

South Texas Education Technologies (STET) d/b/a Horizon Montessori Public Schools

Standard & Poor's Credit Rating Presentation (Follow-Up)

March 23, 2022

STRICTLY PRIVATE AND CONFIDENTIAL



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Executive Summary

School Leadership & Charter

- Horizon operates four campuses under one Charter: McAllen, Weslaco, the Harlingen and Pearland Campuses
- The Charter was granted on **May 18, 1998** (effective until July 31, 2003). The Charter was extended again on April 2, 2014 (effective as of July 31, 2013) for a period of ten years extending to **July 31, 2023**.
- Charter Student Capacity: 2,500 vs. Student Enrollment of **1,371** as of February 2, 2022.

Student Enrollment & Teacher Overview

- Student Growth (Attendance %) and Waiting List have been moderately impacted by COVID-19.
- Pro-Forma Student Growth to **1,748** in FYE 2024/2025 or by 377 Students from 1,371.
- Pearland Campus represents the main potential driver for student enrollment growth with student capacity of 650.
- 2021/2022 Retention Rates: **82%** for Teachers and **78%** Students

Academic Accountability & Student Demographics

- Academic Rating of the Charter: **“B” for 2018-19 school year, which was last year available.**
- School Leadership believes Accountability Rating will remain rated **“B”** given internal test scores.
- **Over 70%** of Students are classified as **Economically Disadvantaged** for 2021-22 school year.

Financial Accountability & Existing Debt

- FYE 2016-2020, FIRST Rating: A – Superior; FYE 2021 Rating: B- Above Standard
- All Outstanding Debt is with Regions Bank: About \$8.6MM of Existing Debt
- Received Coverage Waiver from Regions Bank for FYE 2020-2021 and FYE 2021-2022; resulting from “One Time, Extraordinary Expenses” which are NOT add backs within Regions Covenants

The Project, The Bonds, & Changes in Covenants

- **\$10.5MM Project Fund:** 1) Refinance the \$8.6MM of Existing Debt (Regions); 2) Reimburse General Fund for Capital Expenditures for Pearland Campus Improvements beyond Regions Loan; 3) Future Improvements to Pearland Campus; 4) Other Projects, including the purchase of Weslaco Campus which the School currently leases from the Superintendent.
- The Bonds will have Add Backs for Extraordinary Items and longer Final Maturity

FYE 2022 Change in Net Assets (Historical & Projected Coverage Reports)

- FYE 2021-22 Change in Net Assets
- FYE 2021-22 Change in Net Assets; 3 months Actuals vs. 3 month Actuals (FYE 2020-21)
- Coverage Reports
- Debt Service Schedules (assuming no PSF Bond Insurance)

