MEMORANDUM

DATE: Friday, September 19, 2025

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: Voyage 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:	Voyage Academy
Management Company:	Business Manager: Academica West
Municipal Advisor:	LRB Public Finance Advisors, Inc.: David Robertson
Borrower's Counsel:	Dorsey & Whitney: Nate Canova
Underwriter:	DA Davidson: Eric Duran
Bond Counsel:	Gilmore & Bell: Jacob Carlton

Issuer's Counsel:	Chapman & Cutler: Eric Hunter
Trustee:	US Bank: Laurel Bailey
Par Amount:	$16,935,000 in tax-exempt bonds.
Enhancement Requested:	Yes
Purpose:	Fund an expansion to the School's existing facility, refund the School's Series 2017 bonds, 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 35 years after an 18-month capitalized interest period. The bonds will carry a fixed rate of interest.
Term:	Final maturity in 2060. Bonds will likely carry an 8-yr call feature.
Rating:	Moody's Ratings: Ba1
Costs of Issuance Estimate:	$300,000
Underwriter Fee Estimate:	$3.95/$1,000 (est. $66,893)
Litigation:	None of which we are aware.
Summary:	The School has is applying for credit enhancement for the first time. It last issued bonds in 2017. Those bonds will be refunding along with new money for an expansion. The School has exceptionally high cash levels historical operating margins are strong. The School relies on growth to meet debt coverage because while additional debt plans are modest, the School is a small school with limited operations. Despite this, the School's cash balance should allow it to weather unforeseen difficulties in meeting enrollment expectations.

Purpose

The purpose of this memo is to document the adherence of Voyage 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-6 charter school with one campus in Clinton. The School was approved by the Utah State Charter School Board (the "SCSB") and opened for operation in 2013.

MISSION STATEMENT

The mission of Voyage Academy is that through Expeditionary Learning (expeditionary learning is exemplified by project based learning expeditions, where students engage in interdisciplinary, in-depth study of compelling topics, in groups and in their community, with assessment coming through cumulative products, public presentations, and portfolios), children will explore life skills and gain personal responsibility. As they strive for excellence in the molding of their future, they will become honest, compassionate and respectful seekers of learning.

Enrollment/Student Demand

October enrollment for the 2024 - 2025 school year was 529 students. The School is using funds from this financing to expand educational space and increase student enrollment to 640 by 2028. The School has a moderate waitlist and has shown strong retention and resulting enrollment throughout the entire look back period. Average daily membership is above 98%.

	ADM
2024	99%
2023	100%
2022	98%

	Re-enrollment Rates		
	'21-'22	'22-'23	'23-'24
Voyage	90%	94%	91%
Utah	82%	83%	83%

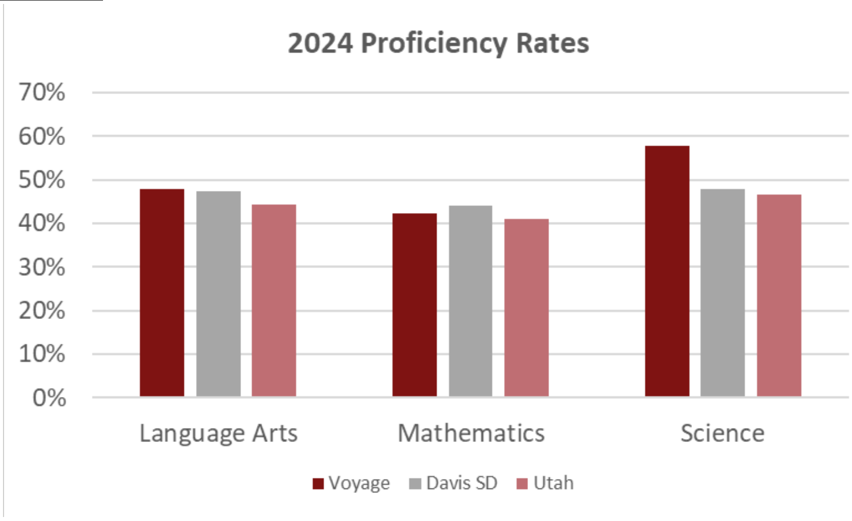
Voyage Academy LEA Enrollment

	Historic					Projected				
Grade	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
K	71	75	69	82	76	80	102	102	100	100
1	75	77	82	70	76	80	92	92	88	88
2	73	76	77	83	73	80	105	105	101	101
3	73	78	74	81	77	73	103	103	99	99
4	78	71	76	77	79	80	77	99	95	95
5	79	74	70	69	74	79	69	69	87	87
6	77	77	74	70	74	72	70	70	70	70
Totals	526	528	522	532	529	544	618	640	640	640

