, and investments were found.

Plan of Finance

The School is seeking authorization to sell up to $15,415,000 of non-rated bonds via negotiated sale with Raymond James serving as the Underwriter. The School is NOT seeking credit enhancement through the Utah Charter School Credit Enhancement Program. The bonds will be tax-exempt bonds for the purpose of funding the construction of a new campus, a debt service reserve fund, capitalized interest, and costs of issuance. The bonds will carry a fixed rate of interest and will likely carry a 4 to 5-year call. The bonds are secured by an assignment and secured interest in the revenues of the School and trust accounts and a security interest and pledge of the deed of trust in the land and building located at:

- 235 E 1600 South, Provo, Utah 84606

Financial Performance

Summary:
The School used strong operating margins in the early years of the lookback to build up a large cash balance. That cash balance was significantly depleted by a $1.457 million dollar payment to the School's former landlord of previously unpaid property taxes and lease escalation fees. The School was advised by legal counsel not to make those payments until the lease dispute was resolved. Figures for FY 2026 are unaudited.

1. School budgeting has been challenged over the past five years as the School has dealt with the lease dispute. FY 2025 saw a spike in the total expenditures 33% greater than the original budget as a result of a $1.457 million payment to resolve the lease dispute.

	Actual Variation from Budget				
	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Revenue	9.7%	6.9%	8.5%	13.3%	-0.8%
Expenditures	14.4%	7.8%	-0.8%	33.1%	-10.2%

2. Cash Position

Benchmark	Measure at end of FY 2025
At least 75 days	191

The School's cash on hand of 191 DCOH is strong. Cash levels declined significantly in FY 2025 as the School resolved its dispute with its prior landlord and made a payment of back property taxes and lease escalation costs.

Days Cash on Hand				
'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
54	77	247	133	191

3. Fund Balance

BB Benchmark	Measure at end of FY 2025
At least 15% of following year expenses	16%

The School built a significant fund balance that was reduced to meet its prior lease obligations. Future fund balance has been estimated by taking expected operating expenditures and revenues for each given year and assuming 75% of net operating income (after payment of debt service) is retained as fund balance.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Fund Balance	454,994	586,137	1,497,254	732,895	775,220
Following Year Operating Expenses	3,500,855	3,537,498	4,290,233	4,711,338	4,546,497
Fund Balance % of Future Expenses	13%	17%	35%	16%	17%

	'26-'27	'27-'28	'28-'29	'29-'30
Fund Balance	987,700	1,280,456	1,512,843	1,790,798
Following Year Operating Expenses	4,364,755	4,816,818	4,961,323	5,110,163
Fund Balance % of Future Expenses	23%	27%	30%	35%

