

**APPENDIX A**

**THE COMPANY, THE CHARTER SCHOOL, AND THE PROJECT**

**TABLE OF CONTENTS**

	<b>Page</b>
INTRODUCTION .....	1
THE COMPANY .....	2
THE CHARTER CONTRACT AND AUTHORIZER .....	3
Charter Contract .....	3
Authorizer .....	3
THE CHARTER SCHOOL MISSION AND HISTORY .....	4
Mission .....	4
History .....	4
CURRICULUM AND EXTRACURRICULAR ACTIVITIES <b>[PLEASE UPDATE AS NEEDED]</b> .....	5
Curriculum .....	5
Extracurricular Activities .....	6
<b>[COVID-19 Impacts on Curriculum] [Please add more about the impact of COVID-19 on curriculum and learning plan. Indicate how much time students participated in-person learning vs. hybrid vs. distance learning.]</b> .....	6
GOVERNANCE; ADMINISTRATION; FACULTY; AND FACULTY RETENTION .....	7
Governance .....	7
Board Members .....	7
Administration .....	8
Faculty .....	10
Teacher Retention .....	10
Teacher Employment Status .....	10
Volunteers .....	11
THE PROJECT .....	11
2011 Project .....	11
2016 Project .....	12
2021 Financing .....	12
THE CHARTER SCHOOL'S FINANCE MANAGER .....	12
ENROLLMENT; DEMOGRAPHICS AND TRANSPORTATION .....	13
Historical and Current Enrollment .....	13
Future Enrollment Projections .....	14
Wait List <b>[Please update]</b> .....	14
Student Attendance and Retention .....	15
Student Demographics .....	15
Transportation <b>[Please update]</b> .....	15
SERVICE AREA .....	16
COMPETING SCHOOLS .....	18
ACADEMIC ACHIEVEMENT INDICATORS .....	21
College Readiness .....	21
Academic Proficiency .....	22
Other Academic Performance Measures .....	23

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Multiple Measurement Domains.....	23
STATE AID PAYMENTS .....	24
Special Education Revenue.....	26
Lease Aid .....	26
BUDGET; ACCOUNTING; DEBT; FUNDRAISING .....	26
Budget and Accounting.....	26
Audit .....	27
CARES Act Funding .....	27
Payroll Protection Program Forgivable Loan .....	28
Summary of Financial Statements and Projections .....	28
Existing Debt and Obligations .....	28
Historical Financial Data .....	29
[TO COME] .....	29
Fundraising .....	29
NO MATERIAL LITIGATION <b>PLEASE UPDATE</b> .....	29

## APPENDIX A

### THE COMPANY, THE CHARTER SCHOOL, AND THE PROJECT

#### INTRODUCTION

Nova Classical Academy (the “Charter School”) is a public charter school and Minnesota nonprofit corporation that is beginning its [nineteenth] fiscal year of operations. It was incorporated on March 21, 2002 and is organized pursuant to Minnesota Statute 124E, as amended (the “Charter School Act”). The Charter School is a 501(c)(3) tax-exempt organization. The Charter School received its IRS determination letter on July 22, 2002, and began instruction for the 2003-2004 academic year with grades K-6.

The Charter School initially operated under a charter contract originally dated July 23, 2002, as amended, between the Charter School and its original sponsor, Bethel University. In 2005, the Charter School changed to a new authorizer<sup>1</sup>, Friends of Education (the “Authorizer”) described below. The Charter School’s current charter contract was entered into with the Authorizer on July, 2017 (the “Charter Contract”) for a five-year term that will expire June 30, 2022. [The Charter School is currently in the process of applying to the Authorizer for a new five-year charter contract.] The Charter School has no reason to believe the Charter School will not be successful in receiving a new five-year charter contract.

The Charter School’s charter allows it to conduct classes in all grades kindergarten through twelfth (“K-12”). The Charter School added seventh and eighth grades in 2004 and 2005, and it added ninth, tenth, eleventh, and twelfth grades in 2009, 2010, 2011, and 2012, respectively. The Charter School refers to its K-5 program as the “Lower School” and its grades 6-12 program as the “Upper School.” The Charter School’s educational program is based on a classical education model (described below).

The Charter School’s offices and its educational facilities are located 1455 Victoria Way, in Saint Paul, Minnesota (the “City”), which is owned by Friends of Nova Classical Academy (the “Company”), a Minnesota nonprofit corporation and 501(c)(3) organization.

The Company is organized as an affiliated building company under Minnesota Statutes 124E, subdivision 3, as amended, and, as such, is a supporting organization to the Charter School as defined in the Internal Revenue Code of 1986, as amended (the “Code”).

The Company currently leases the Schoolhouse (as defined below) to the Charter School under the terms of a First Amended and Restated Lease Agreement, dated as of October 1, 2016. In connection with the issuance of the Series 2021 Bonds, the Charter School and the Company will enter into a [Second Amended and Restated] Lease Agreement, dated as of August 1, 2021 (the “Lease”).

The proceeds of the Series 2021 Bonds will be used by the Company along with funds of the Company to: (i) refund on a current basis the Issuer’s Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2011A maturing on September 1, 2031 (the “Series 2011 Bonds”), the proceeds of which were used to finance the acquisition, construction and equipping by the Company of approximately 2.03 acres of land and constructing the current charter school facility located at 1455 Victoria Way in the City (the “Schoolhouse”); (ii) make a deposit to the Reserve Fund to the Reserve Fund Requirement for the Series 2021 Bonds, and (iii) pay the costs of issuance of the Series 2021 Bonds.

From its inception, the Charter School limited its growth to preserve its academic standards. In particular, growth was metered to ensure new teachers were fully capable in the classical education model. Even with its self-imposed limits, the Charter School saw robust growth in its early years, forcing it to operate from two sites (due to limited availability of school-appropriate leased facilities in its area of operation). The dual site structure created

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<sup>1</sup> When the Charter School was formed, the entity that oversees the operations of a charter school in Minnesota was named a “sponsor.” Minnesota’s charter school law was amended several years ago. Among other changes, the supervising organization is now called the “authorizer.”

inefficiency due to the need for duplicate administrative personnel on each site. Further, the two former sites were nearly filled to capacity and did not allow for future growth.

To accommodate this growth, allow for future growth, and increase efficiency, the Charter School sought funds to construct a new facility that now houses the entire K-12 program. This need was the reason the Company borrowed the funds evidenced by the Series 2011 Bonds for the construction of the Schoolhouse. The Schoolhouse was constructed in 2011-2012, and the Charter School began operating in the new Schoolhouse in August, 2012.

The Schoolhouse was further improved in 2016 when proceeds of the Series 2016 Bonds were used to finance the acquisition of and capital improvements to approximately 1.15 acres of additional land adjacent to the Schoolhouse (the “2016 Project”).

