



ZIONS PUBLIC FINANCE, INC.

MEMORANDUM

DATE: Monday, September 21, 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: Custom Class 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:	TBD
Zions Commercial Involvement:	No

Executive Summary

Borrower:	Custom Class Charter School
Management Company:	Business Manager: Red Apple Financial
Municipal Advisor:	RoundTable Funding: Clint Biesinger
Borrower's Counsel:	Farnsworth Johnson: Brandon Johnson
Underwriter:	HJ Sims: Robert Nickell
Bond Counsel:	Gilmore & Bell: Jacob Carlton
Issuer's Counsel:	Chapman & Cutler: Eric Hunter
Trustee:	To Be Decided

Par Amount:	\$25,440,000 in tax-exempt and taxable bonds.
Enhancement Requested:	No
Purpose:	Fund construction of the School's initial facility, fund a debt service reserve, fund capitalized interest, and pay costs of issuance.
Structure:	Bonds will be repaid with a roughly level amortization of principal and interest over 35 years after a two-year capitalized interest period. The bonds will carry a fixed rate of interest.
Term:	Final maturity in 2061. Bonds will likely carry a 5-yr call feature.
Rating:	N/A
Costs of Issuance Estimate:	\$500,000
Underwriter Fee Estimate:	\$12.50/\$1,000 (est. \$318,000)
Litigation:	None of which we are aware.
Summary:	The School is a new charter school planning to enter the market in St. George. It enrolled students for the 2026-2027 school year. The School opened with full enrollment and a waitlist of more than 400 students. Pro-forma operating margins are unusually high in part due to its operating model. The School has a hybrid in-person and online model that is favorable for operations and has shown success at various districts and charter schools across the State.

Purpose

The purpose of this memo is to document the adherence of Custom Class 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-12 charter school with one campus in St. George but operating statewide online. The School intends to open additional centers statewide so that its student population will be able to easily access required in person testing and IEP meetings. The School was approved by the Utah State Charter School Board (the "SCSB") and opened for operation in the 2026 – 2027 school year.

MISSION STATEMENT

Custom Class empowers students by establishing rigorous outcomes for learner development while providing customizable support that is tailored to the needs of learners and their families.

Enrollment/Student Demand

The School enrolled 420 students for the current school year and plans to ramp into over 900 students by FY 2029. The School commissioned a survey of over 1,000 families across Utah. The survey indicated that 86.5% of those contacted were "Very Interested" in a publicly funded online school that supports customized learning for students. These were not indications of interest in Custom Class specifically but a more general interest in the School's model. Current enrollment and waitlist is supportive of these indications.

CCCS Enrollment by School Year					
Grade	'27-'28	'28-'29	'29-'30	'30-'31	31-'32
K	45	50	80	100	115
1	40	50	80	100	115
2	36	50	80	100	115
3	32	50	80	100	115
4	37	50	80	100	115
5	32	50	80	100	115
6	38	50	80	100	115
7	37	50	80	100	115
8	41	50	80	100	115
9	34	50	70	90	100
10	15	30	60	80	100
11	20	20	40	70	90
12	16	10	30	50	75
Totals	423	560	920	1,190	1,400

Academic Performance

The School does not have a history of academic performance.

Management

1. The School currently has a three-member board. The board members have backgrounds in: biomedical research (charter school board member at Vista Academy), cabinet-making, and financial planning and entrepreneurship.
2. The School employs Cory Henwood as Executive Director. Mr. Henwood has a B.Sc and B.Ed from the University of Lethbridge and a Utah Educator License with endorsements in Ed Tech and Secondary Math. He previously worked at the Iron School District where he helped develop the Iron Online program and Launch High School.
3. The School will employ Red Apple for business management services.
4. The School has formal policies for budgeting, cash handling, debt, investments, fundraising and donations, and procurement.