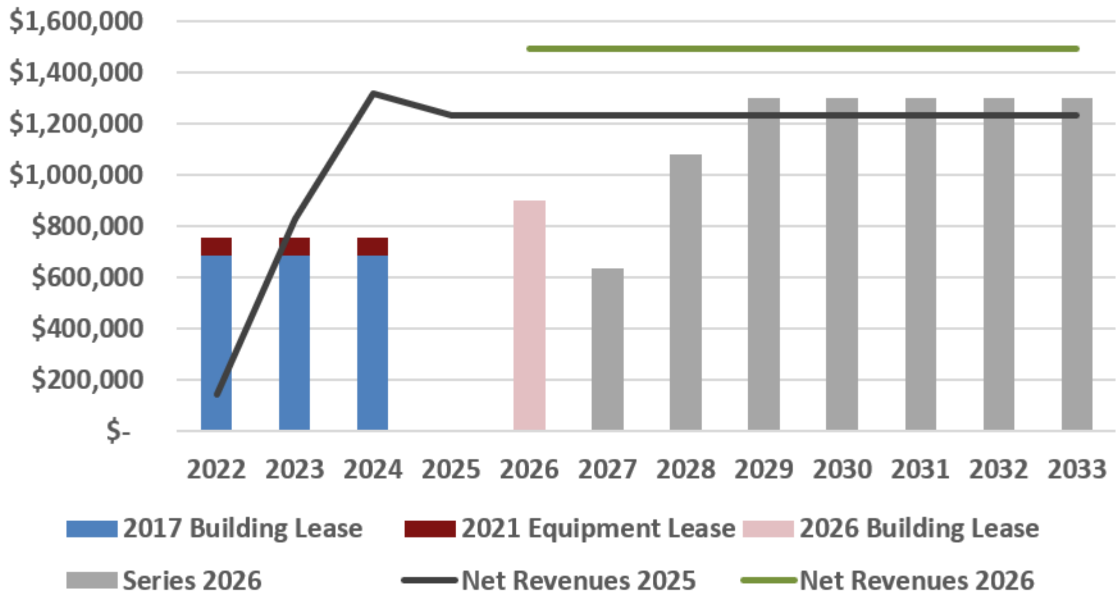
4. Debt Coverage Ratio

BB Benchmark	Measure at end of FY 2025
At least 120%	62%

The School had some years with strong MADS coverage on its building leases though those should be discounted slightly as the School was not paying all the fees associated with the lease. The School's historical operating net income has bounced around the figure the School needs in order to meet its future debt service requirements in the last three years. The School will need enrollment to return to historic levels and margins to remain at recent levels in order to achieve the projected result.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Net Income Available for Debt Service	143,517	830,693	1,320,406	1,232,918	1,493,574
Annual Debt Service	82,094	728,055	688,285	1,985,376	903,902
Debt Coverage Ratio	175%	114%	192%	62%	165%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	1,237,116	1,470,264	1,622,543	1,671,218	1,721,355
Annual Debt Service	953,810	1,079,922	1,312,694	1,300,611	1,303,859
Debt Coverage Ratio	130%	136%	124%	128%	132%



5. Debt Burden Ratio

BB Benchmark	Measure at end of FY 2027
Less than 16%	26.7%

The School's debt burden is measured here against its lease payments and future expected debt service as compared with unrestricted operating revenues. The School expects a significant jump in its debt burden in the near term.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Maximum Annual Debt Service	82,094	728,055	688,285	1,985,376	903,902
Unrestricted Operating Revenues	4,292,181	4,331,548	4,857,904	5,523,151	5,305,607
Debt Burden Ratio	1.9%	16.8%	14.2%	35.9%	17.0%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Maximum Annual Debt Service	1,312,694	1,312,694	1,312,694	1,312,694	1,312,694
Unrestricted Operating Revenues	4,909,725	5,835,019	6,439,361	6,632,541	6,831,518
Debt Burden Ratio	26.7%	22.5%	20.4%	19.8%	19.2%

6. Operating Margin

BB Benchmark	Measure at end of FY 2025
At least 14%	22.3%

Recent operating margins have been strong as the School has moved campuses and saved to meet its expected obligations under its old lease agreement. The School is projecting future margins that are healthier than most schools. This will put significant pressure on the School in the medium term.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Net Income Available for Debt Service	143,517	830,693	1,320,406	1,232,918	1,493,574
Revenues	4,292,181	4,331,548	4,857,904	5,523,151	5,305,607
Operating Margin	3.3%	19.2%	27.2%	22.3%	28.2%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	1,237,116	1,470,264	1,622,543	1,671,218	1,721,355
Revenues	4,909,725	5,835,019	6,439,361	6,632,541	6,831,518
Operating Margin	25.2%	25.2%	25.2%	25.2%	25.2%

7. Curren Ratio

BB Benchmark	Measure at end of FY 2025
At least 150%	172%

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Current Assets	974,574	1,177,372	2,883,553	2,170,020	2,659,274
Current Liabilities	592,167	681,180	1,211,984	1,264,315	247,163
Current Ratio	165%	173%	238%	172%	1076%

Bond Documents

Legal bond documents are being reviewed by Gilmore & Bell in its capacity as Issuer's Special Counsel to the Authority, and all requirements are being incorporated. In addition, Chapman & Cutler, as Bond Counsel, has certified that each of the required legal provisions is present in the bond documents.

Continuing Disclosure

The School has not been under a continuing disclosure requirement previously.

Conclusion

The School has had troubled operations due to lease and building related disputes. Recent facility movements have caused a drop in student enrollment. The School believes this is a temporary drop and is building a new facility that should allow it to operate at greater scale. Historical operations have been close to the levels necessary to support this debt.