## THE COMPANY

Currently, the Charter School leases the Schoolhouse from the Company. By State law, Minnesota charter schools cannot purchase facilities using State funds. For this reason, most Minnesota charter schools lease their facilities. Charter schools receive lease aid money and general education revenue from the State to pay such leases.

Under Minn. Stat. 124E.13, charter schools may, subject to certain conditions specified in the statute, form an affiliated nonprofit building corporation to own the facility and lease it to the charter school. The Company was formed on March 28, 2008 and received its IRS determination letter on May 9, 2009. The Minnesota Non-Profit Corporation Act requires a minimum of three directors. The board of the Company is not obligated to conduct its meetings in accordance with the Minnesota open meeting law.

Each director of the Company is appointed for a five year term. No director of the Company serves as a director for the Charter School. No director of the Company receives any compensation for his service on the board; each is a volunteer. The following is a summary of information about the Company board members. **Please update board terms below**

<u>Name</u>	<u>Board Position</u>	<u>Term</u>
Jeff Ellerd	President	
Ken Schlosser	Secretary	
Scott Krizan	Director	
Sarah Tyler	Director	

**Jeff Ellerd, President.** Mr. Ellerd is parent of **three students** at the Charter School and has been involved in the Charter School’s efforts for many years. He has a degree in Agricultural Engineering from the University of Wisconsin and works as a Regional Engineer at Veolia Environmental Solutions. Mr. Ellerd brings to the Company many years of experience in construction and engineering and is also a registered professional Civil Engineer in Minnesota.

**Ken Schlosser, Secretary.** Mr. Schlosser currently serves as Secretary of the Company’s Board. Mr. Schlosser has been a member of the Company’s Board since 2012. Mr. Schlosser is currently a stay at home parent, and was previously employed as business coordinator for the Pediatric Endocrinology Division at Cincinnati Children’s Hospital Medical Center. Mr. Schlosser received a Bachelor of Business Administration from the University of Cincinnati.

**Scott Krizan, Director.** Mr. Krizan currently serves as a Director of the Company’s Board. Mr. Krizan has been a member of the Company’s Board since 2016. He is currently employed as a business analyst at Ambient Consulting. Mr. Krizan received a Bachelor’s degree in Business Administration from the University of Minnesota’s Carlson School of Management.

**Sarah Taylor, Director.** Ms. Taylor currently serves as a Director of the Company’s Board. Ms. Taylor has been a member of the Company’s Board since 2016. She is currently employed as an Upper School teacher at the Charter School. Ms. Taylor received a Bachelor’s degree in Psychology from Yale University, a M.B.A. degree from

The Wharton School (University of Pennsylvania) and a Master’s degree in Teaching from the University of St. Thomas.

## THE CHARTER CONTRACT AND AUTHORIZER

### Charter Contract

As noted above, the Charter School has been sponsored and/or authorized by the Authorizer since 2005. The Charter Contract between the Charter School and the Authorizer has been renewed four times since 2005. The most recent renewal became effective on July 1, 2017 for a five-year term that will expire on June 30, 2022. [The Charter School is currently in the process with the Authorizer in renewing the charter contract for a new five-year charter contract. The Charter School has no reason to believe the Charter School will not be successful in receiving a new five-year charter contract.]

The Charter School believes that it is in substantial compliance with all contractual provisions and requirements of the Charter Contract, as well as all relevant laws (including the Charter School Act), ordinances, and regulations. The Charter School has not received any notice of noncompliance from any agency which would affect its ability to enter into the transactions contemplated by the Series 2021 Bonds, the Loan Agreement, or the Pledge Agreement.

### Authorizer

In 2009, the State enacted new legislation concerning the oversight of public charter schools. Among other things, the prior system of school “sponsors” was changed to the current system of school “authorizers”. The process for becoming an authorizer is more rigorous than the former process to be a sponsor, and the oversight required of an authorizer is significantly more intensive. Each authorizer goes through an extensive review and approval process by the Minnesota Department of Education (“MDE”).

The Authorizer is certified as a single-purpose authorizer by MDE and is approved by MDE to enter into charter contracts with a maximum term of five years. [In June of 2020, the Authorizer was in the [second] wave of charter school authorizers who went through their five year renewal/recertification process with MDE.] The next MDE recertification for the Authorizer will come in 2025. In 2020, MDE recertified the Authorizer and gave the Authorizer an Exemplary overall evaluation. An Exemplary grade/rating is the highest rating possible for an authorizer and the Authorizer was the only charter school authorizer to receive an Exemplary rating from MDE in the first wave of recertifications in 2020. The Authorizer currently serves as an authorizer for twelve charter schools (including the Charter School) in Minnesota, as shown on the table on the next page:

### Schools Authorized by Friends of Education

School	Location
Aspen Academy	Savage
Clarkfield Area Charter School	Clarkfield
Cologne Academy	Cologne
DaVinci Academy of Arts and Science	Ham Lake
Eagle Ridge Academy	Minnetonka
Hennepin Schools	Minneapolis
New Millennium Academy	Brooklyn Center
Nova Classical Academy	St. Paul
Parnassus Preparatory School	Maple Grove
Seven Hills Classical Academy	Bloomington
St. Croix Preparatory Academy	Stillwater
Yinghua Academy	Minneapolis

*Source: the Friends of Education web site*

As the Charter School’s authorizer, the Authorizer is responsible for oversight of the Charter School’s fiscal management and academic acceptability. The Authorizer may terminate the Charter Contract (after 90 days’ notice and opportunity to cure) for any violation by the Charter School of: (i) the Charter Contract; (ii) state, federal or local laws, ordinances or rules or regulations; (iii) generally accepted accounting principles; or (iv) for conditions which threaten the health, safety, or welfare of the students or staff of the Charter School or the general public. Based on the Charter School’s historical academic test scores, clean financial audits, and adherence to all legal standards, the Authorizer has indicated that it anticipates no issues with continued renewals of the Charter Contract. See “BONDHOLDERS’ RISKS – Non-Renewal or Termination of Charter Contract by Authorizer” in this Official Statement.

Under the Charter Contract and applicable law, the Charter Contract has flexibility to develop and use new, different, or alternative teaching methods, forms of measuring student learning and achievement, and educational visions and goals. In exchange, the Charter School is held accountable to performance outcomes and measures.

The Authorizer requires prudent financial planning of its schools. Revenue projections are to be conservative, expenditure forecasts must be honest and precise and reported on a monthly basis. The Authorizer encourages all schools to apply for the Minnesota Finance Award, which the Charter School has won from 2010 through 2020. The Authorizer also carefully tracks a school’s per pupil expenditure and compares it to the school’s neighboring districts as well as other schools of the Authorizer. The Authorizer otherwise requires each of its schools to strictly comply with all legal obligations, including strict adherence to the public meeting laws applicable to charter school boards of directors.