Voyage Academy LEA Waitlist

Grade	'21-'22	'22-'23	'23-'24	'24-'25
K	86	71	146	59
1	66	54	45	32
2	36	41	52	25
3	53	29	22	22
4	42	33	17	13
5	14	9	4	2
6	12	4	2	3
Totals	309	241	288	156
Total Enrollment	522	532	529	544
% of Enrollment	59%	45%	54%	29%

Academic Performance



Management

1. The School currently has a seven-member board. The board members have backgrounds in: finance, education, armed services, and cybersecurity.
2. The School employs Kami Coleman as Principal. Ms. Coleman received a BA in in Physical Education from Southern Utah University with a minor in Spanish.
3. The School employs Academica West for business management services. Roger Simpson with Academica West works directly with the School and was formerly employed by the School.
4. The School has formal policies for budgeting, cash handling, debt, fundraising and donations, and procurement. The School does not have a formal policy on investments.

Plan of Finance

The School is seeking authorization to sell up to $16,935,000 of Ba1 rated bonds via negotiated sale with DA Davidson and Co. 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 an expansion at the current facility (classrooms, parking, and a new gym/auditorium), refunding its Series 2017 bonds, capitalizing interest, funding a debt service reserve fund, and paying costs of issuance. Construction on the School's addition is expected to be completed by Fall 2026. The bonds will carry a fixed rate of interest and will likely carry an 8-year par 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:

- 1891 N 1500 W, Clinton, UT 84015

Ratings

The bonds are rated Ba1 by Moody's Ratings. Noted the following positive factors in its rating report.

- Good competitive profile (good enrollment history, satisfactory waitlist, solid academic performance).
- Sound margins, healthy days cash on hand, and satisfactory proforma debt service coverage.

The following factors for concern were noted:

- Enrollment growth necessary to meet increasing debt service.
- Cash contribution to project will reduce liquidity.

Moody's noted that the School could achieve a rating increase with sustained coverage above 1.5x and sustained liquidity over 250 days cash on hand. A rating downgrade could occur if enrollment projections failed to come in or there was a material decline in liquidity or operating margins/debt service coverage.

Financial Performance

Summary:
Lakeview Academy has a long and strong history of operations. The School has been a part of the credit enhancement program for several years with no concerns. The School is large enough that it is able to take advantage of its scale for operational efficiencies. The School has sufficient liquidity to take it through several years of moderate budgetary misses and has a history of budgeting conservatively.

1. The School has been conservative in its projections. All budgets have started with budget surpluses and seen revenues well over expenditures in actual results.

	Actual Variation from Budget				
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Revenue	8.2%	10.2%	6.2%	11.8%	10.8%
Expenditures	3.3%	5.8%	-3.4%	0.7%	-1.9%

2. Cash Position

Requirement	Measure at end of FY 2025
At least 75 days	422

The School's cash on hand of 422 DCOH is in Aa1 rating range for Moody's Investor Services. Moody's noted that the School was planning to utilize some of its cash towards this project. The School would still end FY 2030 with 211 DCOH assuming the School uses $2 million in cash towards the current project, no enrollment growth occurs, and the School achieves an operating margin of roughly 15%.

Days Cash on Hand				
'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
204	264	311	331	422

3. Fund Balance

Requirement	Measure at end of FY 2024
At least 15% of following year expenses	43%

At the end of FY 2024, the School had an unassigned fund balance of 43% of the following year's operating expenses. Fund balance was strong and stable over the past five years. The School will end FY 2030 with 211 DCOH assuming the School uses $2 million in cash towards the current project, no growth occurs, and the School achieves an operating margin of roughly 15%.

