

Reid Traditional Schools, AZ

1 The Industrial Development Authority of the County of Maricopa, Education Revenue Bonds (Reid Traditional Schools Projects), Series 2016, \$21,095,000, Dated: June 9, 2016

Series 2016

Student Enrollment by Grade Information, Showing Current Count for Each of the Pledged Schools

<u>Campus</u>	<u>Grade</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
Valley Academy	K	104	102	104	102	106
	1	108	104	104	105	107
	2	107	106	108	106	108
	3	108	107	106	107	106
	4	100	106	104	106	103
	5	64	76	78	79	76
	6	76	70	73	70	67
	7	57	54	63	56	57
	8	50	59	48	53	46
School Total		774	784	788	784	776
Painted Rock Academy	K	77	68	72	78	66
	1	93	81	104	98	101
	2	76	110	106	100	67
	3	93	95	97	80	60
	4	75	90	73	67	50
	5	70	52	47	44	34
	6	52	44	45	37	43
	7	43	34	35	40	32
	8	30	26	32	28	27
School Total		609	600	611	572	480
Combined Totals:		1,383	1,384	1,399	1,356	1,256

Series 2016

Current Year Retention From the Prior Fiscal Year for Each of the Pledged Schools

<u>School Year</u>	<u>Retention Rate Percentages</u>	
	<u>Valley Academy</u>	<u>Painted Rock Academy</u>
2013-2014	85%	75%
2014-2015	87%	75%
2015-2016	87%	83%
2016-2017	84%	78%
2017-2018	78%	75%

Series 2016

Student-to-Faculty Ratio

<u>School</u>	<u>Grade levels</u>	<u>Student-to-Faculty Ratio</u>
Painted Rock Academy	Preschool	10 to 1
	Kindergarten	10 to 1
	1 – 8	20 to 1
Valley Academy	Preschool	11 to 1
	Kindergarten	13 to 1
	1 – 8	25 to 1

Series 2016

Student-to-Faculty Ratio

Painted Rock Academy	19.5 to 1
Valley Academy	23 to 1

Series 2016

Officer's Certificate Showing Calculations of and Compliance With the Debt Service Coverage Ratio and Days Cash on Hand Requirements Set Forth in the Master Indenture (See Exhibit A)

Issuer:	The Industrial Development Authority of the County of Maricopa
Bond Issue:	Education Revenue Bonds Series 2016
Bond Trustee:	BOKF, NA
Borrower:	Reid Traditional Schools, Inc., an Arizona non-profit corporation

Please insert required information
See audited loan covenants posted on 11/13/17,
and certificates posted 12/07/17

The below calculations are for the Fiscal Year End Calculation Date of June 30, 2017

Pledged Schools

As of the calculation date indicated above, the Pledged Schools are as follows:

Reid Traditional Schools' Painted Rock Academy, Inc.

Reid Traditional Schools' Valley Academy, Inc.

Debt Service Coverage Ratio Covenant

A	<u>9,986,381</u>	Pledged Revenues of the Pledged Schools
B	<u>7,968,569</u>	Fiscal Year Operating Expenses of the Pledged Schools
C	<u>2,017,812</u>	Net Income Available for Debt Service (Line A minus Line B)
D	<u>1,518,250</u>	Fiscal Year Debt Service Requirement
E	<u>1.33</u>	Debt Service Coverage Ratio (Line C divided by line D)

Consolidated Liquidity Covenant

A	<u>3,278,376</u>	Pledged Schools' sum of cash, cash equivalents, liquid investments and unrestricted marketable securities (valued at the lower of cost or market)
B	<u>9,469,967</u>	Fiscal Year Operating Expenses of the Pledged Schools
C	<u>0.35</u>	Line A divided by Line B
D	<u>126</u>	Days Cash on Hand for the Pledged Schools (Line C multiplied by 365)

Insurance Compliance

Please insert required information
See filing posted 12/07/17

Certification

Please insert required information
See filing posted 12/07/17

Date of Certificate Execution:

12/7/2017

Reid Traditional Schools, INC.