In addition to its school oversight role, the Authorizer focuses on student achievement. The Authorizer has implemented a rigorous data-driven assessment program that it uses to closely track student achievement data, and it has offered mentoring and school-level assessments when needed. In addition to the Minnesota state assessments, the Authorizer requires each school to employ a nationally-normed research-based assessment to track student growth. As an added metric, Minnesota assessments for each charter school are measured against a “control” district with comparable demographics. The Authorizer uses this data to rate its school according to student growth and achievement.

## **THE CHARTER SCHOOL MISSION AND HISTORY<sup>1</sup>**

### **Mission**

*In a supportive community and through a systematic, accelerated college-preparatory education in the classical tradition, Nova Classical Academy challenges its students to develop intellect, to attain the habits of learning and mastery, and to live a virtuous life of duty and ideals.*

### **History**

The Charter School is a parent-initiated school. It began with a small group who believed that public school students should have access to the same quality of education as many private school students. Its founders wanted a school that was academically rigorous, that valued scholarship and individual excellence as well as self-discipline and virtue, that taught students to think and reason from a solid foundation of knowledge and skills, that allowed all students to study at an appropriate pace, and where parents, staff, and students all shared a unity of purpose.

The Charter School opened in the fall of 2003 with 175 students in grades kindergarten through sixth. Grades seventh and eighth were added in 2004 and 2005, respectively. The Charter School then added grades yearly, beginning with its first ninth grade class in the 2009-2010 school year, and now provides a complete K-12 education. As the Charter School expanded, it split its operations into two sites due to a limited availability of school-appropriate leased facilities in its area of operation. Due to continued growth and a desire for more efficient operations, in 2011

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<sup>1</sup> Unless otherwise noted, data about the Charter School is taken from the Charter School’s own internal records.

the Charter School acquired and constructed its current facility, the Schoolhouse. The Charter School began operating out of the Schoolhouse in August of 2012.

The Schoolhouse is a three-story, steel-framed building of approximately 92,400 square feet and contains 58 classrooms, a gym and locker rooms, music and art rooms, a café, and associated administrative space. With the proceeds of the Series 2016 Bonds, the Charter School acquired adjacent land for use as playground, an athletic field, and physical education space.

In addition to the real property upon which the Schoolhouse is located, the 2011 acquisition included an irrevocable easement (the “Easement”) by which the Issuer assigned to the Company the use of certain adjacent land for open space and storm water management, and for the construction of a parking lot (the “Parking Lot”). Pursuant to the Easement Agreement, the Company has exclusive use of the Parking Lot during school hours and shared use during non-school hours.

The Charter School believes that an effective K-12 education must be systematic and comprehensive and requires, in addition, continuity from year to year. The success of classical charter schools in other states supports this view. In addition to its rigorous classroom environment, the Charter School provides many volunteer opportunities for parents to contribute to the success of the school. In fact, parents of the Charter School students are expected to participate actively and support the Charter School in its mission.

[According to SchoolDigger, the Charter School’s Lower School ranks as #1 in Best Public Elementary Schools in Ramsey County, Minnesota, #4 of 107 in Best Elementary Charter Schools in Minnesota, #11 of 868 in Best Public School Elementary Teachers in Minnesota, #32 of 891 in Best Public Elementary Schools in Minnesota (Niche), and #20 of 870 in Minnesota Elementary Schools.

The Charter School’s Upper School ranks as #2 in the list of top High Schools in Minnesota, #43 in Charter High Schools in the nation, #171 High School in national rankings, and #174 in STEM High Schools in the nation (U.S. News and World Report). Nova’s Upper School academic programming includes additional Advanced Placement (AP) and College in the Schools (CIS) courses.]

## **CURRICULUM AND EXTRACURRICULAR ACTIVITIES [PLEASE UPDATE AS NEEDED]**

### **Curriculum**

The Charter School opened in 2003 as the first classical public charter school in Minnesota. Classical education has a long and distinguished history, beginning in ancient times, maturing in the Middle Ages, and becoming prominent in this country until the early 20th century, when progressive, child-centered education became the dominant model. Classical education is language intensive; it is knowledge-centered rather than child-centered; it trains the mind to collect and analyze information and to draw conclusions based on that information; it demands self-discipline and instills virtue (the ability to do what is right despite one’s baser inclinations); it produces intelligent, literate, curious young adults who can read, write, calculate, think, understand, solve problems, and follow through on a wide range of interests. Classical education rests on the concept of the Trivium: grammar, logic, and rhetoric—not as subjects, although these subjects are studied, but as the structure of every subject and discipline.

The Charter School’s curriculum has been developed through collaboration between the parent-led Curriculum Committee, the faculty of the Charter School, and outside experts. It represents the vanguard of modern scholarship within the classical model. The curriculum is both age-appropriate and accelerated; the Charter School pushes all students to achieve higher levels of competence at all times. In all grades, history is the guiding principle.

*Grammar.* Grammar is the foundation of a subject – the collection of its parts and the mechanics of how they work. The youngest students are in the Grammar stage (K-5), which focuses on the ability to learn, memorize, and re-state factual ideas. This stage takes advantage of the child’s natural ability and interest in acquiring data about his world. In the School of Grammar there is formal instruction in both grammar and linguistic formalism (which continues until grade 8). The Charter School’s Grammar school also includes the Oratory School, a series of introductory exercises to forensics built around the *progymnasmata*, an ancient series of speaking exercises.

*Logic.* Logic is the organization of parts into a whole and an understanding of the relationships among the parts. The Logic stage (grades 6-8), students learn and practice analytical thinking through a series of exercises in dialectic. In this stage students focus on developing their ability to see the connections between their own thoughts and the ideas being presented in class; this stage takes advantage of the child's natural tendency to push back and challenge because it forces students not simply to accept ideas, but to think through their criteria for evaluation. The Charter School's School of Logic incorporates regular instruction in formal, Aristotelian logic.

*Rhetoric.* Rhetoric is the ability to apply the foundational knowledge and logical understanding of a subject purposefully and creatively to solve a problem, express an opinion with clarity or create something new. In the final stage, the Rhetoric stage (grades 9-12), students learn and practice how best to express their own ideas. This stage focuses students on learning how to write and articulate their thoughts and beliefs and to defend them via argumentation. This stage capitalizes on the child's natural desire to argue and understand his/her place in the world. The Charter School's School of Rhetoric incorporates instruction in Ancient and Modern rhetoric for all students.

Classical education always has integrated into a whole what various educational movements have tried to isolate and treat separately. The "back to basics" movement gets stuck in the grammar stage. Reading, writing, and math skills, along with a knowledge of the facts of science, history, and geography are essential, but are of limited use without an understanding of how they are related and how they can be expressed and applied. Critical and higher order thinking skills are the essence of the logic stage, but many would skip over the required foundational knowledge, and the tools to acquire that knowledge, about which one is expected to think critically. Creativity and self-expression are buzzwords today, but too many children have no tools with which to be creative other than personal feelings and limited experiences. The rhetoric stage is defined by creativity and self-expression, but from a foundation of knowledge and understanding.

