



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: Lakeview 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:	Lakeview Academy
Management Company:	Business Manager: Nicole Desmond
Municipal Advisor:	LRB Public Finance Advisors, Inc.: David Robertson
Borrower's Counsel:	Farnsworth Johnson: Brandon Johnson
Purchaser:	TBD
Bond Counsel:	Chapman & Cutler: Eric Hunter

Issuer's Counsel:	Dorsey & Whitney: Nate Canova
Trustee:	US Bank: Laurel Bailey
Par Amount:	\$2,890,000 in tax-exempt bonds.
Enhancement Requested:	Yes
Purpose:	Fund an expansion to the School's existing facility, 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 9 years with a balloon in year 10. The bonds will carry a fixed rate of interest.
Term:	Final maturity in 2036. Bonds will likely carry a 2-year call feature.
Rating:	Moody's Ratings: Baa3 (affirmed Feb 14, 2025)
Costs of Issuance Estimate:	\$125,250
Purchaser Fee Estimate:	N/A
Litigation:	None of which we are aware.
Summary:	The School has a healthy waitlist and is located in the fast-growing western portion of Utah County. The School achieved sufficient revenues in FY 2025 to cover the debt from its 2025 bond and the additional debt from the anticipated 2026 bonds at 114%. The School expects future enrollment increases to further improve its ability to meet debt service. The School has a significant waitlist it can draw upon to meet enrollment projections. This financing will provide the School with the ability to fund a small final piece to its 2025 project.

Purpose

The purpose of this memo is to document the adherence of Lakeview 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-9 charter school with one campus in Saratoga Springs. The School was approved by the Utah State Charter School Board (the "SCSB") and opened for operation in 2005.

MISSION STATEMENT

Our mission is to develop Capable, Confident, and Contributing members of society through learning experiences that foster growth, creativity and character development.

- Capable: A student who is knowledgeable, inquisitive, and an open-minded problem solver.
- Confident: A student who is able to approach situations with courage, integrity and a strong sense of self-worth.
- Contributing: A student who is caring, responsible and proactive in his/her family and community.

Enrollment/Student Demand

October enrollment for the 2025 - 2026 school year was 1,103 students. 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%.

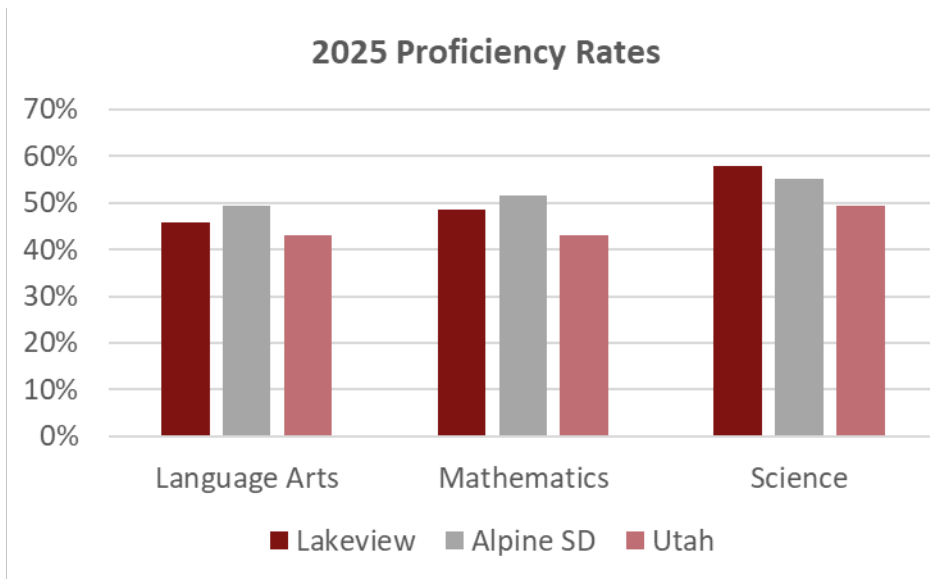
	ADM	Re-enrollment Rates		
		'22-'23	'23-'24	'24-'25
2025	98%			
2024	98%	Lakeview	89%	88%
2023	98%	Utah	83%	83%

Grade	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
K	104	103	104	102	128	124	130	130	130	130
1	104	106	105	103	122	123	130	130	130	130
2	101	106	105	106	104	124	130	130	130	130
3	104	106	104	105	106	107	135	135	135	135
4	102	106	105	107	107	112	134	135	135	135
5	104	104	107	104	112	110	108	134	135	135
6	104	104	104	104	103	108	108	108	134	140
7	98	105	104	110	104	101	140	140	140	140
8	87	107	88	108	101	107	108	140	140	140
9	68	62	84	62	74	87	108	108	140	140
Totals	976	1,009	1,010	1,011	1,061	1,103	1,231	1,290	1,349	1,355

Enrollment projections match the projections from the School's most recent application from FY 2027 to FY 2030. Actual enrollment for FY 2026 is 43 students under the projections the School provided in its 2025 application to the Authority.

