



ZIONS PUBLIC FINANCE, INC.

MEMORANDUM

DATE: Friday, April 24, 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: Mana Academy 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:	Mana Academy
Management Company:	Business Manager: Red Apple Financial
Municipal Advisor:	RoundTable Funding: Clint Biesinger
Borrower's Counsel:	Farnsworth Johnson: Brandon Johnson
Underwriter:	Crews and Associates: Michael Lambert
Bond Counsel:	Chapman & Cutler: Eric Hunter
Issuer's Counsel:	Orrick, Herrington, and Sutcliffe: Eugene Clark-Herrera
Trustee:	US Bank: Laurel Bailey

Par Amount:	\$16,875,000 in tax-exempt bonds.
Enhancement Requested:	No
Purpose:	Purchase a new facility, finance renovations to the new facility, 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 after a two-year capitalized interest period. The bonds will carry a fixed rate of interest.
Term:	Final maturity in 2066. Bonds will likely carry an 5-yr call feature.
Rating:	Not rated
Costs of Issuance Estimate:	\$500,000
Underwriter Fee Estimate:	\$4.50/\$1,000 (est. \$75,937.50)
Litigation:	None of which we are aware.
Summary:	The School last issued bonds in 2020 right after it had been taken off turnaround. The School had significant financial troubles at that time. Since then, the School's financial position has improved significantly with cash levels improving significantly due to strong operating margins. The School remains a small school and is attempting to grow its operations to take advantage of scale. The School has a sizable waitlist that it can draw on to meet 100% of expected growth. The School has a track record of conservative budgeting over the past 5 years and pro-formas appear to reflect conservative expectations.

Purpose

The purpose of this memo is to document the adherence of Mana Academy (the "School") to the application requirements of the Utah Charter School Finance Authority (the "Authority") conduit issuance program. 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 West Valley City. The School was approved by the Utah State Charter School Board (the "SCSB") and opened for operation in 2013.

MISSION

To develop scholars who are rooted in their native cultures and are prepared to be the leaders of tomorrow.

Enrollment/Student Demand

October enrollment for the 2025 - 2026 school year was 301 students. The School is using funds from this financing to expand educational space and increase student enrollment to 500 by 2029. The School has a strong waitlist that was 85% of the FY 2026 enrollment that is purged annually. Average daily membership is above 97%. The School was put on turn around in the 2010s but since being taken off turn around things have... turned around.

	ADM		Re-enrollment Rates		
			'22-'23	'23-'24	'24-'25
2025	98%	Mana	88%	88%	88%
2024	98%		83%	83%	84%
2023	97%	Utah			

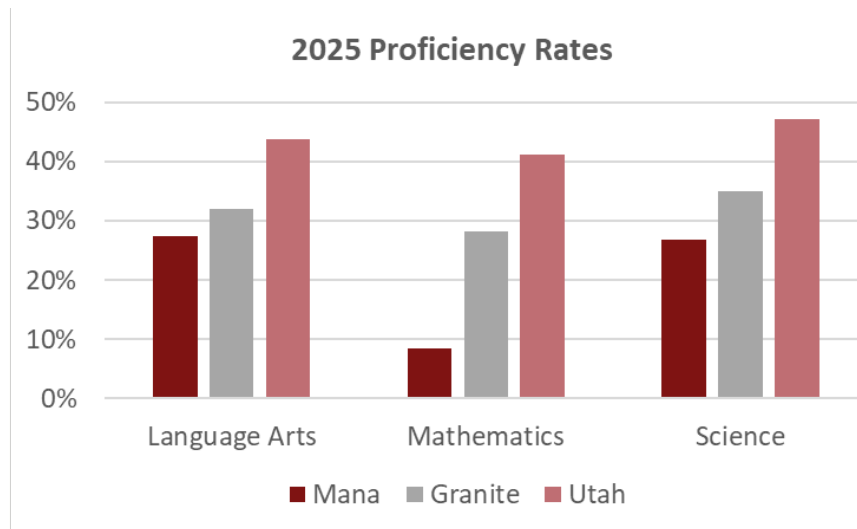
Mana Academy Enrollment by School Year

Grade	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
K	23	21	27	24	26	27	30	60	60	60
1	28	21	23	27	24	29	27	60	60	60
2	26	29	24	25	26	23	29	57	60	60
3	29	29	31	26	27	28	23	29	60	60
4	37	23	30	29	26	27	28	23	59	59
5	31	34	19	31	33	24	27	28	23	23
6	25	27	31	18	33	28	24	27	28	28
7	30	24	32	31	15	31	28	24	27	27
8	27	24	24	31	31	15	31	28	24	24
9	27	19	15	15	24	25	15	31	28	28
10	17	22	15	14	14	18	25	15	31	31
11	7	13	15	10	14	12	18	25	15	15
12	8	7	11	14	8	14	12	18	25	25
Totals	315	293	297	295	301	301	317	425	500	500