By

Steve Harvey

Name:

Steve Harvey

Title:

Controller

Reid Traditional Schools, AZ

1 The Industrial Development Authority of the County of Pima, Education Revenue Refunding Bonds (Arizona Charter Schools Refunding Project), Series 2013Q, \$29,675,000, Dated: May 22, 2013

Series 2013Q

Valley Academy School - Student-to-Faculty Ratio

FY 2017	
Grade Level	Student-to-Faculty Ratio
K-8	23 to 1

Series 2013Q

Valley Academy School - ADM Enrollment

School Year	Grade K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Total Students	ADM
2013-2014	106	107	108	106	103	76	67	57	46	776	723
2014-2015	102	105	106	107	106	79	70	56	53	784	733
2015-2016	104	104	108	106	104	78	73	63	48	785	736
2016-2017	102	104	106	107	106	76	70	64	59	784	733
2017-2018	104	108	107	108	100	64	76	57	50	774	722
Current Wait List	140	248	163	180	157	110	86	153	122	1359	1289

Series 2013Q

Projected Student ADM Enrollment for the Valley Academy School

School Year	Grade K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Total Students	Estimated ADM
2018-2019	106	106	106	106	105	78	70	59	53	789	736
2019-2020	106	106	106	106	105	78	70	59	53	789	736
2020-2021	106	106	106	106	105	78	70	59	53	789	736
2021-2022	106	106	106	106	105	78	70	59	53	789	736
2022-2023	106	106	106	106	105	78	70	59	53	789	736

Series 2013Q

Valley Academy School - Retention Rates - All Students

School Year	Retention Percentage
2013-2014	85%
2014-2015	87%
2015-2016	87%
2016-2017	85%
2017-2018	78%

Series 2013Q

Valley Academy School - Continuous Enrollment - Grades K-8

School Year	Continuing Percentage
2013-2014	79%
2014-2015	82%
2015-2016	56%
2016-2017	59%
2017-2018	62%

Series 2013Q

FY 2017 Competitive Schools

<u>School Name</u>	<u>School Type</u>	<u>Grades Served</u>	<u>Enrollment</u>	<u>Distance</u>	<u>A-F Letter Grade</u>
Esperanza Elementary School	District	PK-6	566	0.9	B
Deer Valley Middle School	District	7-8	616	1.5	D
Adams Traditional Academy	Charter	K-9	854	1.6	A
Constitution Elementary School	District	PK-6	680	1.7	A
Village Meadows Elementary	District	PK-ungraded	470	2	A
Paseo Hills Elementary School	District	PK-8	959	2.3	C
Imagine Bell Canyon	Charter	PK-8	405	2.3	A
Eagle Ridge Elementary School	District	K-6	581	2.3	C
Ball Charter School - Hearn Academy	Charter	K-8	597	2.3	A

Series 2013Q

FY 2017 Sources and Uses of Funds

<u>Sources - Balances as of 6/30/17</u>	
Bond Proceeds:	
Par Amount	2,679,745.00
Premium	193,391.00
Other Sources of Funds:	
Transfer of Credit Reserve Fund	276,262.00
Transfer of Bond Fund	81,553.00
Transfer of Special Redemption Fund	14,203.00
Total	3,245,154.00
<u>Uses - FY 2017 Activity</u>	
Bond Principle	121,441.00
Bond Premium amortization	13,814.00
Credit Reserve Fund	-
Costs of Issuance amortization	5,825.00
Total	141,080.00

Series 2013Q

Debt Service Schedule

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
7/1/2018	125,914	136,842	262,756
7/1/2019	130,736	131,805	262,541
7/1/2020	136,094	126,576	262,670
7/1/2021	140,917	120,452	261,369
7/1/2022	147,346	114,110	261,456
7/1/2023	158,598	107,480	266,078
7/1/2024	167,171	98,955	266,126
7/1/2025	175,744	89,970	265,714
7/1/2026	184,852	80,523	265,375
7/1/2027	193,964	70,588	264,552
Total	1,561,336	1,077,301	2,638,637