Plan of Finance

The School is seeking authorization to sell up to \$25,440,000 of non-rated bonds via private placement with HJ Sims serving as the Underwriter/Placement Agent. **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 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:

- Horseman Park Drive, St. George, UT 84790

Financial Performance

Summary:

Financials provided by the School are all prospective as the School has only one month of operations.

1. Fund Balance

BB Requirement	Measure at end of FY 2027
At least 15% of following year expenses	25%

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.

	'26-'27	'27-'28	'28-'29	'29-'30
Fund Balance	857,244	1,856,296	4,961,742	8,222,866
Following Year Operating Expenses	3,379,599	5,237,958	5,386,096	5,538,679
Fund Balance % of Future Expenses	25%	35%	92%	148%

2. Debt Coverage Ratio

BB Requirement	Measure at end of FY 2027
At least 120%	165%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	2,912,898	3,363,270	6,157,295	6,350,565	6,549,632
Annual Debt Service	1,769,907	2,031,200	2,016,700	2,002,400	1,988,800
Debt Coverage Ratio	165%	166%	305%	317%	329%

3. Debt Burden Ratio

BB Requirement	Measure at end of FY 2027
Less than 16%	36.9%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Maximum Annual Debt Service	2,031,200	2,031,200	2,031,200	2,031,200	2,031,200
Unrestricted Operating Revenues	5,503,187	6,742,869	11,395,253	11,736,661	12,088,311
Debt Burden Ratio	36.9%	30.1%	17.8%	17.3%	16.8%

4. Operating Margin

BB Requirement	Measure at end of FY 2027
At least 14%	52.9%

I have asked for the rationale for a 50% operating margin out of the gate, where most schools struggle to get over 20%. Canyon Grove Academy is another charter school that operates a hybrid in-person and online school, which can lead to operational efficiencies. Its most efficient year in the past showed a 31.9% Operating Margin. That margin has since declined to under 20%.

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	2,912,898	3,363,270	6,157,295	6,350,565	6,549,632
Revenues	5,503,187	6,742,869	11,395,253	11,736,661	12,088,311
Operating Margin	52.9%	49.9%	54.0%	54.1%	54.2%

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 has not been under a continuing disclosure requirement previously.

Conclusion

The School is a new charter school planning to enter the market in St. George. It has no history of operations and will begin enrolling students in FY 2028. Projections are based on enrollment that has no concrete commitments. Operating margins are unusually high and likely not realistic. The School has a model that is favorable for operations and has shown success at various districts and charter schools across the State.



ZIONS PUBLIC FINANCE, INC.

MEMORANDUM

DATE: Monday, September 21, 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: Louisa May Alcott 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:	Louisa May Alcott Community School
Management Company:	Business Manager: To Be Hired. Adon Consulting is contracted to train Board members, directors, and a yet to be hired business manager. Ken Bulpitt from the Board is overseeing finance as a Board Member.
Municipal Advisor:	RoundTable Funding: Clint Biesinger
Borrower's Counsel:	Farnsworth Johnson: Brandon Johnson
Underwriter:	HJ Sims: Robert Nickell
Bond Counsel:	Chapman & Cutler: Eric Hunter

Issuer's Counsel:	Orrick, Herrington, and Sutcliffe: Eugene Clark-Herrera
Trustee:	UMB Bank
Par Amount:	\$17,575,000 in tax-exempt and taxable bonds.
Enhancement Requested:	No
Purpose:	Fund construction of the School's initial facility, fund capitalized interest, fund a debt service reserve, and pay costs of issuance.
Structure:	Bonds will be repaid with a roughly level amortization of principal and interest over 40 years after an 18-month capitalized interest period. The bonds will carry a fixed rate of interest.
Term:	Final maturity in 2066. Bonds will likely carry a 5-yr call feature.
Rating:	N/A
Costs of Issuance Estimate:	\$440,000
Underwriter Fee Estimate:	\$12.50/\$1,000 (est. \$219,687.50)
Litigation:	None of which we are aware.
Summary:	The School is a new charter school planning to enter the market in Mapleton. It has no history of operations and will begin enrolling students in FY 2028. Projections have been based on rosy enrollment and operating margins that exceed most existing school margins. Debt burden will be elevated out of the gate. The School has engaged in initial indications from the local community and has received positive feedback relating to its ability to enroll students.