Mana Academy Waitlist by School Year

Grade	'23-'24	'24-'25	'25-'26
K	20	30	28
1	18	23	22
2	20	20	20
3	15	26	27
4	23	25	23
5	20	2	29
6	15	21	21
7	20	28	30
8	23	20	23
9	8	10	10
10	6	5	8
11	9	8	10
12	3	4	5
Totals	200	222	256
Total Enrollment	295	301	301
% of Enrollment	68%	74%	85%

Academic Performance



Management

1. The School currently has a seven-member board. The board members have backgrounds in: K-12 education, higher-education, and non-profit fundraising.
2. The School employs Anapesi Ka'ili as Executive Director. Ms. Ka'ili received a BA in English from Utah State University, a M.Ed., in Bilingual and Multicultural Education from North Arizona University, and a Ph.D. in Education from the University of Utah. She has served as the Executive Director at Mana Academy since 2013.
3. The School employs Red Apple for business management services.
4. The School has formal policies for budgeting, cash handling, fundraising and donations, and procurement. The School does not have formal policies governing debt and investments.

Plan of Finance

The School is seeking authorization to sell up to \$16,875,000 of Baa3 rated bonds via negotiated sale with Crews and Associates 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 purchase of a new campus in West Valley with expanded space (27 classrooms and a stage/music room), a gym addition, capitalized interest, a debt service reserve fund, and costs of issuance. Construction on the School's addition is expected to be completed by Fall 2027. The School sold its current facility and redeemed its Series 2020 bonds with a combination of the proceeds of the sale, debt service reserve funds, and cash. The School will lease back its old facility until the new facility is completed. 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:

- 2479 Lake Park Blvd, West Valley City, 84106

Ratings

No rating is anticipated.

Financial Performance

Summary:

Mana Academy is in a much stronger position now than when it last came before the Authority. Debt service coverage is strong, fund balance and cash levels are adequate for a school its size, operating margins are strong, and debt burden has declined to manageable levels. The School provided a break-even analysis that showed that it believes it needs to enroll roughly 353 students by 2030 to achieve 100% debt service coverage on its debt obligation.

1. The School has been conservative in its projections. All budgets have produced higher revenues and lower expenditures than the budget except for the bond finance year in 2021.

	Actual Variation from Budget				
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Revenue	11.6%	8.2%	16.1%	13.7%	17.0%
Expenditures	129.5%	-5.0%	-6.4%	-0.2%	-0.6%

2. Cash Position

Benchmark	Measure at end of FY 2025
At least 75 days	533

The School anticipates ending FY26 with an estimated \$3.97 million (about 399 days cash on hand). The School plans to make an equity contribution of approximately \$1.5 million to this project and end FY 2027 with \$2.75 million in cash (about 250 days cash on hand).

Days Cash on Hand				
'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
199	263	344	365	533

3. Fund Balance

Benchmark	Measure at end of FY 2025
At least 15% of following year expenses	119%

At the end of FY 2025, the School had an unassigned fund balance of 119% of the following year's operating expenses.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Fund Balance	1,184,554	2,847,752	2,396,999	3,169,987	4,022,239
Following Year Operating Expenses	2,499,545	2,568,454	2,953,696	2,814,881	3,380,766
Fund Balance % of Future Expenses	47%	111%	81%	113%	119%

	'25-'26	'26-'27	'27-'28	'28-'29
Fund Balance	4,324,991	4,533,975	4,810,547	5,192,585
Following Year Operating Expenses	3,671,765	4,662,168	5,638,863	5,806,529
Fund Balance % of Future Expenses	118%	97%	85%	89%