*Physical Education.* A healthy body promotes a healthy mind. Students are taught physical fitness and encouraged to become competent in sports which will become lifelong activities.

### **Extracurricular Activities**

For students in grades K-5, the Charter School currently offers extracurricular clubs and activities in art, science, language, chess, drama, Lego robotics, keyboarding, fencing and cross-country running.

Students in grades 6-8 can participate in extracurricular activities and clubs such as art club, cheer team, chess club, drama, fencing, Lego robotics, magic club, yearbook, and yoga club.

For students in grades 9-12, the Charter School currently offers many extracurricular activities, including, art club, cheer team, chess club, current events club, dance, debate, drama, fencing, film, school news, mock trial, yearbook, yoga, and more. Athletic teams (either as Nova Classical teams or as members of a coop) for grades 7-12 currently include soccer, volleyball, basketball, baseball, track, cross country running, and hockey.

The Charter School students have a variety of extracurricular opportunities in musical performance. Three musical ensembles are offered at the Upper School (grades 6-12) with an ensemble at the Lower School (grades K-5). Separate community resources come to the Charter School to operate the band and strings programs as well as individual and groups lessons. Band begins in fourth grade and orchestra/strings begin in third grade. Both band and strings students perform for the Charter School community. The Charter School's fourth grade students also participate in an opera performance through a community resource.

**[COVID-19 Impacts on Curriculum] [Please add more about the impact of COVID-19 on curriculum and learning plan. Indicate how much time students participated in-person learning vs. hybrid vs. distance learning.]**

The Charter School went to full distance learning [\_\_\_\_\_], 2020. Grades K-1 returned to in-person learning on March 8, 2021, grades 2-3 returned on March 11, 2021, and grades 4-5 on March 15, 2021. On April 19<sup>th</sup>, grades 6-8 began a hybrid model of two days of in-person learning and three days of distance learning, with the option to remain in the full distance learning model. The school anticipates returning all grades K-12 to in-person learning for the 2020-2021 school year.

## GOVERNANCE; ADMINISTRATION; FACULTY; AND FACULTY RETENTION

### Governance

Minnesota law requires all charter schools to be governed by a Board of Directors. The Charter School’s Board of Directors (the “Board”) generally meets monthly or more often as necessary. All Minnesota charter school boards are subject to Minnesota’s public meeting laws, thus, the Board meetings are public meetings. The Board holds regularly scheduled board meetings, typically once a month, and the minutes are posted on the Charter School’s web site.

Prior to June 2021, pursuant to the Charter School’s Bylaws, the Board consisted of eleven directors with staggered three-year terms. In November and December 2020, the Board voted to reduce the size of the Board by two seats, removing a community member seat and a parent seat. After June 30, 2021, the Board will be comprised of nine directors, consisting of five parents of currently enrolled students, three licensed teachers currently employed by the Charter School, and one community member. Board members may serve multiple terms. Replacement Board members are selected by election.<sup>1</sup>

### Board Members

The following is a summary of information about the Charter School Board: **Please update with results from May 24 election. There should only be nine Directors going forward!**

Name	Board Position	Month Seated	Term Expiration
Melissa DeJesus Hernandez	Director, Parent	July 20__	June 20__
Claudia Gumbiner Hungs	Director, Parent	July 2014	June 2024
Divya Karan	Director, Parent	July 2019	June 20__
Nicholas LaRusso	Director,	July 20__	June 20__
Becky Lund	Secretary, Teacher	July 2016	June 20__
Frank Ross	Director, Chair-Elect, Parent	July 2019	June 20__
Sasha Ross	Director, Teacher	July 2021	June 2024
Diane Ruday	Director, Teacher	July 20__	June 20__
Jennie Winter	Director, Treasurer, Parent	July 2017	June 20__

**Melissa DeJesus Hernandez, Director and parent.** Ms. Hernandez and her husband, Juan, enrolled their daughter at the Charter School nine years ago. Since then, she has had the honor and joy to serve the Charter School as an active member of the Nova Parent Teacher Organization (the “NPTO”) (2012-Present) and School Climate Committee (2014-2017), a Recess Teacher (2013-2014), as well as the Lower School (LS) Office Manager (2014-2019). Melissa’s background is in Organizational Management and prior to her work with the Charter School she was employed in the hospitality industry as a Restaurant Development Manager.

**Claudia Gumbiner Hungs, Director and parent.** Ms. Gumbiner Hungs is the parent of two Charter School students. Claudia serves on the Academic Excellence Committee. She brings 20 years of management consulting, strategic planning, and project management experience in both for-profit and non-profit environments. Claudia has a BA in Psychology from UC Berkeley and an MBA from the Anderson School of Management at UCLA.

**Divya Karan, Director and parent.** Ms. Karan has two children in the Charter School’s Upper School. She grew up in India and came to the US as an undergraduate student. She is an Information Technology professional who is currently an independent consultant on projects at two twin cities companies. She has worked in various roles for large companies like Target Corporation, Wells Fargo, MicroStrategy Inc, and First Data Corporation as well as public universities like the University of Minnesota, CUNY Graduate Center, and the University of Illinois at Urbana-Champaign. Divya has volunteered as a Hindi language teacher at School of India for Languages and Culture, served

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<sup>1</sup> Under the terms of the Charter School’s Articles of Incorporation and Bylaws, the State Board has the power and authority to replace members of the Board for any reason without cause.

on its Board of Directors, and is a Director on the board of Ananya Dance Theatre. She also volunteers her time for the Metropolitan Regional Arts Council. She has a BS degree in Physics (Hons) from Kent State University and an MBA from the University of Nebraska-Lincoln.

**Dr. Nicholas LaRusso.** Nicholas LaRusso, M.D., is the Charles H. Weinman Endowed Professor of Medicine, the former Medical Director of the Mayo Clinic Center for Innovation (CFI) and Mayo Clinic Center for Connected Care, and a Distinguished Investigator of the Mayo Foundation. Dr. LaRusso is a member of the American Association of Clinical Investigation and the Association of American Physicians, he is the former editor of GASTROENTEROLOGY and past president of both the American Association for the Study of Liver Diseases and the American Gastroenterological Association. Dr. LaRusso is ranked in the top 1% of physicians in the country by US News and World Report.

**Becky Lund, Board secretary and 2nd grade teacher.** Becky has been at the Charter School since it opened its doors in 2003 and has served on several committees during her tenure including the Curriculum Committee and the Governance Committee. Becky received her BA in Elementary Education from Augsburg College and her MA in Education from Hamline University. She also received an additional license in K-12 Reading from Hamline.

**Frank Ross, Board chair-elect and parent.** Frank Ross has two students at the Charter School. He serves on the Governance and Finance Committees. Frank leads the Cyber Security Operations team at General Mills which is responsible for their global Cyber Security infrastructure. He is responsible for the overall strategy, execution, and life-cycle management of the key platforms ensuring the organization's business applications, enterprise systems, network assets, and data are safeguarded against current and emerging cyber security threats. Frank holds bachelor's degrees in Computer Science and Sociology from Macalester College and a Master's degree in Software Engineering from the University of Saint Thomas. He brings a strong background in governance, process improvement, and operations research from previous and current roles with numerous large corporations. Frank regularly volunteers with Habitat for Humanity, Prepare + Prosper, and is a member of the Cyber Security Summit Advisory Board.