Purpose

The purpose of this memo is to document the adherence of Louisa May Alcott Community 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-7 charter school with one campus in Mapleton. The School was approved by the Utah State Charter School Board (the "SCSB") and plans to open for operation in 2027.

MISSION STATEMENT

Our mission is to create and sustain a joyful educational environment where students and families develop strong connections to their community and the natural world. It is our aim to support intellectual curiosity, academic achievement, social and emotional resiliency, and compassionate citizenship through Place-based learning

Enrollment/Student Demand

Enrollment is expected to be K-7 to support transitioning students into the Nebo School District junior high schools that start students at grade 8. The School has engaged in local community surveys to gauge interest in the School. A 7/1/26 interest form received positive responses from 363 families representing 755 students.

LMACS Enrollment by School Year						
Grade	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31	'31-'32
K	66	66	66	66	66	66
1	66	66	66	66	66	66
2	66	66	66	66	66	66
3	66	66	66	66	66	66
4	66	66	66	66	66	66
5	66	66	66	66	66	66
6	66	66	66	66	66	66
7	66	66	66	66	66	66
Totals	528	528	528	528	528	528

Academic Performance

The School has not opened and does not have a history of academic performance.

Management

1. The School currently has an eight-member board. The board members have backgrounds in: education, non-profit management, real estate, accounting, construction management, and nursing.
2. The School employs Dr. Carrie Ashcraft as Executive Director. Dr. Ashcraft has a B.A. in English Literature from Boise State University, an M.Ed from Westminster College (with an emphasis in English Language Learning), and a Ph.D in Education from Utah State University (focusing on curriculum, instruction, and literacy).
3. The School will employ an in-house business manager yet to be hired.
4. The School has formal policies for budgeting, cash handling, debt, investments, fundraising and donations, and procurement.

Plan of Finance

The School is seeking authorization to sell up to \$17,575,000 of non-rated bonds via private placement with HJ Sims serving as the Underwriter/Placement Agent. **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. Construction of the School is expected to be completed by Fall 2027. The bonds will carry a fixed rate of interest and will likely carry a 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:

- 1245 E 1200 North, Mapleton, UT

Financial Performance

Summary:

Financials provided by the School are all prospective as the School has not yet begun operations.

1. Fund Balance

BB Requirement	Measure at end of FY 2027
At least 15% of following year expenses	5%

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.

	'26-'27	'27-'28	'28-'29	'29-'30
Fund Balance	208,425	787,031	1,263,348	1,790,386
Following Year Operating Expenses	4,541,903	4,367,660	4,498,690	4,633,651
Fund Balance % of Future Expenses	5%	18%	28%	39%

2. Debt Coverage Ratio

BB Requirement	Measure at end of FY 2029
At least 120%	142%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	277,900	1,872,271	2,135,939	2,200,017	2,266,017
Annual Debt Service	-	1,100,796	1,500,850	1,497,300	1,498,300
Debt Coverage Ratio	0%	170%	142%	147%	151%

3. Debt Burden Ratio

BB Requirement	Measure at end of FY 2028
Less than 16%	23.4%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Maximum Annual Debt Service	1,500,850	1,500,850	1,500,850	1,500,850	1,500,850
Unrestricted Operating Revenues	620,100	6,414,174	6,503,599	6,698,707	6,899,668
Debt Burden Ratio	242.0%	23.4%	23.1%	22.4%	21.8%

4. Operating Margin

BB Requirement	Measure at end of FY 2028
At least 14%	29.2%

The School expects its model to utilize fewer full-time certified teachers and more part-time staff reducing labor costs.