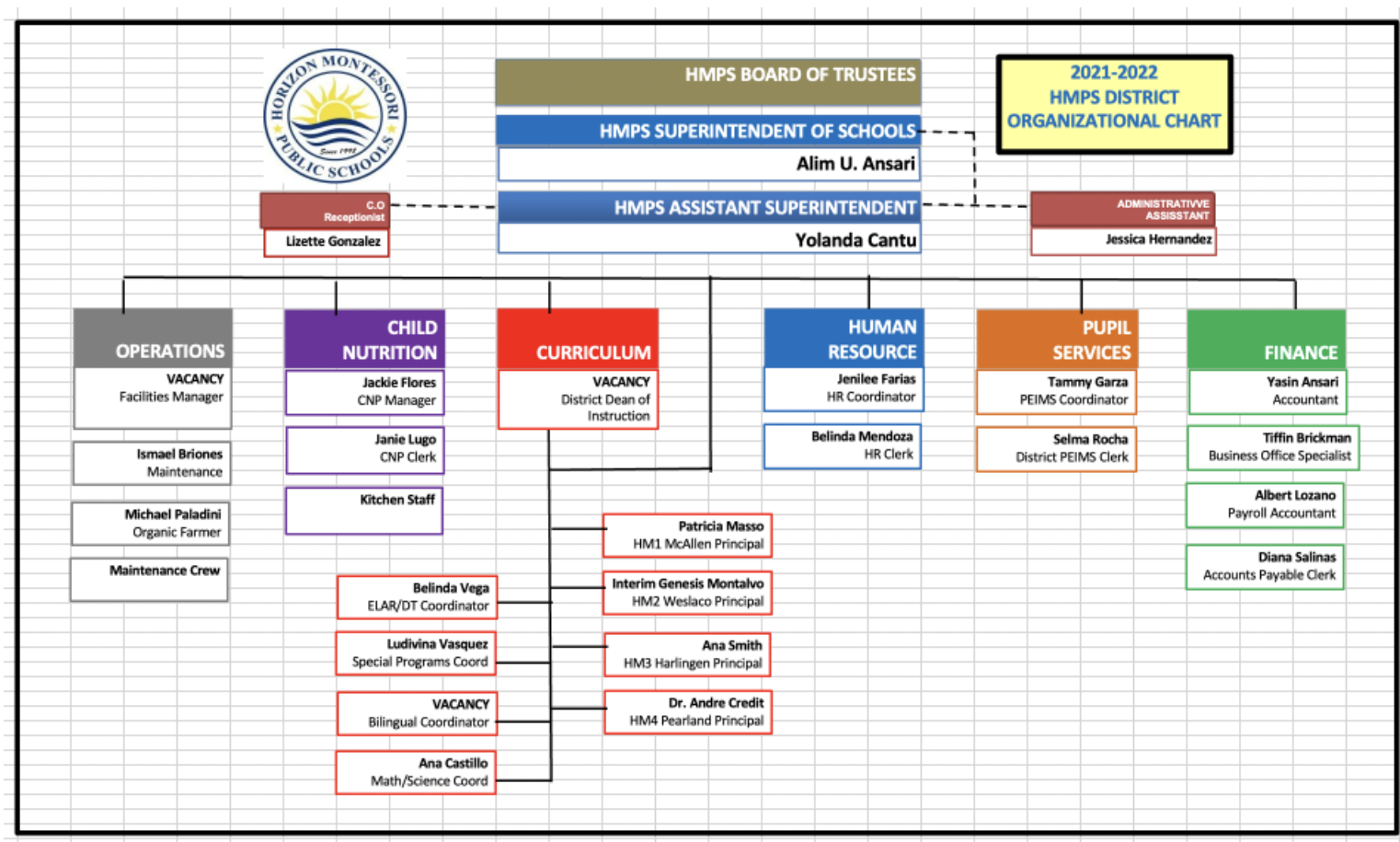
Calendar of Events

- Rating needed back by [_____]

School Leadership

Alim U. Ansari, Superintendent of Schools. Founder. [TO COME]

Yolanda Cantu, Assistant Superintendent of Schools. Ms. Cantu became the Assistant Superintendent of School in June of 2022. Prior to this role she served as Horizon’s Dean of Instruction. She has also previously served as a principal at Jubilee Brownsville (Athlos Leadership Academy), Special Education Administrators for Gladys Porter Middle School, Coordinator for Assessment and Planning at B.I.S.D. Assessment, Research and Evaluation Department, Dean of Instruction and Assistant Principal at Edward Manzano, Jr. Middle School, Instruction Facilitator at Keller Elementary, Deal of Instruction and Assistant Principal at Besteiro Middle School, and Bilingual Teacher at Skinner Elementary and Cromack Elementary. Ms. Cantu received her Master in Education (School Administration and Early Childhood) from the University of Texas in Brownsville



Student Enrollment

TABLE 5a: HISTORICAL AND FUTURE PROJECTED ENROLLMENT ⁽¹⁾								
	<i>Historical⁽¹⁾</i>					<i>Current</i>	<i>Projected⁽³⁾</i>	
Grade	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
PreK3	0	0	0	0	111	136	152	170
PreK4	212	344	276	307	182	207	197	200
KG	195	119	154	183	205	203	218	223
1	159	169	118	153	171	196	206	204
2	125	142	144	122	179	154	174	207
3	115	120	111	146	115	125	150	168
4	112	113	92	107	145	147	160	170
5	96	104	97	94	101	108	126	134
6	100	92	76	84	92	95	97	100
7	63	65	42	44	59	69	81	90
8	59	56	49	40	41	48	72	83
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
Totals	1,236	1,324	1,159 ⁽¹⁾	1,280	1,371	1,488	1,634	1,748

TABLE 8: STUDENT RETENTION						
School	2020-21			2021-22		
	Total Students	Returned	Retention	Total Students	Returned	Retention
McAllen Campus	331	265	80.06%	338	271	80.18%
Weslaco Campus	289	247	85.47%	298	264	88.59%
Harlingen Campus	299	259	86.62%	311	257	82.64%
Pearland Campus	171	61	35.67%	263	150	57.03%
TOTAL	1,090	832	76.33%	1,210	942	77.85%

Student Enrollment By Campus

TABLE 5b: HISTORICAL ENROLLMENT BY GRADE⁽¹⁾

	<i>McAllen</i>				
Grade	2017-18	2018-19	2019-20	2020-21	2021-22
PreK3	0	0	0	0	32
PreK4	92	169	103	101	53
KG	84	51	58	57	62
1	76	67	43	51	55
2	69	60	53	45	45
3	55	60	35	45	36
4	53	52	38	28	41
5	50	43	37	29	23
6	47	47	28	22	22
7	22	28	22	8	13
8	42	21	19	18	6
Totals	590	598	436 ⁽¹⁾	404	388

	<i>Weslaco</i>				
Grade	2017-18	2018-19	2019-20	2020-21	2021-22
PreK3	0	0	0	0	28
PreK4	64	86	66	62	37
KG	42	33	36	43	43
1	36	39	32	41	41
2	36	36	34	31	32
3	27	33	32	36	35
4	32	29	32	34	36
5	20	31	31	32	28
6	21	22	25	28	34
7	17	19	12	21	19
8	10	15	16	12	16
Totals	305	343	318	340	349