**Sasha Ross, Teacher.** [Please provide a short bio]

**Diane Ruday, Teacher.** Ms. Ruday has been a teacher at the Charter School for 11 years. She teaches math in grades 1-5 and is the Math Lead in the Lower School. Diane has a Masters of Arts in Teaching from Hamline which she earned in 2011. Prior to coming to the Charter School, she was a math tutor for Independent School District 833 and a long-term substitute math teacher at Lake Junior High School in Woodbury. Before that, Diane spent 20 years as a computer programmer. She worked at 3M in the Industrial Mineral division and was the computer programmer and the project manager on a system that was installed in the roofing granule plants.

**Jennie Winter, Director and treasurer.** Ms. Winter has been a Charter School parent since 2011 and has three children, all of whom attend the Charter School. Jennie was a founding partner at Winter Klein Communications, where she worked for fourteen years on a variety of strategic marketing and HR communications projects. Prior to starting Winter Klein Communications, Jennie worked in corporate finance at Medtronic, Inc., and was earlier employed in marketing at United Way. Jennie also taught English for two years to secondary school students in Vanuatu as a Peace Corps volunteer. Jennie has an MBA in strategic management, marketing, and finance from the University of Minnesota, where she received special honors in strategic management and a BA with honors from UW-Madison. Jennie served on a similar board alongside faculty and administrators at UW-Madison.

## Administration

Key administrators of the Charter School include the following individuals:

**Dr. Brett Wedlund, Executive Director.** [Please provide a short bio]

**Michael Pelofske, Upper School Principal.** [Please provide a short bio]

**Brook Tousignant, Lower School Principal.** Ms. Tousignant holds a K-12 principal license, a K-6 Elementary Education License and a Grades 5-9 Language/Arts Communication license. Ms. Tousignant joined the Charter School in 2015 as the Lower School Principal. Ms. Tousignant has a Master's Degree in Education -

Elementary Education from the University of Minnesota and a Bachelor’s Degree in Foundation of Education from the University of Minnesota.

*Natalie Ferguson, Student Services Coordinator.* **[Please provide a short bio]**

**Faculty**

**[Please update]** The Charter School employs an Executive Director, a Lower School Principal and an Upper School Principal, [a Student Services Coordinator, a Dean of Student, a Psychologist, a Project Manager, and a Director of College Counseling]. The Charter School employs [ ] full time teachers and [ ] part time teachers. All teachers employed by the Charter School are credentialed or approved for credentialing and meet State requirements for public education instructors. More than 70% of the Charter School’s faculty has advanced degrees in their fields, including [ ] who have earned a PhD.

**Faculty [Please confirm 2020-2021 numbers]**

	<b>2016-2017</b>	<b>2017 – 2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Teachers	63	64	68	68	56
Administrators	6	5	5	7	2
Professional Support	14	14	14	16	34
Other Staff Members	24	23	36	44	19
<b>Total Employees</b>	<b>107</b>	<b>106</b>	<b>123</b>	<b>135</b>	<b>113</b>
Average Student: Teacher Ratio	15.1:1	15:1	14:1	15:1	18:1

*Source: Minnesota Report Card and Charter School internal records.*

**Teaching Experience [Please update/confirm]**

	<b>2020-2021</b>
Less than 3 Years’ Experience	78
3-10 Years’ Experience	53
More than 10 Years’ Experience	

*Source: Minnesota Report Card and Charter School internal records.*

**Teacher Retention**

The table below gives the current retention rate for the 2016-2017 through 2020-2021 school years, or the percentage of teachers employed by the Charter School in September as compared to those employed by the Charter School in May of the prior year:

**Teacher Retention Rate from the 2016-2017 to 2020-2021 School Years [Please confirm]**

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Faculty	86.0%	88.0%	86.6%	82.2%	89.2%
Educational Support	71.0	79.0	85.2	67.7	70.4%
Program Support	100.0	92.0	83.4	76.0	72.6%
Administration	50.0	60.0	100.0	100.0	100%
<b>Total Percent of Teachers Retained From Prior School Year</b>	<b>71.9%</b>	<b>79.8%</b>	<b>88.8%</b>	<b>81.6%</b>	<b>83.1%</b>

*Source: Charter School internal records.*

## Teacher Employment Status

All of the Charter School's teachers are at-will employees. To the Charter School's knowledge, there have been no efforts to date by the Charter School's teachers to organize into a union.

## Volunteers

The Charter School actively encourages the parents of students to volunteer for the school. Families are expected to make a commitment to the school for 20 hours of volunteer service each year. Parents volunteer at the Charter School in a wide variety of activities, including through the very active Nova Parent Teacher Organization ("NPTO"). Some of the ongoing NPTO structures include [a Room Parent Organization for parents,] an Upper School Parent Advisory and a Lower School Parent Advisory Counsel. **[Does the Room Parent Organization still exist?]**

Parent volunteer participation at the Charter School is very high, which contributes to the cohesive sense of community among the Charter School's student body. Volunteer service is valued and recognized at all levels including participation on the Board, in the classroom, at school events, and projects that can be done from home. Several school activities are enhanced by the support of parents including the athletic program, the drama productions, and extracurricular clubs such as Math Team, Mock Trial, and Lego Robotics. [In the 2019-2020 school year, approximately [ ] hours of parental volunteer time were contributed to the Charter School. Of the [500+] families at the Charter School during the 2019-2020 school year, approximately [ ] families ([ ]%) volunteered time for the Charter School, and about [ ] ([ ]%) of these families completed 20 or more hours in the year. The Charter School's standard volunteering programs were put on hiatus for the 2020-2021 school year due to the COVID-19 pandemic.] **[Please update]**

## THE SCHOOLHOUSE

### 2011 Project

In 2011, the Company used proceeds of the Series 2011 Bonds to finance the acquisition of approximately 2.03 acres of land and the construction and equipping of the current Schoolhouse (the "2011 Project"). As a part of the 2011 Project, the Issuer conveyed the Easement to the Company for the use of certain adjacent land for open space and storm water management, and for the construction of the Parking Lot.

Prior to the construction of the Schoolhouse, the Charter School occupied two site locations via three separate leases. The upper campus (which housed grades 6-11) was located in a 33,000 square foot building at 426 Osceola Avenue South, Saint Paul, Minnesota 55102, owned and leased from the St. Francis-St. James parish (the "Upper Campus"). The Upper Campus building contained 17 classrooms, four offices, a 4,000 square foot gymnasium, and a 1,100 square foot cafeteria.