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	277,900	1,872,271	2,135,939	2,200,017	2,266,017
Revenues	620,100	6,414,174	6,503,599	6,698,707	6,899,668
Operating Margin	44.8%	29.2%	32.8%	32.8%	32.8%

Bond Documents

Legal bond documents are being reviewed by Orrick, Herrington, and Sutcliffe 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 is a new charter school planning to enter the market in Mapleton. It has no history of operations and will begin enrolling students in FY 2028. Projections have been based on rosy enrollment and operating margins that exceed most existing school margins. Debt burden will be elevated out of the gate. The School has engaged in initial indications from the local community and has received positive feedback relating to its ability to enroll students.



ZIONS PUBLIC FINANCE, INC.

MEMORANDUM

DATE: Monday, September 21, 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: Wasatch Waldorf 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:	No
Zions Commercial Involvement:	No

Executive Summary

Borrower:	Wasatch Waldorf Academy
Management Company:	Business Manager: Red Apple Financial
Municipal Advisor:	RoundTable Funding: Clint Biesinger
Borrower's Counsel:	Farnsworth Johnson: Brandon Johnson
Underwriter:	Crews & Associates: Michael Lambert
Bond Counsel:	Chapman & Cutler: Eric Hunter
Issuer's Counsel:	Utah Attorney General's Office: Perri Babalis
Trustee:	US Bank National Association: Laurel Bailey

Par Amount:	\$16,315,000 in tax-exempt bonds.
Enhancement Requested:	Yes
Purpose:	Fund the construction of an expansion and renovation at the current Holladay campus, refinance the existing Series 2018 bonds, fund a debt service reserve, 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 2066. Bonds will likely carry a 5-year call at 102% descending to par in year 7.
Rating:	Moody's Ratings: Ba1
Costs of Issuance Estimate:	\$300,000
Underwriter Fee Estimate:	\$4.25/\$1,000 (est. \$69,338.75)
Litigation:	None of which we are aware.
Summary:	Wasatch Waldorf Academy is a relatively new School and new to the Credit Enhancement Program. It has been in operations for just 10 years. The School has had positive though choppy financial performance over the last five years. Part of the choppy financial picture is related to the small nature of the School with just over 640 students. The School is expanding its current campus to admit additional students and increase the scope of operations. The School has a large waitlist to draw on and should be able to fill the expected increase with no problem. The School had coverage on the future debt service based off prior year's operations. It met each of the metrics for Credit Enhancement, though its current ratio was strained in part by a large unearned revenue liability related to a Federal Employee Retention Tax Credit ("ERC"). Auditors have indicated that ERC will be recognized as earned revenue this fiscal year.

Purpose

The purpose of this memo is to document the adherence of Wasatch Waldorf 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-8 charter school with one campus in Holladay. The School was approved by the Utah State Charter School Board (the "SCSB") and opened for operation in 2016.

MISSION

Wasatch Waldorf Charter School provides a K–8 public Waldorf education that is dedicated to the optimal development of each individual child. WWCS nurtures intellectual, social and emotional, and physical capacities through an artistic, hands-on, interdisciplinary approach to core academic subjects which enables each student to blossom into an imaginative, engaged, competent, life-long learner.

VISION

Wasatch Waldorf Charter School is a Waldorf charter school in the Salt Lake Valley that provides a comprehensive education program integrating academics, arts, movement, nature, and social responsibility into everyday learning. Through a culture of holistic learning, our students, teachers, faculty, and families emerge as confident, creative, strong critical thinkers and environmental stewards, empowered to act positively in their own lives and communities.