	<i>Harlingen</i>				
Grade	2017-18	2018-19	2019-20	2020-21	2021-22
PreK3	0	0	0	0	26
PreK4	56	89	83	70	33
KG	69	35	45	47	50
1	47	63	32	41	39
2	20	46	53	30	41
3	33	27	40	52	23
4	27	32	21	36	49
5	26	30	29	21	38
6	32	23	23	24	21
7	24	18	8	10	15
8	7	20	14	10	11
Totals	341	383	348	341	346

	<i>Pearland</i>				
Grade	2017-18	2018-19	2019-20	2020-21	2021-22
PreK3	-	-	0	0	25
PreK4	-	-	22	74	59
KG	-	-	15	36	50
1	-	-	11	20	36
2	-	-	4	16	31
3	-	-	4	13	21
4	-	-	1	9	19
5	-	-	-	12	12
6	-	-	-	10	15
7	-	-	-	5	12
8	-	-	-	-	8
Totals	-	-	57	195	288

⁽¹⁾ Source: TAPR, except for 2020-21 which represents enrollment as of January 20, 2022 and was provided by Horizon.

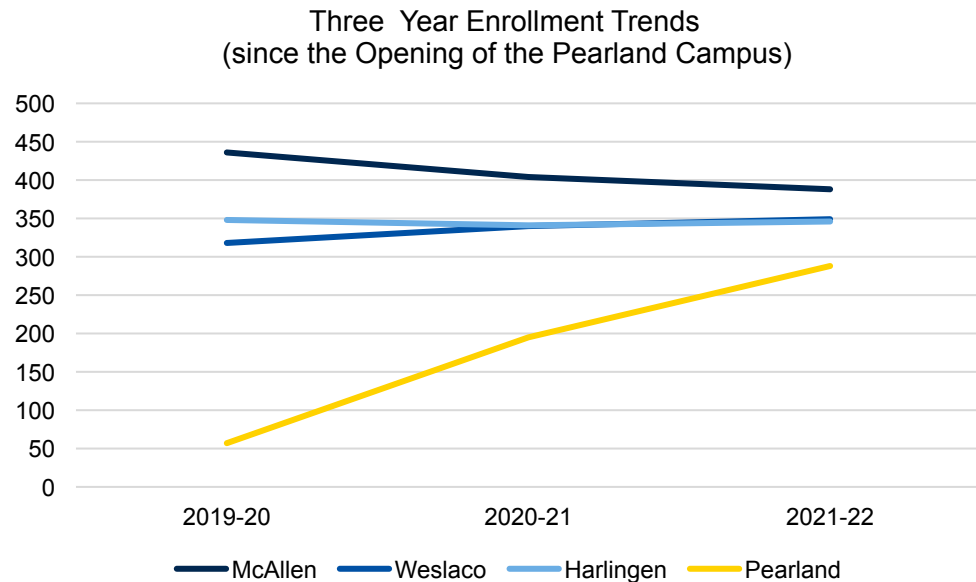
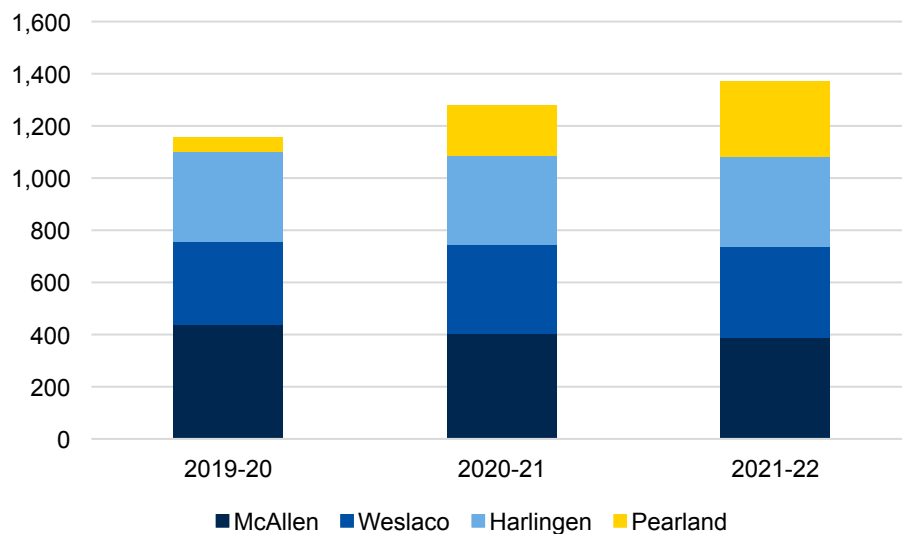
⁽²⁾ The enrollment declined school year 2019-20 because Horizon closed one of two McAllen Campuses in June 2019 (before the 2019-20 School Year).

⁽³⁾ Provided by Horizon which does not included the planned high school expansion.