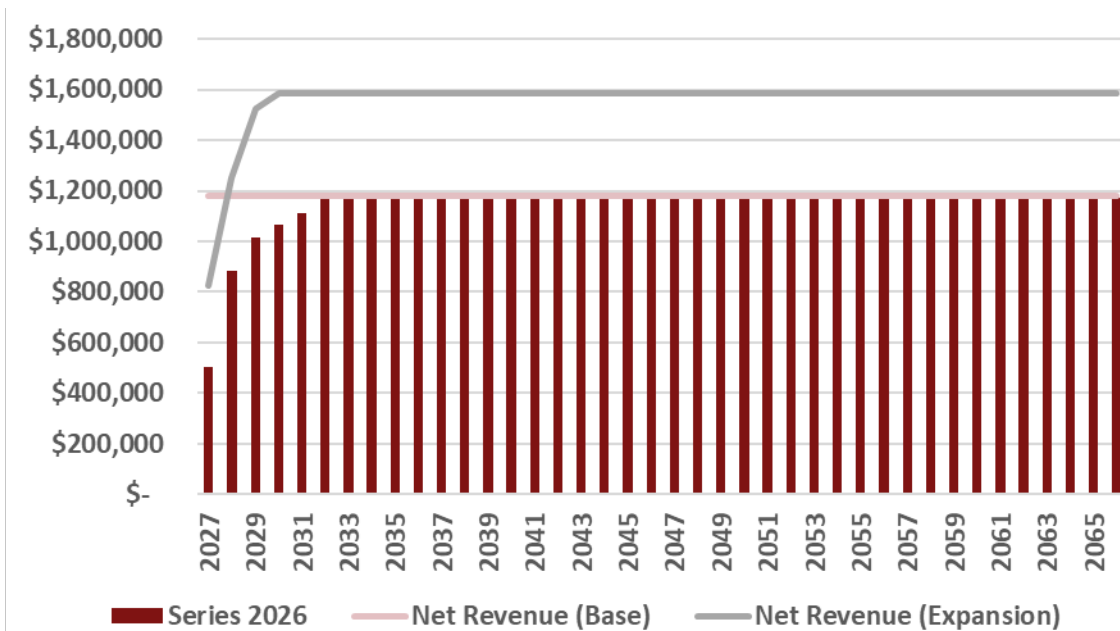
4. Debt Coverage Ratio

BB Benchmark	Measure at end of FY 2025
At least 120%	279%

In FY 2025 the School ended the year with net revenues over 279% of its annual debt service requirement. FY 2025 net revenues were sufficient to achieve roughly 110% coverage on maximum annual debt service for the new debt.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Net Income Available for Debt Service	831,017	897,653	1,117,067	1,172,480	1,178,608
Annual Debt Service	156,390	269,073	266,382	426,770	422,984
Debt Coverage Ratio	531%	334%	419%	275%	279%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	754,221	822,973	1,252,738	1,523,359	1,584,880
Annual Debt Service	350,552	544,328	883,975	1,013,975	1,063,975
Debt Coverage Ratio	215%	151%	142%	150%	149%



5. Debt Burden Ratio

BB Benchmark	Measure at end of FY 2025
Less than 16%	10.7%

The School's debt burden ratio is designed to ramp up significantly in the short term but decline rapidly if the School meets its enrollment projections. In the School's breakeven analysis debt burden stays roughly around 20% which is elevated but within striking distance of the Authority's BBB- benchmark.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Maximum Annual Debt Service	156,390	269,073	266,382	426,770	422,984
Unrestricted Operating Revenues	3,132,412	3,323,042	3,644,822	3,983,679	3,963,936
Debt Burden Ratio	5.0%	8.1%	7.3%	10.7%	10.7%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Maximum Annual Debt Service	1,063,975	1,063,975	1,063,975	1,063,975	1,063,975
Unrestricted Operating Revenues	4,031,711	4,300,410	5,914,906	7,162,222	7,391,409
Debt Burden Ratio	26.4%	24.7%	18.0%	14.9%	14.4%

Breakeven Analysis					
	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Enrollment	301	317	320	345	353
Maximum Annual Debt Service	1,063,975	1,063,975	1,063,975	1,063,975	1,063,975
Unrestricted Operating Revenues	4,031,711	4,300,410	4,467,933	4,950,901	5,212,585
Debt Burden Ratio	26.4%	24.7%	23.8%	21.5%	20.4%

6. Operating Margin

BB Benchmark	Measure at end of FY 2025
At least 14%	29.7%

The School met the benchmark for each of the past five years. Under the School's breakeven analysis it would require 20.5% operating margins. Within a reasonable range compared to the School's historical operations.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Net Income Available for Debt Service	831,017	897,653	1,117,067	1,172,480	1,178,608
Revenues	3,132,412	3,323,042	3,644,822	3,983,679	3,963,936
Operating Margin	26.5%	27.0%	30.6%	29.4%	29.7%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	754,221	822,973	1,252,738	1,523,359	1,584,880
Revenues	4,031,711	4,300,410	5,914,906	7,162,222	7,391,409
Operating Margin	18.7%	19.1%	21.2%	21.3%	21.4%

Breakeven Analysis					
	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Enrollment	301	317	320	345	353
Net Income Available for Debt Service	904,221	910,473	895,242	1,014,062	1,066,308
Revenues	4,031,711	4,300,410	4,467,933	4,950,901	5,212,585
Operating Margin	22.4%	21.2%	20.0%	20.5%	20.5%

7. Current Ratio

Benchmark	Measure at end of FY 2025
At least 150%	1,162%

The current ratio is defined as current unrestricted assets divided by current liabilities (including current year debt service).

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Current Assets	1,591,405	2,130,985	2,938,715	3,723,348	4,288,780
Current Liabilities	272,171	425,915	422,594	624,221	368,937
Current Ratio	585%	500%	695%	596%	1162%

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 had a few late filings that were posted within a month of the due date and no missed filings. The School has an acceptable continuing disclosure policy.

Conclusion

The School's FY 2025 performance was sufficient to meet 110% debt service coverage on expected future maximum annual debt service ("MADS"). The School's current bonding plan calls for a short ramp up period to MADS which should provide the School with sufficient time to increase enrollment and adjust to the new expenditure profile it is taking on. The School has a healthy waitlist that should allow it to meet the expanded debt service obligation. Debt service coverage is reliant on high operating margins but the School has shown an ability to meet and exceed those hurdles in the past.