The lower campus (which housed grades K-5, the Upper School), was located at 1668 Montreal Avenue, Saint Paul, Minnesota 55116 (the "Lower Campus" and, together with the Upper Campus, the "Former Facilities"), and consisted of two buildings: (a) a 24,600 square foot building owned by and leased from Lumen Christi Catholic Community, and (b) a 10,000 square foot modular building leased from Innovative Modular Solutions (located on the same property). The Lower Campus main building contained 14 classrooms, three offices, one work room, and a single 2,200 square foot common room that was used for eating, assemblies, and gym class. The modular building contained nine classrooms and one work room, each 700 square feet.

The Schoolhouse, which now holds both the Upper School and the Lower School, is a three-story, steel-framed building of approximately 92,400 square feet, consisting of 58 classrooms, a gym and locker rooms, music and art rooms, a café, and associated administrative space. The move from Former Facilities into the Schoolhouse benefited the Charter School in several ways: (i) it reduced the overhead associated with the redundant administration required for two sites, including on-site personnel and the shuttling of people and items back and forth between campuses; (ii) it significantly reduced the Charter School's transportation (bussing) costs; (iii) the new building "right sized" the facility to the Charter School's programs, appropriately sizing classrooms to the Charter School's needs; (iv) it enables the Charter School to "brand" itself and market its program as a cohesive whole.

The move into the Schoolhouse did not negatively affected enrollment. The Schoolhouse is within a mile of each of the Former Facilities, and almost exactly half way between them. At the time of the move, the Schoolhouse was within 3 miles of 80% of existing the Charter School students, most of whom were residing in the Saint Paul Public School District. The Charter School has enjoyed steady growth in enrollment since moving into the Schoolhouse. As in prior years, the Charter School has limited its growth to avoid diluting its academic program. The Schoolhouse can accommodate approximately 1,100 pupils, depending on the distribution among grades.

The Schoolhouse is more accessible from more directions than either of the Former Facilities. Each of the Former Facilities were located in neighborhoods far from any artery roadways or freeway interchanges. The Schoolhouse is located just a block off of Highway 5, which is a main arterial running northeasterly/southwesterly from the Minneapolis/Saint Paul International Airport to downtown Saint Paul, and just 4 blocks from the nearby interchange with interstate 35E, which provides quick access to all parts of the Twin Cities metro.

### **2016 Project**

The 2016 Project consisted of (i) the advance refunding of a portion of the Series 2011 Bonds; and (ii) the financing of the acquisition of approximately 1.15 acres of additional land adjacent to the Schoolhouse for use as playground and athletic fields/physical education space, and certain capital improvements thereto.

The Charter School and the Company are currently in discussions with the City's Parks Department regarding contributing a portion of the proceeds of the Series 2016 Bonds to the City's construction of athletic fields on City parkland adjacent to the Schoolhouse. In the event the City and the Company/Charter School are not successful in an appropriate use agreement in consideration of a contribution, then the Company will utilize such funds for athletic fields on land owned by the Company or improvements to the Schoolhouse.]

### **2021 Financing**

The proceeds of the Series 2021 Bonds will be used by the Company [along with funds of the Company] to refund the outstanding Series 2011 Bonds maturing on September 1, 2031. None of the proceeds of the Series 2021 Bonds will be used for additional acquisition, improvement or renovation to the Schoolhouse.

### **THE CHARTER SCHOOL'S FINANCE MANAGER**

Dieci School Finance, LLC, a Minnesota limited liability company (the "Finance Manager" or "Dieci"), provides financial management services to the Charter School pursuant to the terms of a contract between the Charter School and the Finance Manager (the "Finance Management Agreement"). Under the Finance Management Agreement, the Finance Manager is responsible for certain financial services to the Charter School, including but not limited to budgeting, accounts payable and receivable, payroll and payroll tax, state and federal reporting requirements, financial statements and cash flow analysis, and other financial services. The Finance Manager has provided financial management services to Minnesota charter schools since [REDACTED].

The Finance Manager and the Charter School believe that the Finance Management Agreement complies with safe harbors contained in Internal Revenue Service Revenue Procedures 97-13 and 2001-39 (the "Safe Harbors").

The following individuals are key administrators of the Finance Manager:

**Robert Procaccini, CPA, MASBO Certified.** Mr. Procaccini has over 11 years of experience in school finance and accounting. Mr. Procaccini started his career in school finance and quickly rose through the ranks to become a leader in providing school finance knowledge and quality service to charter school clients. Mr. Procaccini earned his CPA license in 2010. Mr. Procaccini earned a Bachelor of Arts in Accounting from the College of St. Scholastica and is a Certified School Business Official with the Minnesota Association of School Business Officials.

**Joe Aliperto.** Mr. Aliperto has more than 12 years of finance and accounting experience in both the public and private sector, working with a wide variety of clients throughout the nation. Prior to his career in school finance, Mr. Aliperto spent five years managing projects dealing with complex financial analysis, rate studies, determination

of revenue requirements and cost of service analysis. Mr. Aliperto has considerable experience in key account analysis, financial forecasting, load analysis, and other financial analysis. Mr. Aliperto was previously an auditor of both public and not for profit entities including governmental agencies and charter schools. Mr. Aliperto earned a Bachelor of Business Administration in Accounting from Concordia University.

## ENROLLMENT; DEMOGRAPHICS AND TRANSPORTATION

### Historical and Current Enrollment

The following tables set forth the Charter School’s historical and projected enrollment by grade level. The information below follows school years (September-June), and the numbers represent actual head counts based on state-reported data.

<b>Historical Enrollment</b>					
<b>Grade</b>	<b>2016- 2017</b>	<b>2017- 2018</b>	<b>2018- 2019</b>	<b>2019- 2020</b>	<b>2020- 2021</b>
K	79	81	80	80	80
1	78	78	78	81	81
2	78	78	80	81	81
3	77	78	78	81	81
4	78	78	79	81	81
5	78	78	79	81	81
6	81	81	82	82	83
7	78	81	80	85	83
8	80	80	82	84	83
9	74	78	77	74	75
10	64	74	77	74	75
11	66	67	64	75	60
12	42	66	59	63	50
<b>TOTAL</b>	<b>953</b>	<b>998</b>	<b>995</b>	<b>1024</b>	<b>994</b>

*Source: Charter School Internal Records*

As of [REDACTED], 2021, enrollment for the 2021-2022 school year is as follows [PLEASE UPDATE WITH CURRENT ENROLLMENT]:

<b>Grade</b>	<b>2020-2021</b>
K	80
1 <sup>st</sup>	81
2 <sup>nd</sup>	81
3 <sup>rd</sup>	81
4 <sup>th</sup>	81
5 <sup>th</sup>	81
6 <sup>th</sup>	83
7 <sup>th</sup>	83
8 <sup>th</sup>	83
9 <sup>th</sup>	75
10 <sup>th</sup>	75
11 <sup>th</sup>	60
12 <sup>th</sup>	50
<b>TOTAL</b>	<b>994</b>

*Source: Charter School internal records.*

## Future Enrollment Projections

The following table shows the future enrollment projections at the Charter School.