Student Enrollment vs. Facility Capacity

TABLE 7: FACILITIES CAPACITY							
McAllen Campus				Weslaco Campus			
School Year	Facility Capacity	Enrollment	% of Capacity	School Year	Facility Capacity	Enrollment	% of Capacity
2021-22	500	388	78%	2021-22	400	349	87%
2022-23	500	404	80%	2022-23	400	355	89%
2023-24	500	419	83%	2023-24	400	364	91%
Harlingen Campus				Pearland Campus ⁽²⁾			
School Year	Facility Capacity	Enrollment	% of Capacity	School Year	Facility Capacity	Enrollment	% of Capacity
2021-22	475	346	73%	2021-22	650	288	44%
2022-23	475	370	78%	2022-23	650	360	55%
2023-24	475	400	84%	2023-24	650	450	69%

ALL CAMPUSES			
School Year	Facility Capacity	Enrollment	% of Capacity
2021-22	2,025	1,371	69%
2022-23	2,025	1,488	73%
2023-24	2,025	1,634	81%



Staff & Faculty

TABLE 4a: PROFESSIONAL STAFF AND FACULTY					
Professional Staff	2017-18	2018-19	2019-20	2020-21	2021-22
Teachers	78.4	84.9	78.9	88.3	88.5
Campus Administration	5.0	7.0	7.0	6.0	6.0
Central Administration	4.0	4.0	4.0	4.0	4.0
Professional Support Staff	15.5	19.0	17.9	20.0	9.4
Other Auxiliary and Aids	84.3	84.1	88.0	82.8	12.8
Total	187.1	199.0	195.8	201.2	120.7
Faculty	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Teachers	10.6	25.9	11.3	19.7	44.9
1-5 Years' Experience	44.8	38.0	37.0	41.6	23.0
6-10 Years' Experience	10.0	9.0	17.8	17.0	15.4
Over 10 Years' Experience	11.0	11.0	12.8	9.0	5.0
Over 20 Years' Experience	2.0	1.0	0.0	1.0	0.0
Student: Teacher Ratio	15.8	15.6	14.7	14.5	

TABLE 4b: TEACHER RETENTION						
School	2020-21			2021-22		
	Total Teachers	Returned	Retention	Total Teachers	Returned	Retention
McAllen Campus	30	23	76.67%	22	18	81.82%
Weslaco Campus	21	18	85.71%	19	14	73.68%
Harlingen Campus	23	22	95.65%	18	16	88.89%
Pearland Campus	7	5	71.43%	10	9	100%
TOTAL	81	68	83.95%	69	57	82.61%

Historical Accountability Ratings by Campus

Charter Rated “B” in 2018-2019; STAAR testing was conducted for the 2020-21 school year, but A-F grades will not be issued

TABLE 11: CHARTER SCHOOLS' ACCOUNTABILITY RATINGS					
School Year	Index 1	Index 2	Index 3	Index 4	Overall
Horizon (District) #108802					
2016-17	Met Standard	Met Standard	Met Standard	Met Standard	Met Standard
McAllen Campus #108802-101					
2016-17	Met Standard	Met Standard	Met Standard	Met Standard	Met Standard
Weslaco Campus #108802-102⁽¹⁾					
2016-17	Met Standard	Met Standard	Met Standard	Met Standard	Met Standard
Harlingen Campus #108802-103					
2016-17	Met Standard	Improvement Required	Met Standard	Met Standard	Met Standard
Pearland Campus #108802-104					
2016-17	N/A	N/A	N/A	N/A	N/A
Horizon (District) #108802					
2017-18	C (76)	B (86)	B (83)	B (85)	
McAllen Campus #108802-101⁽²⁾					
2017-18	Met Standard (77)	Met Standard (85)	Met Standard (88)	Met Standard (86)	
Weslaco Campus #108802-102					
2017-18	Met Standard (67)	Met Standard (70)	Met Standard (68)	Met Standard (69)	
Harlingen Campus #108802-103					
2017-18	Met Standard (70)	Met Standard (72)	Improvement Required (50)	Met Standard (65)	
Pearland Campus #108802-104					
2017-18	Met Standard	Met Standard	Met Standard	Met Standard	
Horizon (District) #108802					
2018-19	B (80)	B (86)	B (87)	B (86)	
McAllen Campus #108802-101					
2018-19	C (77)	C (79)	C (72)	C (77)	
Weslaco Campus #108802-102⁽³⁾					
2018-19	C (77)	B (89)	C (78)	B (86)	
Harlingen Campus #108802-103⁽⁴⁾					
2018-19	C (72)	C (79)	D (68)	C (76)	
Pearland Campus #108802-104					
2018-19	N/A	N/A	N/A	N/A	

(1) Distinctions earned for Academic Achievement in ELA/Reading and Social Studies and Top 25 Percent Student Progress.

(2) Distinctions earned for Academic Achievement in Social Studies and Comparative Closing the Gaps.

(3) Distinctions earned for Academic Achievement in ELA/Reading and Comparative Academic Growth.

(4) Distinctions earned for Academic Achievement in Social Studies.

For the 2019-20 and 2020-21 school years all Texas districts and campuses were labeled Not Rated: Declared State of Disaster.