Grade	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26	'26-'27
K	91	119	-	-	44	207
1	74	118	-	-	-	54
2	63	95	76	31	-	49
3	50	73	47	86	20	51
4	37	54	50	72	73	46
5	29	62	20	60	38	58
6	2	48	21	13	47	32
7	2	21	-	68	43	56
8	-	-	-	18	2	13
9	1	-	-	6	-	-
Totals	349	590	214	354	267	566
Total Enrollment	1,009	1,010	1,011	1,061	1,146	1,231
% of Enrollment	35%	58%	21%	33%	23%	46%

Academic Performance



Management

1. The School currently has a six-member board with one non-voting board member. The board members have backgrounds in: accounting, charter school development, education, and risk management.
2. The School employs Richard Veasey as Director. Mr. Veasey received a BS in Management Information Systems from the University of South Florida with a minor in Economics and a master's in education leadership.
3. The School employs Nicole Demond for business management services. Nicole previously worked as the onsite business manager from Charter Solutions beginning in 2014 before being hired directly by the School in 2020. She has a degree in Business Management and Accounting from Western Governor's University.
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 \$2,890,000 of non-rated bonds via direct placement. A purchaser has not yet been selected. 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 finalizing an expansion at the current facility, 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 a 2-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:

- 527 West 400 North, Saratoga Springs, UT 84045

Ratings

Prior bonds issued by the School are rated Baa3 by Moody's Ratings. Moody's noted the following positive factors in its 2025 rating report.

- Sound retention and enrollment.
- Strong liquidity, coverage, and operating margins.

The following factors for concern were noted:

- Proforma coverage above 1x requires enrollment growth.
- Significant increase in leverage.

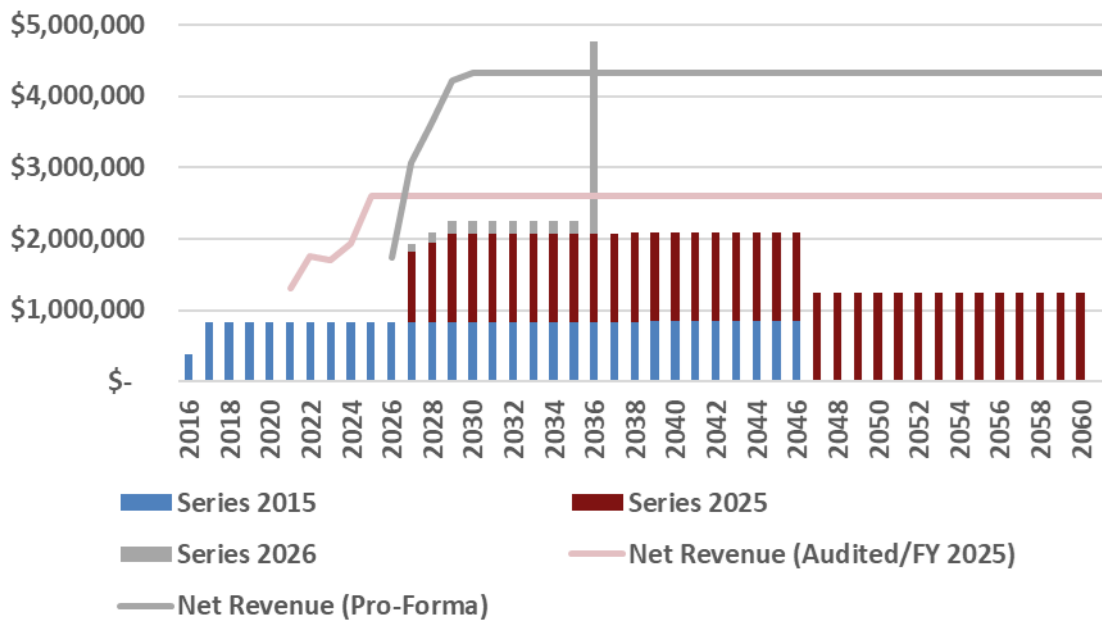
Moody’s noted that the School could achieve a rating increase with sustained coverage above 2x and/or a material reduction in leverage. A rating downgrade could occur if enrollment projections failed to come in or operating performance caused a decline in coverage to below 1.2x or cash on hand below 125 days.

The School has not applied for a rating on these bonds.

Financial Performance

Summary:

Lakeview Academy has sufficient liquidity to take it through several years of moderate budgetary misses and has a history of budgeting conservatively. The School meets each of the Standards for Credit Enhancement comfortably. The debt levels seem manageable under existing revenues and should only be bolstered if the School is able to achieve continued enrollment growth.



1. The School has been conservative in its projections. All budgets have produced actual results within 5% of the budget with most years seeing expenditures below budgeted amounts. The blip in FY 2025 was related to additional expenditures from the 2025 expansion project still underway.