Series 2013Q

Valley Academy - Revenue and Expenditure Statements

Fiscal Year Ended June 30,

	2017
Student Counts:	733

Revenue

State Equalization	4,547,551
Classroom Site Fund	281,822
Instructional Improvement Funds	29,939
Grants	97,065
Food Service and Student Activities	81,903
Program Income	477,500
Tax Credit Contributions	13,423
Other Contributions	19,676
Interest Income	28,433
Miscellaneous Revenue	-
Total Revenue	5,577,312

Expenses

Salaries	2,513,382
Payroll Taxes, Benefits	887,194
Food Service	54,476
Professional Services	470,420
Instructional Supplies	41,782
General Supplies	26,490
Textbooks	24,898
Printing & postage	5,138
Lease Payments	-
Rent	782,109
Repairs & Maintenance	106,823
Student Transportation	5,970
Dues & Fees	24,226
Insurance	40,863
Travel & Training	6,566
Advertising	-
Depreciation & Amortization	53,101
Information Technology	146,957
Interest Expense	133,225
Utilities	138,726
Other Expenses	58,701
Total Expense	5,520,047

Net Revenue	57,265
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Net Cash Flow Adjustments

Depreciation	58926
Principal Payments	121,641
Interest Expense	141664
Cash flow available for debt service	
payment	379,296
Debt service payment (MADS)	266,126
Coverage to make debt service payment	1.43

Series 2013Q

Valley Academy - Projected Revenue and Expenditure Statements

Fiscal Year Ended June 30,

	2018	2019	2020	2021	2022
Student Counts:					
Revenue					
State Equalization	4,617,092	4,774,780	4,907,042	5,042,967	5,042,967
Classroom Site Fund	274,502	343,687	371,180	400,875	400,875
Instructional Improvement Funds	28,659	29,240	29,240	29,240	29,240
Grants	91,809	104,743	107,645	110,626	110,626
Food Service and Student Activities	85,000	85,000	85,000	85,000	85,000
Program Income	570,860	586,013	597,421	609,022	609,022
Tax Credit Contributions	15,800	20,000	20,000	20,000	20,000
Other Contributions	10,000	10,000	10,000	10,000	10,000
Interest Income	20,800	25,566	22,349	19,050	19,050
Miscellaneous Revenue					
Total Revenue	5,714,522	5,979,029	6,149,877	6,326,780	6,326,780
Expenses					
Salaries	2,649,514	2,723,700	2,799,964	2,878,363	2,878,363
Payroll Taxes, Benefits	885,135	909,919	935,397	961,588	961,588
Food Service	64,164	64,806	65,454	66,109	66,109
Professional Services	534,382	547,371	561,459	577,228	577,228
Instructional Supplies	52,664	51,669	52,763	53,881	53,881
General Supplies	22,698	23,311	23,940	24,587	24,587
Textbooks	21,425	22,003	22,597	23,207	23,207
Printing & postage	4,470	4,590	4,714	4,841	4,841
Lease payments	756,325	750,383	750,383	750,383	750,383
Rent - Copiers	40,427	41,518	42,639	43,791	43,791
Repairs & Maintenance	98,049	99,483	100,955	102,466	102,466
Student Transportation	6,463	6,638	6,817	7,001	7,001
Dues & Fees	8,755	8,992	9,234	9,484	9,484
Insurance	39,879	40,856	42,062	43,198	43,198
Travel & Training	6,903	7,090	7,281	7,478	7,478
Advertising	1,415	1,415	1,415	1,415	1,415
Information Technology	75,018	77,199	79,446	81,757	81,757
Interest Expense	153,851	148,651	143,251	136,951	136,951
Utilities	150,642	154,710	158,886	163,177	163,177
Other Expenses	52,547	54,791	57,114	59,519	59,519
Total Expense	5,624,727	5,739,195	5,865,771	5,996,424	5,996,424
Net Revenue (before depreciation)	89,795	239,834	284,106	330,356	330,356
Net Cash Flow Adjustments					
Principle payments	125,914	130,736	136,094	140,917	147,346
Interest Expense	136,841	131,805	126,576	120,452	114,110
Cash flow available for debt service payment	352,550	502,375	546,776	591,725	591,812
Debt service payment (MADS)	266,126	266,126	266,126	266,126	266,126
Coverage to make debt service payment	1.32	1.89	2.05	2.22	2.22