STAAR Performance

Charter Rated “B” in 2018-2019; STAAR testing was conducted for the 2020-21 school year, but A-F grades will not be issued

TABLE 12: STAAR PERFORMANCE (MEETS GRADE LEVEL OR ABOVE)

	2016-17			2017-18			2018-19			2020-21		
	State	Region	Horizon	State	Region	Horizon	State	Region	Horizon	State	Region	Horizon
All Subjects	45%	42%	42%	48%	47%	41%	50%	50%	45%	41%	32%	30%
ELA/Reading	44%	39%	40%	46%	43%	40%	48%	45%	46%	45%	38%	40%
Mathematics	46%	47%	49%	50%	52%	47%	52%	55%	44%	37%	24%	23%
Writing	36%	38%	36%	41%	42%	37%	38%	41%	37%	30%	22%	18%
Science	49%	46%	31%	51%	50%	38%	54%	54%	55%	44%	33%	32%
Social Studies	49%	43%	22%	53%	50%	29%	55%	52%	55%	49%	41%	37%

Source: Texas Academic Performance Report. Additional breakdowns by grade or campus can be found at <https://tea.texas.gov/texas-schools/accountability/academic-accountability/performance-reporting/texas-academic-performance-reports>.

Student Demographics

Demographics at Pearland Campus differs substantially from the table below

TABLE 10: STUDENT DEMOGRAPHIC INFORMATION					
Demographic Identifier	Percentage of Students 2017-18	Percentage of Students 2018-19	Percentage of Students 2019-20	Percentage of Students 2020-21	Percentage of Students 2021-22
African American	0.6%	0.3%	0.9%	3.1%	4.7%
Hispanic	94.3%	95.8%	92.3%	86.3%	83.2%
White	3.2%	2.5%	4.7%	6.2%	7.5%
American Indian	0.6%	0.5%	0.3%	0.5%	0.8%
Asian	1.2%	0.8%	1.3%	2.9%	3.0%
Pacific Islander	0.0%	0.0%	0.0%	0.0%	0.0%
Two or More Races	0.1%	0.1%	0.5%	1.1%	0.8%
Economically Disadvantaged	76.2%	65.2%	73.6%	68.9%	70.9%
ESL	40.0%	37.6%	32.1%	32.0%	32.0%
At-Risk	57.6%	57.8%	53.5%	52.9%	60.1%

Source: Texas Academic Performance Report, except for the 2021-22 school year which was provided by Horizon.

Overview of Existing Debt

- All Existing Debt outstanding is with Regions Bank. All of the Existing Debt will be refunded by a Tax-Exempt Bond sold to the Public Debt Markets to remove the following covenants associated with Region's Loan:
 - 1) Coverage Requirement – No Add Back granted for "Extraordinary Items, One times, or Capital Expenditures with calculating Coverage Requirement.
 - 2) Loan Repayments – Significantly shorter than the useful Life of the Assets.
- Regions Bank has provided a Waiver for Debt Coverage calculations for FYE 2020 and FYE 2021

EXPOSURE SUMMARY										
	Borrower Name	Facility Type	Original Amount	Outstanding Amount	Rate	Amort	Closing Date	Maturity Date	Address	Security
1	South Texas Educational	Term Loan	\$4,600,000.00	\$3,709,252.32	5.5% (QZAB)	21yrs	09/04/2013	12/30/2034	2802 (Hwy 77) S. Sunshine Strip, Harlingen, TX & 2402 E US Business Hwy 83, Weslaco, TX	Pledge of Rev; RE; DSRF equal to MADS
2	South Texas Educational	Term Loan	1,745,000.00	998,831.49	3.41%	9yrs	08/26/2016	11/26/2025	320 N.Main St, McAllen, TX and 1223 W Sugarcane Dr, Weslaco, TX	Pledge of Rev; RE
3	South Texas Educational	Term Loan	3,865,290.00	3,625,241.05	4.94%	15yrs	10/30/2019	05/01/2024	2319 Grand Blvd, Pearland, TX	Pledge of Rev; RE
4	South Texas Educational	Term Loan	120,365.24	61,702.12	4.70%	5yrs	06/08/2018	06/08/2023		Equipment
5	South Texas Educational	Term Loan	200,000.00	178,714.61	4.94%	15yrs	10/25/2018	10/25/2023	1118 W Sugar Cane Dr, Weslaco, TX	Pledge of Rev; RE
Total			\$10,530,655.24	\$8,573,741.59						

Term Loan #3: Pearland Campus

\$1,950,000	Acquisition of the Pearland Campus
1,760,000	Pre-K – 2 nd Grade Wing Construction and Renovations to Auditorium and Kitchen Equipment
<u>155,290</u>	Related Fees
\$3,865,290	Total