4. Debt Coverage Ratio

Requirement	Measure at end of FY 2025
At least 115%	330%

In FY 2024 the School ended the year with net revenues over 3.3X its annual debt service requirement. That level of coverage is at Moody's A2 rating range. Forward looking projections rely on growth to meet the School's debt coverage ratio going forward. However, as noted above, even at current margins the School could cover current debt service with only minimal draws on its large cash position.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Net Income Available for Debt Service	1,180,685	1,251,912	1,273,034	1,890,878	1,957,597
Annual Debt Service	591,910	590,160	593,160	590,660	592,910
Debt Coverage Ratio	199%	212%	215%	320%	330%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	983,974	1,013,492	943,898	1,075,215	1,108,472
Annual Debt Service	756,376	993,431	1,072,431	1,072,181	1,071,431
Debt Coverage Ratio	130%	102%	88%	100%	103%

	Growth Scenario				
	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	983,974	1,577,582	1,786,714	1,840,316	1,895,525
Annual Debt Service	756,376	993,431	1,072,431	1,072,181	1,071,431
Debt Coverage Ratio	130%	159%	167%	172%	177%

5. Debt Burden Ratio

Requirement	Measure at end of FY 2025
Less than 18%	9%

The debt burden ratio gives an idea of operational flexibility. While Voyage will be close to the debt burden ratio, they meet this metric in all scenarios used here. Backward looking, forward looking and even without growth.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Maximum Annual Debt Service	593,160	593,160	593,160	593,160	593,160
Unrestricted Operating Revenues	4,722,029	5,005,746	5,191,202	6,252,804	6,600,158
Debt Burden Ratio	12.6%	11.8%	11.4%	9.5%	9.0%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Maximum Annual Debt Service	1,072,431	1,072,431	1,072,431	1,072,431	1,072,431
Unrestricted Operating Revenues	6,449,283	6,642,761	6,742,044	7,047,306	7,259,725
Debt Burden Ratio	16.6%	16.1%	15.9%	15.2%	14.8%

			Growth Scenario		
	'25-'26	5629269	5798146	5972091	6151253
Maximum Annual Debt Service	1,072,431	1,072,431	1,072,431	1,072,431	1,072,431
Unrestricted Operating Revenues	6,449,283	7,685,315	8,190,575	8,436,292	8,689,381
Debt Burden Ratio	16.6%	14.0%	13.1%	12.7%	12.3%

6. Operating Margin

Requirement	Measure at end of FY 2025
At least 12%	15.3%

The School has met the operating margin requirement for each year and each scenario evaluated here.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Net Income Available for Debt Service	1,180,685	1,251,912	1,273,034	1,890,878	1,957,597
Revenues	4,722,029	5,005,746	5,191,202	6,252,804	6,600,158
Operating Margin	25.0%	25.0%	24.5%	30.2%	29.7%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	983,974	1,013,492	943,898	1,075,215	1,108,472
Revenues	6,449,283	6,642,761	6,742,044	7,047,306	7,259,725
Operating Margin	15.3%	15.3%	14.0%	15.3%	15.3%

			Growth Scenario		
	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	983,974	1,577,582	1,786,714	1,840,316	1,895,525
Revenues	6,449,283	7,685,315	8,190,575	8,436,292	8,689,381
Operating Margin	15.3%	20.5%	21.8%	21.8%	21.8%

7. Current Ratio

Requirement	Measure at end of FY 2025
At least 150%	1,245%

The current ratio is defined as current unrestricted assets divided by current liabilities (including current year debt service). The School's current ratio is extraordinarily high relative to other schools.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Current Assets	2,292,958	2,838,083	3,459,746	4,441,587	5,452,913
Current Liabilities	582,382	505,728	471,632	582,197	437,860
Current Ratio	394%	561%	734%	763%	1245%

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 a good history of disclosure since its Series 2017 bonds. The School has an acceptable continuing disclosure policy.

Conclusion

The School has a strong history of operations with exceptional cash balances, operating margins, debt coverage ratios, and current ratios. The School is a small school that will have a debt burden ratio pushing up against the new credit enhancement program standards. Despite the strong history, coverage on maximum annual debt service, with no growth, is well under 1x at current operating levels. The School does have a waitlist it can draw on that should provide plenty of students to meet the School's enrollment expectations.