<b>Projected Enrollment</b>				
<b>Grade</b>	<b>2021- 2022</b>	<b>2022- 2023</b>	<b>2023- 2024</b>	<b>2024- 2025</b>
K	80	80	80	80
1	81	81	81	81
2	81	81	81	81
3	81	81	81	81
4	81	81	81	81
5	81	81	81	81
6	83	83	83	83
7	83	83	83	83
8	83	83	83	83
9	76	76	76	76
10	76	76	76	76
11	62	62	62	62
12	52	52	52	52
<b>TOTAL</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

*Source: Charter School Internal Records*

## Historical Wait List **[Please update]**

The Charter School enjoys a robust waiting list. The Charter School requires families wishing to be on the wait list to re-apply each year. This practice ensures that the wait list reflects families who are actively and currently interested in attending the Charter School and also complies with Minnesota law related to charter school wait lists.

**[Please update the chart below with waitlist info for the 2020-2021 school year]**

### Wait List by Grade Level

<b>Grades</b>	<b>2018- 2019</b>	<b>2019- 2020</b>	<b>2020- 2021</b>
K	150	152	
1 <sup>st</sup>	101	76	
2 <sup>nd</sup>	64	87	
3 <sup>rd</sup>	95	74	
4 <sup>th</sup>	74	66	
5 <sup>th</sup>	101	69	
6 <sup>th</sup>	114	130	
7 <sup>th</sup>	72	44	
8 <sup>th</sup>	35	39	
9 <sup>th</sup>	0	30	
10 <sup>th</sup>	3	0	
11 <sup>th</sup>	0	0	
12 <sup>th</sup>	0	0	
<b>Totals</b>	<b>809</b>	<b>767</b>	

*Source: Charter School internal records.*

**Student Attendance and Retention**

Attendance at the Charter School has consistently measured in the mid-90% range. The following tables show the student attendance and student attrition at the Charter School:

**Student Attendance Rate Please update!**

	<b>2016–2017</b>	<b>2017–2018</b>	<b>2018–2019</b>	<b>2019–2020</b>	<b>2020–2021</b>
Nova	93.9%	96.2%	95.3%	98.3%	
Minnesota	86.7%	85.6%	85.4%	85.3%	

*Source: Charter School internal records.*

**Student Attrition Rate Please update!**

<b>Students</b>	<b>2016–2017</b>	<b>2017–2018</b>	<b>2018–2019</b>	<b>2019–2020</b>	<b>2020–2021</b>
Student retention rate	9%	4%	7%	6%	

*Source: Charter School internal records.*

**Student Demographics**

The following chart gives the official racial demographics of the students enrolled at the Charter School for the 2020-2021 school year.

**Demographics**

Native American	0.3%	Limited English Proficient	3.8%
Hispanic/Latino	8.1	Special Education	7.8
Asian	10.8	Free and Reduced Lunch	4.5
African American	8.0		
Caucasian	65.3		

*Source: MN Report Card.*

**Transportation Please update!**

The Charter School contracts with Monarch Bus Service, Inc. (“Monarch”) to provide bus service to its students. Under the contract, Monarch will provide \_\_\_\_\_ (\_\_\_) 65-passenger buses for morning routes and \_\_\_\_\_ (\_\_\_) 65-passenger buses for afternoon routes at \$\_\_\_\_\_ per bus, per day. If a route exceeds the planned 65 minutes, the Charter School will incur an incremental fee of \$\_\_\_\_\_ per quarter hour in excess of the allotted time. The projected number of bus riders for school year 2021-2022 is \_\_\_\_\_ (or \_\_\_%). The Charter School provides bus routes in various parts of the City and the Saint Paul Public School District No. 625.

The Charter School provides free bus transportation to all students living within the City, more than two miles from the Schoolhouse. Additionally, the Charter School provides bus transportation to students living within two miles of the Schoolhouse at a cost of \$200/family for the year. Student bus information automatically rolls forward to the next year and the bus company sends postcards to families in mid-August with bus stop information for that school year.

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## SERVICE AREA

The Schoolhouse is located in the City of Saint Paul, Ramsey County, Minnesota. According to U.S. Census data, Ramsey County had a population that has grown from 508,640 in 2010 to 550,321 in 2019. The City of Saint Paul, located in Ramsey County, had a population of 308,096 according to U.S. Census data in 2019. The Charter School draws students from almost all zip codes in Ramsey County, as well some students as from adjacent counties.

Below is a map of the Twin Cities and nearby suburbs. The count of the Charter School families are indicated by zip code location in the table below.

**[Please provide zip code map.]**

*Source: The Charter School.*

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**[Please update]** Approximately \_\_\_\_% of the Charter School’s students reside in the City with the remaining scattered throughout Ramsey and Hennepin Counties, and a few students from Dakota, Washington and Anoka Counties. The table below shows where the Charter School’s students resided as of \_\_\_\_\_, 202\_\_:

**Distribution of the Charter School’s Students by Zip Code for 2020-2021 School Year**

# students	Zip code	# students	Zip code	# students	Zip code

\*\_\_\_\_ students reside in zip codes where there are 4 or less students attending the Charter School.  
 Source: The Charter School.

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## COMPETING SCHOOLS

Based on its current enrollment, the Charter School believes the primary geographical market for its educational services is Saint Paul School District No. 625, which covers the City.

The City is also the home to many traditional district public schools as well as private and parochial schools. The following charts show the existing schools near the Charter School:

### Public and Private High Schools and Middle Schools Near the Charter School | **PLEASE UPDATE THE FOLLOWING TABLES AS NEEDED**

School	Address	Distance from the Charter School	Grade Levels	Enrollment
Central Senior High (Public)	275 Lexington Parkway North Saint Paul, MN	2.6 m	9-12	1,851
Highland Park Senior High (Public)	1015 Snelling Avenue Saint Paul, MN 55116	2.8 m	9-12	1,381
SPA/Summit School (Private)	1712 Randolph Avenue Saint Paul, MN 55105	1.8 m	K-12	□
Humboldt High School (Public)	30 Baker Street East Saint Paul, MN 55107	2.9 m	7-12	1,103
Johnson Senior High (Public)	1349 Arcade Street St Paul, MN 55106	5.6 m	9-12	1,243
St. Agnes (Private)	530 Lafond Avenue St. Paul, MN 55103	3.6 m	K-12	□
Cretin-Durham Hall (Private)	550 Albert St South Saint Paul, MN 55116	1.7 m	9-12	□
St Thomas Academy (Private)	949 Mendota Heights Road Mendota Heights, MN 55120	5.1 m	7-12	□
Visitation (Private)	2455 Visitation Drive Mendota Heights, MN 55120	5.3 m	PK-12	□
Trinity School at River Ridge (Private)	601 River Ridge Parkway Eagan, MN 55121	5.7 m	6-12	□
Highland Park Middle School (Public)	975 Snelling Avenue South St. Paul, MN	0.1 m	7-8	830
Minnehaha Academy (Private)	3100 West River Parkway Minneapolis, Minnesota 55406	4.7 m	PK-12	□