Projected State Revenue Model

State Revenue Model					
		2021-22	2022-23	2023-24	2024-25
Total Pre-K3 & PreK4 Enrollment		293	343	349	370
ADA%		86%	86%	86%	86%
Total Pre-K3 & PreK4 ADA		250.95	293.76	299.22	316.66
1/2 Day Funding		0.5	0.5	0.5	0.5
Funding per ADA		11,086.00	11,086.00	11,086.00	11,086.00
Total Pre-K3 & PreK4 Funding		1,391,031	1,628,314	1,658,560	1,755,274
Total K-12 Enrollment		1,078	1,145	1,285	1,378
ADA%		86%	95%	95%	95%
Total K - 12 ADA		923.30	1,088.15	1,220.64	1,309.57
Funding per K - 12 ADA		11,086.00	11,086.00	11,086.00	11,086.00
Total K - 12 Funding		10,235,711	12,063,220	13,532,011	14,517,912
Total State Funding (PreK3&PreK-4 + K - 12)		11,626,742	13,691,533	15,190,570	16,273,186
Total Enrollment		1,371	1,488	1,634	1,748
Total ADA for PreK-3& PreK-4		125.48	146.88	149.61	158.33
Total ADA for K - 12		923.30	1,088.15	1,220.64	1,309.57
Total ADA		1,048.78	1,235.03	1,370.25	1,467.90

Projected Cash Flow Available for Debt Service

	HISTORICAL					BUDGETED	PROJECTED		
	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES									
State Revenues	\$ 10,093,901	\$ 10,435,861	\$ 10,672,013	\$ 10,405,138	\$ 11,592,596	\$ 11,626,742	\$ 13,691,533	\$ 15,190,570	\$ 16,273,186
<i>Enrollment</i>	1,350	1,236	1,324	1,159	1,280	1,371	1,488	1,634	1,748
<i>Enrollment Growth %</i>	3.5%	-8.4%	7.1%	-12.5%	10.4%	7.1%	8.6%	9.8%	7.0%
<i>ADA</i>	1,068	1,070	1,054	917	1,046	1,049	1,235	1,370	1,468
<i>ADA %</i>	79.1%	86.6%	79.6%	79.1%	81.7%	76.5%	76.5%	76.5%	76.5%
<i>Funding / ADA</i>	9,449	9,755	10,125	11,346	11,086	11,086	11,086	11,086	11,086
Local & Intermediate Revenues	\$ 361,487	\$ 387,178	\$ 307,205	\$ 159,106	\$ 229,963	\$ 293,045	\$ 293,045	\$ 293,045	\$ 293,045
Federal Revenues	\$ 1,984,537	\$ 2,127,307	\$ 2,367,940	\$ 2,047,175	\$ 3,936,427	\$ 3,798,731	\$ 2,298,731	\$ 2,298,731	\$ 2,298,731
Total Revenues	\$ 12,439,925	\$ 12,950,346	\$ 13,347,158	\$ 12,611,419	\$ 15,758,985	\$ 15,718,518	\$ 16,283,309	\$ 17,782,346	\$ 18,864,962
EXPENSES									
11 Instruction	\$ 5,327,195	\$ 5,050,516	\$ 5,970,767	\$ 6,384,586	\$ 7,128,869	7,200,158	7,272,159	7,344,881	7,418,330
12 Instructional Resources	82,381	70,592	72,614	93,853	59,920	61,118	61,730	62,347	62,970
13 Curriculum Development	19,294	18,174	25,551	9,845	12,326	12,573	12,698	12,825	12,953
21 Instructional Leadership	105,826	94,517	79,333	100,544	140,308	143,114	144,545	145,991	147,451
23 School Leadership	563,192	538,083	689,481	738,805	716,915	745,592	753,048	760,578	768,184
31 Guidance, Counseling & Evaluation	130,628	157,289	181,839	152,021	192,955	196,814	198,782	200,770	202,778
33 Health Services	122,672	121,264	132,880	144,096	142,358	145,205	146,657	148,124	149,605
34 Transportation	1,201	-	-	-	-	-	-	-	-
35 Food Services	933,077	1,062,876	1,004,527	900,867	865,990	883,310	892,143	901,064	910,075
36 Extracurricular Activities	150,543	159,304	171,666	75,999	49,077	50,059	50,559	51,065	51,575
41 General Administration	767,191	739,342	921,518	913,993	805,203	821,307	829,520	837,815	846,193
51 Plant Maintenance	2,177,675	2,286,938	2,647,248	2,335,716	2,630,915	2,736,152	2,500,000	2,500,000	2,500,000
52 Security & Monitoring Services	144,010	118,540	144,805	81,099	1,720	1,754	1,772	1,790	1,808
53 Data Processing Services	233,907	236,238	265,725	325,608	362,999	370,259	373,962	377,701	381,478
61 Community Services	193,365	217,012	319,330	275,100	351,443	358,472	362,057	365,677	369,334
71 Debt Service	375,270	350,224	424,431	405,548	513,124	513,124	518,255	523,438	528,672
81 Fundraising	13,740	-	-	-	-	-	-	-	-
Total Expenses	\$ 11,341,167	\$ 11,220,909	\$ 13,051,715	\$ 12,937,680	\$ 13,974,122	\$ 14,239,010	\$ 14,117,887	\$ 14,234,066	\$ 14,351,406
Change in Net Assets	\$ 1,098,758	\$ 1,729,437	\$ 295,443	\$ (326,261)	\$ 1,784,863	\$ 1,479,508	\$ 2,165,423	\$ 3,548,281	\$ 4,513,556
ADD BACKS									
Depreciation	\$ 397,753	\$ 399,579	\$ 390,762	\$ 388,491	\$ 669,735	\$ 669,735	\$ 769,735	\$ 769,735	\$ 769,735
Debt Service	375,270	350,224	424,431	405,548	513,124	513,124	518,255	523,438	528,672
Lease Expense	-	-	-	232,304	168,000	126,000	-	-	-
One Time Capital Expenditures	-	-	-	-	75,000	-	-	-	-
Cash Flow Available for Debt Service	\$ 1,871,781	\$ 2,479,240	\$ 1,110,636	\$ 700,082	\$ 3,210,722	\$ 2,788,367	\$ 3,453,413	\$ 4,841,454	\$ 5,811,963