Enrollment/Student Demand

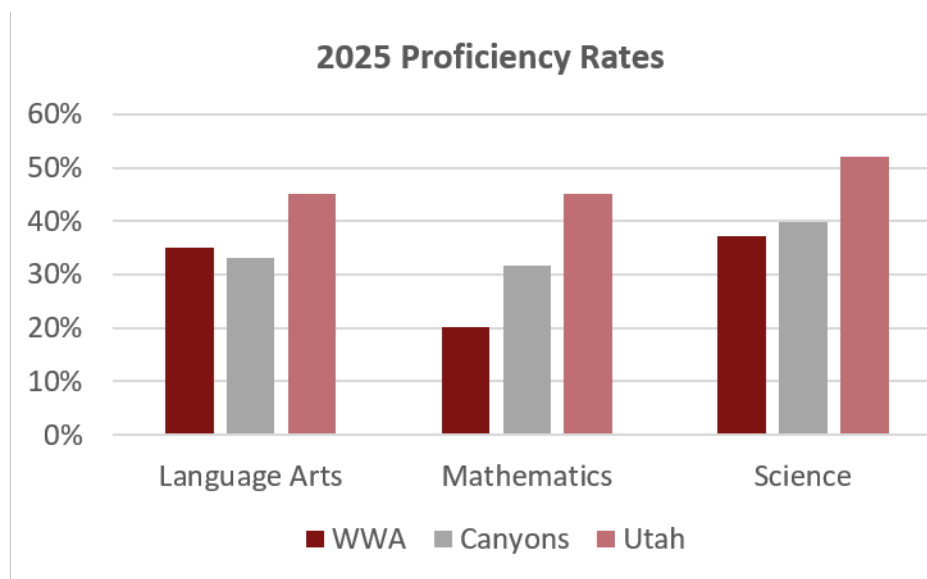
October enrollment for the 2025 - 2026 school year was 643 students. The School plans to increase student enrollment to 684 students by 2030. The School has a strong waitlist and has shown strong retention and resulting enrollment throughout the entire look back period. Average daily membership is above 98%.

	ADM		Re-enrollment Rates		
			'22-'23	'23-'24	'24-'25
2025	99%	WWA	90%	90%	90%
2024	98%				
2023	98%	Utah	83%	83%	84%

Wasatch Waldorf 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	73	74	74	75	72	74	74	74	75	75
1	75	74	78	77	82	75	75	75	75	75
2	61	78	80	77	78	75	75	75	75	75
3	63	63	78	80	80	75	75	75	75	75
4	63	63	62	78	80	81	75	75	75	75
5	62	66	64	61	80	81	81	75	75	75
6	77	62	67	63	57	81	81	78	78	78
7	83	74	62	64	57	54	81	78	78	78
8	74	81	60	53	57	54	54	78	78	78
Totals	631	635	625	628	643	650	671	683	684	684

Wasatch Waldorf Academy Waitlist by School Year				
Grade	'23-'24	'24-'25	'25-'26	'26-'27
K	306	328	285	282
1	125	131	116	119
2	104	88	72	81
3	93	75	71	62
4	87	75	58	66
5	71	59	58	59
6	48	53	53	40
7	45	34	36	33
8	24	20	17	18
Total Waitlist	903	863	766	760
Total Enrollment	625	628	643	650
% of Enrollment	144%	137%	119%	117%

Academic Performance



Management

1. The School currently has a seven-member board. The board members have backgrounds in: education, law, healthcare, refugee and social work, graphic design, and accounting.
2. The School employs Heather Campbell as Executive Director. Ms. Campbell has been with Wasatch Waldorf Academy since 2016. She holds an M.Ed in Special Education from the University of Utah, a BA in Political Science from SUNY Albany, a Teaching Certification for Severe K-12 Special Education, and a Certificate in Educational Leadership from the University of Utah.
3. The School employs Red Apple for accounting and business services.
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 \$16,315,000 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 an expansion at the existing campus (12,700 sq ft of gymnasium and classroom space), renovating the existing building (6,200 sq ft), funding a debt service reserve, refunding the existing bonds for economic savings, and paying costs of issuance. The bonds will carry a fixed rate of interest and will likely carry a 5 call at 102% that descends to par. 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:

- 1458 E Murray Holladay Road, Holladay, UT, 84117

Ratings

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

- Established market position with strong waitlist.