	Actual Variation from Budget				
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Revenue	3.8%	3.1%	4.3%	5.7%	7.9%
Expenditures	1.7%	-2.8%	-3.3%	0.0%	-37.6%

2. Cash Position

<u>Requirement</u>	<u>Measure at end of FY 2025</u>
At least 75 days	136

The School's cash on hand of 136 is the lowest level of cash the School has carried over the past five years. The cash level is largely a result of the construction process. The School's current assets were roughly equal in 2025 to what they were in 2024 when cash was higher. This is in part due to a large increase in the School's prepaid expenses listed on its financials.

Days Cash on Hand				
'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
196	215	197	205	136

3. Fund Balance

<u>Requirement</u>	<u>Measure at end of FY 2025</u>
At least 15% of following year expenses	31%

Fund balance has declined slightly over the past five years but is still well above the threshold used by the Authority.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Fund Balance	2,658,556	3,377,209	3,965,995	4,595,569	3,687,892
Following Year Operating Expenses	7,258,036	8,418,994	9,341,226	13,133,107	11,780,948
Fund Balance % of Future Expenses	37%	40%	42%	35%	31%

	'25-'26	'26-'27	'27-'28	'28-'29
Fund Balance	3,283,575	3,875,998	4,887,618	6,342,993
Following Year Operating Expenses	12,717,300	13,354,056	14,015,603	14,537,925
Fund Balance % of Future Expenses	26%	29%	35%	44%

4. Debt Coverage Ratio

Baa3 Requirement	Measure at end of FY 2025
At least 110%	306%

In FY 2025 the School ended the year with net revenues sufficient to achieve the required coverage covenants without needing any additional student enrollment growth. Coverage on future maximum annual debt service was 114%.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Net Income Available for Debt Service	1,302,630	1,757,227	1,696,139	1,938,271	2,607,883
Annual Debt Service	824,255	823,700	826,200	828,100	851,700
Debt Coverage Ratio	158%	213%	205%	234%	306%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	1,738,820	3,067,808	3,626,737	4,218,410	4,321,017
Annual Debt Service	2,277,910	2,277,910	2,277,910	2,277,910	2,277,910
Debt Coverage Ratio	76%	135%	159%	185%	190%

5. Debt Burden Ratio

Baa3 Requirement	Measure at end of FY 2025
Less than 20%	6.8%

The School should be able to keep its debt burden despite adding the Series 2025 debt and this new debt.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Maximum Annual Debt Service	824,255	823,700	826,200	828,100	851,700
Unrestricted Operating Revenues	8,352,797	8,899,024	9,891,415	10,796,334	12,541,683
Debt Burden Ratio	9.9%	9.3%	8.4%	7.7%	6.8%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Maximum Annual Debt Service	2,277,910	2,277,910	2,277,910	2,277,910	2,277,910
Unrestricted Operating Revenues	13,519,768	15,785,108	16,980,793	18,234,013	18,858,942
Debt Burden Ratio	16.8%	14.4%	13.4%	12.5%	12.1%

6. Operating Margin

Baa3 Requirement	Measure at end of FY 2025
At least 10%	20.8%

The School was well above this metric in each year of operations and is expected to maintain strong margins. FY 2025 saw the School achieve its strongest margins over the past five years.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Net Income Available for Debt Service	1,302,630	1,757,227	1,696,139	1,938,271	2,607,883
Revenues	8,352,797	8,899,024	9,891,415	10,796,334	12,541,683
Operating Margin	15.6%	19.7%	17.1%	18.0%	20.8%

	'25-'26	'26-'27	'27-'28	'28-'29	'29-'30
Net Income Available for Debt Service	1,738,820	3,067,808	3,626,737	4,218,410	4,321,017
Revenues	13,519,768	15,785,108	16,980,793	18,234,013	18,858,942
Operating Margin	12.9%	19.4%	21.4%	23.1%	22.9%

7. Current Ratio

Requirement	Measure at end of FY 2025
At least 150%	259%

The current ratio is defined as current unrestricted assets divided by current liabilities (including current year debt service). The School's current ratio declined last year for the first time in the five years period. This was due to a significant increase in the current liabilities related to the construction process but should not pose major long-term concerns.

	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25
Current Assets	3,901,833	4,350,134	4,775,255	5,444,836	5,581,500
Current Liabilities	1,443,123	1,131,292	979,386	1,050,586	2,155,235
Current Ratio	270%	385%	488%	518%	259%

Bond Documents

Legal bond documents are being reviewed by Dorsey & Whitney 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 did not file FY20 Waitlist Data, filed the FY22 Annual Budget late, and did not file any October 1 Enrollment Reports, from FY 20 to FY24. The School has an acceptable continuing disclosure policy.

Conclusion

The School has previously received approval for credit enhancement. The School has consistently met the standards for credit enhancement through the past five years and currently meets the standards. The School does not require increased enrollment to meet the standards going forward despite the expected increase to its debt levels. The School is in a fast growing area and holds a moderate waitlist that should support enrollment going forward.