Plan of Finance

Project Fund

1	Pay-off Outstanding Regions Debt	\$8,573,742
2	Reimbursement of General Fund for Pearland Capital Expenditures	1,750,000
3	Pearland Campus Capital Expenditures	1,620,000
4	Acquire Weslaco Campus Lease from Superintendent	1,900,000
5	Reimbursement of General Fund for Real Estate Appraisals	45,000
6	Real Estate Closing Costs & Title Policy	115,000
7	Contingency	96,258
Total		\$14,100,000

Pearland Campus: Future Capital Improvements

Sprinkler System	\$120,000
Internet Connectivity	250,000
Building 5 & Auditorium Light Fixtures	150,000
Building 5 & Auditorium Electrical Re-Wiring	250,000
Classroom Carpeting	50,000
Auditorium Seats	50,000
Roof Repair & Improvement	500,000
Heating & A/C Improvement	250,000
Total	\$1,620,000

Sources & Uses of Funds

Uses	Series 2022A Tax-Exempt	Series 2022B Taxable	Total
Par Amount	\$15,435,000	\$1,715,000	\$17,150,000
Total Sources	\$15,435,000	\$1,715,000	\$17,150,000

Uses			
Project Fund	\$14,100,000	\$0	\$14,100,000
Debt Service Reserve Fund	1,021,750	171,500	1,193,250
Cost of Issuance	308,700	1,542,875	1,851,575
Additional Proceeds	4,550	625	5,175
Total Uses	\$15,435,000	\$1,715,000	\$17,150,000

Preliminary Pro Forma Coverage Report

Assumes \$14.10MM Non-PSF Issuance

1	2	3	4	5	6	7	8	9	10	11
FYE (8/31)	Available Cash Flow	Series 2021A - Tax-Exempt ⁽¹⁾			Series 2021B - Taxable ⁽¹⁾			Projected Coverage		
		Principal	Interest	Debt Service	Principal	Interest	Debt Service	Projected Debt Service	Debt Service Coverage	MADS Coverage
2022	\$2,788,367							\$0		2.21x
2023	3,453,413	\$0	\$941,106	\$941,106	\$0	\$104,567	\$104,567	1,045,674	3.30x	2.73x
2024	4,841,454	250,000	771,750	1,021,750	155,000	85,750	240,750	1,262,500	3.83x	3.83x
2025	5,811,963	260,000	759,250	1,019,250	165,000	78,000	243,000	1,262,250	4.60x	4.60x
2026	5,811,963	275,000	746,250	1,021,250	170,000	69,750	239,750	1,261,000	4.61x	4.60x
2027	5,811,963	285,000	732,500	1,017,500	180,000	61,250	241,250	1,258,750	4.62x	4.60x
2028	5,811,963	300,000	718,250	1,018,250	190,000	52,250	242,250	1,260,500	4.61x	4.60x
2029	5,811,963	315,000	703,250	1,018,250	200,000	42,750	242,750	1,261,000	4.61x	4.60x
2030	5,811,963	330,000	687,500	1,017,500	205,000	32,750	237,750	1,255,250	4.63x	4.60x
2031	5,811,963	350,000	671,000	1,021,000	220,000	22,500	242,500	1,263,500	4.60x	4.60x
2032	5,811,963	365,000	653,500	1,018,500	230,000	11,500	241,500	1,260,000	4.61x	4.61x
2033	5,811,963	385,000	635,250	1,020,250				1,020,250	5.70x	5.69x
2034	5,811,963	405,000	616,000	1,021,000				1,021,000	5.69x	5.69x
2035	5,811,963	425,000	595,750	1,020,750				1,020,750	5.69x	5.69x
2036	5,811,963	445,000	574,500	1,019,500				1,019,500	5.70x	5.69x
2037	5,811,963	465,000	552,250	1,017,250				1,017,250	5.71x	5.69x
2038	5,811,963	490,000	529,000	1,019,000				1,019,000	5.70x	5.69x
2039	5,811,963	515,000	504,500	1,019,500				1,019,500	5.70x	5.69x
2040	5,811,963	540,000	478,750	1,018,750				1,018,750	5.70x	5.69x
2041	5,811,963	570,000	451,750	1,021,750				1,021,750	5.69x	5.69x
2042	5,811,963	595,000	423,250	1,018,250				1,018,250	5.71x	5.69x
2043	5,811,963	625,000	393,500	1,018,500				1,018,500	5.71x	5.69x
2044	5,811,963	655,000	362,250	1,017,250				1,017,250	5.71x	5.69x
2045	5,811,963	690,000	329,500	1,019,500				1,019,500	5.70x	5.69x
2046	5,811,963	725,000	295,000	1,020,000				1,020,000	5.70x	5.69x
2047	5,811,963	760,000	258,750	1,018,750				1,018,750	5.70x	5.69x
2048	5,811,963	800,000	220,750	1,020,750				1,020,750	5.69x	5.69x
2049	5,811,963	840,000	180,750	1,020,750				1,020,750	5.69x	5.69x
2050	5,811,963	880,000	138,750	1,018,750				1,018,750	5.70x	5.70x
2051	5,811,963	925,000	94,750	1,019,750				1,019,750	5.70x	5.70x
2052	5,811,963	970,000	48,500	1,018,500				1,018,500	5.71x	5.71x
Total		\$15,435,000	\$15,067,856	\$30,502,856	\$1,715,000	\$561,067	\$2,276,067	\$32,778,924		