- Strong liquidity.
- Positive operating performance with recurring operating surpluses and solid operating cash flow generation.

The following credit challenges were noted:

- Small absolute scale.
- Inconsistent debt service coverage and moderate coverage relative to the rating category.
- Elevated leverage following the planned bond issuance.
- Limited revenue diversification.

Moody's noted that the School could achieve a rating upgrade with over 2x coverage and increased operating revenue. Inability to achieve 1.5x coverage or draws on liquidity beyond 120 days cash on hand could result in a rating downgrade.

Financial Performance

Summary:

The School has a strong history of budgeting with performance largely mirroring budget expectations. The School has a good cash and operating position that should allow it to meet expanded debt service obligations.

1. Actual budgets were largely in line with original budgets. No year in the past five varied significantly.

	Actual Variation from Budget				
	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Revenue	-2.4%	-1.4%	0.7%	-0.3%	3.5%
Expenditures	-4.4%	1.7%	-1.3%	1.1%	3.2%

2. Cash Position

Requirement	Measure at end of FY 2025
At least 75 days	235

The School has strong cash on hand but is expected to utilize a portion of that cash towards the current project. The School will be making a \$2 million contribution to the project which would have brought the School down to 109 days cash on hand in 2025.

Days Cash on Hand				
'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
96	208	246	235	208

3. Fund Balance

Requirement	Measure at end of FY 2025
At least 15% of following year expenses	23%

The School has met this metric each year in the look back period. Fund balance was depressed relative to cash levels as the School had a large unearned revenue balance related to an Employee Retention Tax Credit. The School's auditor anticipates the ERC will be recognized as earned in FY 2026.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Fund Balance	1,245,606	1,262,629	1,621,235	1,690,707	2,055,317
Following Year Operating Expenses	5,578,933	5,834,657	6,413,108	7,412,780	7,670,026
Fund Balance % of Future Expenses	22%	22%	25%	23%	27%

	'26-'27	'27-'28	'28-'29	'29-'30
Fund Balance	2,492,121	3,054,237	3,703,667	4,384,131
Following Year Operating Expenses	7,973,116	8,294,180	8,543,743	8,800,055
Fund Balance % of Future Expenses	31%	37%	43%	50%