(1) Assumes 5.00% interest rate.
Preliminary; subject to change.

Days' Cash on Hand

	FYE 2021-22	FYE 2021-22	FYE 2020-21	FYE 2019-20	FYE 2018-19
	Budget Full YR	Sept to Feb.	Audited	Audited	Audited
1. Cash In Bank	3,364,965	3,364,965	3,307,132	4,336,578	2,747,622
2. Certificant of Deposit	284,511	284,511			
3. Reimburse General Fund	1,750,000				
4. Total Cash& CD	5,399,476	3,649,476	3,307,132	4,336,578	2,747,622
5. Total Revenue	15,718,518	8,046,509	15,758,985	12,611,419	13,347,158
6. Total Expendiures	14,239,010	7,591,809	13,974,122	12,937,680	13,051,714
7. Change in Net Assets	1,479,508	454,700	1,784,863	(326,261)	295,444
8. Extraordinary Expenditures	108,683		510,907	587,937	
9A Adjusted Change in Net Assets	1,588,191	454,700	2,295,770	261,676	295,444
9B Adjusted Change in Net Assets%	10.10%	5.65%	14.57%	2.07%	2.21%
10. Depreciation	669,735	669,735	669,735	388,491	390,762
11. % Cash+CD / REV	34%	45%	21%	34%	21%
12. Days Cash on Hand	145.24	192.44	90.73	126.13	79.21
13. % Cash+CD / EXP	38%	48%	24%	34%	21%

Calendar of Events

Febuary							March							April							May							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
		1	2	3	4	5			1	2	3	4	5						1	2		1	2	3	4	5	6	7
6	7	8	9	10	11	12	6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14	
13	14	15	16	17	18	19	13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21	
20	21	22	23	24	25	26	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28	
27	28						27	28	29	30	31			24	25	26	27	28	29	30	29	30	31					
<div><div></div>Rating Meeting</div>							<div><div></div>Holiday</div>							<div><div></div>Bond Dates</div>														

Date	Action
04-Feb-22	Updated POS, and related bond documents circulated to Financing Team
07-Feb-22	RBC circulates Financial Model for internal discussion
08-Feb-22	Comments Due on POS
14-Feb-22	2nd Draft of POS circulated by Underwriter's Counsel
18-Feb-22	School receives Final Appraisals on related Party transaction from Colliers
21-Feb-22	1st Draft of Bond Documents circulated by Bond Counsel
23-Feb-22	Circulate Documents to S&P for Rating Review
24-Feb-22	Board Meeting to Approve submit of PSF Application to TEA
24-Feb-22	Board Meeting to Approve obtaining Appraisals, Phase I Environmentals, and Surveys on all properties
25-Feb-22	S&P rating meeting with School & RBC
25-Feb-22	School orders Appraisals, Phase I environments, Surveys of Properties on all School properties
28-Feb-22	Comments Due on Bond Documents & POS
01-Mar-22	Circulation of Tax Questionnaire & Due Diligence Questionnaire
07-Mar-22	3rd Draft of POS release & 2nd Draft of Bond Documents circulated to team
11-Mar-22	S&P Releases Rating to School
15-Mar-22	Comments Due on Bond Documents & POS
17-Mar-22	Board Meeting to obtain Parameter Board approval to sell bonds
21-Mar-22	RBC submits PSF Application to TEA
22-Mar-22	Bond Counsel submits Related Party appraisal to Texas Education Agency
01-Apr-22	School receives Appraisals, Phase I Environmentals, and Surveys on all other properties
05-Apr-22	Final Draft of POS and Bond Documents circulated to team
15-Apr-22	RBC Due Diligence Call with Horizon
22-Apr-22	Post Preliminary Official Statement & Investor Presentation (if needed)
05-May-22	Price Bonds (assuming PSF)
06-May-22	Circulate draft of Official Statement
26-May-22	Bonds Close (assuming PSF)

Preliminary; subject to change.

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