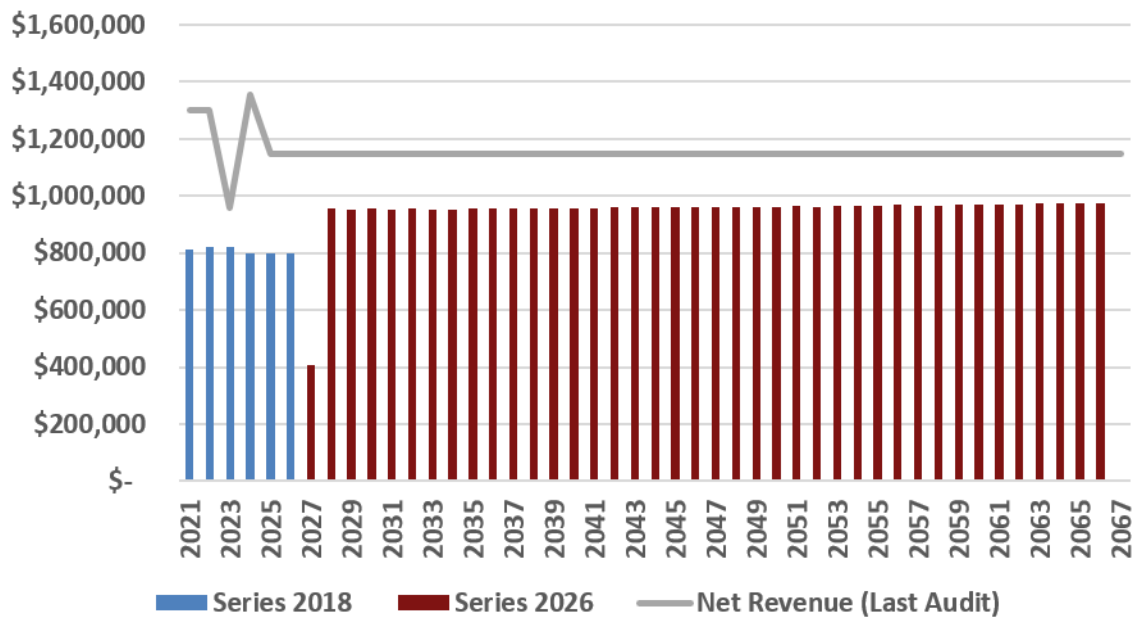
4. Debt Coverage Ratio

Ba1 Requirement	Measure at end of FY 2025
At least 115%	128%

Debt service coverage has been inconsistent, as noted by Moody's. Expanded enrollment should provide more operating room for the School and lead to higher, more consistent coverage. The School would have had revenues sufficient to meet debt service payments in each of the past five years. Coverage would have been weak in 2023 and 2025 on expanded debt service.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Net Income Available for Debt Service	1,301,166	959,920	1,354,037	1,146,825	1,280,281
Annual Debt Service	821,969	872,110	915,803	892,911	827,569
Debt Coverage Ratio	158%	110%	148%	128%	155%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	1,280,572	1,705,237	1,819,657	1,863,785	1,895,479
Annual Debt Service	698,167	955,750	953,750	956,500	953,750
Debt Coverage Ratio	183%	178%	191%	195%	199%



5. Debt Burden Ratio

	Measure at end of FY 2025
Ba1 Requirement	
Less than 18%	11.8%

The School met this metric in each year of the look back period and would have at FY 2025 revenue levels against future debt service.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Maximum Annual Debt Service	821,969	872,110	915,803	892,911	827,569
Unrestricted Operating Revenues	6,082,653	6,538,853	7,188,694	7,559,933	8,693,061
Debt Burden Ratio	13.5%	13.3%	12.7%	11.8%	9.5%

	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Maximum Annual Debt Service	956,500	956,500	956,500	956,500	956,500
Unrestricted Operating Revenues	8,950,599	9,678,353	10,113,836	10,407,528	10,695,534
Debt Burden Ratio	10.7%	9.9%	9.5%	9.2%	8.9%

6. Operating Margin

Ba1 Requirement	Measure at end of FY 2025
At least 14%	15.2%

The School has maintained operating margins just over the requirement. Additional enrollment should improve the operating margins.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Net Income Available for Debt Service	1,301,166	959,920	1,354,037	1,146,825	1,280,281
Revenues	6,082,653	6,538,853	7,188,694	7,559,933	8,693,061
Operating Margin	21.4%	14.7%	18.8%	15.2%	14.7%
	'26-'27	'27-'28	'28-'29	'29-'30	'30-'31
Net Income Available for Debt Service	1,280,572	1,705,237	1,819,657	1,863,785	1,895,479
Revenues	8,950,599	9,678,353	10,113,836	10,407,528	10,695,534
Operating Margin	14.3%	17.6%	18.0%	17.9%	17.7%

7. Current Ratio

Requirement	Measure at end of FY 2025
At least 150%	151%

The School's current ratio was very weak in part due to the large unearned revenue item related to the Employee Retention Tax Credit.

	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Current Assets	1,724,086	3,511,958	4,238,894	4,425,078	4,705,374
Current Liabilities	709,286	2,064,044	2,794,721	2,927,663	2,703,688
Current Ratio	243%	170%	152%	151%	174%

Bond Documents

Legal bond documents are being reviewed by the Utah Attorney General's Office 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 had some late filings though all late filings were rectified within days of the due date.

Conclusion

The School meets each of the requirements for credit enhancement. Expanded debt service has been within the operating budgets the School has met the past several years, and should be manageable with additional enrollment coming online with the classroom addition. The School has a solid waitlist to draw on to meet expected enrollment growth.