*Source: Public school information found on Minnesota Report Card.*

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**Public Elementary Schools within 5 Miles of the Charter School**

<b>School</b>	<b>Address</b>	<b>Distance from the Charter School</b>	<b>Grade Levels</b>	<b>Enrollment</b>
Monroe ECFE	810 Palace Avenue Saint Paul, MN 55102	0.4 m	Birth to 5	[ ]
Adams Magnet Elementary	615 S. Chatsworth Street Saint Paul, MN 55102	0.9 m	K-5	493
Linwood Plus Lower, Linwood Plus Upper	1023 Osceola Avenue Saint Paul, MN 55105	1.5 m	K-8	[ ]
EXPO For Excellence Elementary School	540 Warwick Street Saint Paul, MN 55116	1.9 m	K-6	549
Maxfield Elementary School	380 N. Victoria Street Saint Paul, MN 55104	2.3 m	PreK-6	273
Cherokee Heights Elementary School	694 Charlton Street Saint Paul, MN 55107	2.4 m	PreK-6	169
JJ Hill Montessori	998 Selby Avenue Saint Paul, MN 55104	2.6 m	PreK-6	384
Highland Park Elementary	1700 Saunders Avenue Saint Paul, MN 55116	2.9 m	K-5	368
Capitol Hill Magnet/Rondo	560 Concordia Avenue Saint Paul, MN 55103	2.9 m	1-8	1,193
Galtier Elementary School	1317 Charles Avenue Saint Paul, MN 55104	3.1 m	PreK-6	157
Jackson Preparatory Elementary	437 Edmund Avenue Saint Paul, MN 55103	3.2 m	PreK-6	272
Horace Mann	2001 Eleanor Avenue Saint Paul, MN 55116	3.3 m	K-6	384
Groveland Park Elementary	2045 St. Clair Avenue Saint Paul, MN 55105	3.5 m	K-6	358
Paul & Sheila Wellstone Elementary	1041 Marion Street Saint Paul, MN 55117	4.0 m	K-6	515
Dayton's Bluff Elementary	262 Bates Avenue Saint Paul, MN 55106	4.1 m	PreK-6	282
Bruce F Vento Elementary	409 E. Case Avenue Saint Paul, MN 55130	4.1 m	PreK-6	444
Crossroads	543 Front Avenue Saint Paul, MN 55117	4.2 m	PreK-5	243

*Source: Minnesota Report Card*

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There are several other charter schools in the immediate area, but none with the Charter School's focus (classical education). The following summarizes charter schools within 10 miles of the Charter School:

**Charter schools within 4 miles of the Charter School**

<b>School</b>	<b>Address</b>	<b>Distance from the Charter School</b>	<b>Grade Levels</b>	<b>Area of focus</b>	<b>Enrollment</b>
Twin Cities Academy	835 East 5th Street Saint Paul, MN 55106	4.2m	6-8	Urban education	544
St Paul City School	643 Virginia Street, Saint Paul, MN 55103	3.3m	K-8	Urban education	515
Urban Academy Charter School	133 7th St East Saint Paul, MN 55101	3.2m	K-6	Urban education	437
Avalon School	700 Glendale Street Saint Paul, MN 55114	3.7m	9-12	Project-based	247
Academic Arts High School	60 E Marie Ave, West Saint Paul, MN 55118	7.2m	9-12	Project-based art	89
City Academy	958 Jessie Street Saint Paul, MN 55130	3.8m	9-12	Urban education	124
Twin Cities German Immersion School	1031 Como Avenue Saint Paul, MN 55103	3.7m	K-8	German language and culture	587

*Source: Minnesota Report Card*

There is nothing to prevent additional charter schools, public schools, or private schools from being created in or near the Charter School's service area.

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## ACADEMIC ACHIEVEMENT INDICATORS

### College Readiness

#### *ACT Scores*

Each year every freshman, sophomore, and junior student in the Charter School’s School of Rhetoric (High School) takes the ACT test. The ACT is a national college admissions examination that consists of subject area tests in English, Mathematics, Reading, and Science along with an optional Writing test. ACT results are accepted by all four-year colleges and universities in the United States. This nationally-normed, college-preparatory test is a standard in the battery of college admissions materials. Please find results for Juniors (grade 11) below:

<b>Average ACT Score</b>	<b>Nova</b>	<b>Minnesota</b>	<b>National</b>
2020	27.4	21.3	20.8
2019	26.8	21.5	21.0
2018	27.8	21.3	20.8
2017	28.3	21.5	21.0

*Source: The Charter School, MN Office of Higher Education.*

#### *Advanced Placement (AP) Scores*

Advanced Placement is a program run by the College Board (the makers of the SAT and ACT exams) that allows students to take **courses** in high school, which can earn college credit and/or qualify them for more advanced classes when enrolling at college. A score of 3 or higher on an **AP Test** indicates that a student is capable of college level work in the subject matter. The Charter School offers AP courses in a variety of content areas.

#### Percent of AP Scores of 3+, 2019 PLEASE UPDATE

	<b>Charter School</b>	<b>Statewide</b>
Mathematics	%	65%
Computer Science	%	71%
Social Studies/History	%	70%

*\*Most recent data available. Sources: The Charter School, MN Office of Higher Education*

#### *Graduation Rate*

Starting in 2012, Minnesota began using the federally-required "adjusted cohort graduation rate" model. This model follows students in a group, or a "cohort," throughout high school and determines if they graduate within four, five, six or seven years. The four-year graduation rate shows the number of students graduating from high school within four years after entering grade nine. The Charter School’s graduation rates consistently exceed the statewide average rate.

#### Graduation Rates for Classes of 2015 through 2019

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Charter School</b>	85.7%	85.1%	93.0%	90.8%	87.9%
<b>State Average</b>	82.1	82.5%	82.7%	83.2%	83.7%

*\*Most recent data available. Sources: MDE, School Report Card.*

Please update [Graduates of the Charter School have been accepted to many well respected colleges and universities over the last few years. Graduating seniors have gone on to study at over 30 colleges and universities such as: Augsburg College, Bethel University, Bowdoin College, College of St. Benedict, Columbia University, DePaul University, Hamline University, University of Minnesota, Twin Cities, University of St. Thomas, University of Wisconsin Madison, Vassar and Yale University.]

### Academic Proficiency

As a public charter school, the Charter School students are required to take Minnesota Comprehensive Achievement (“MCA”) tests, annual state tests administered by schools to measure student performance against State standards in math, reading and science. The MCA tests help districts measure student progress toward the State’s academic standards in reading and math and also meet the requirements of the Elementary and Secondary Education Act (“ESEA”). They are given every year to measure student performance against State academic standards that specify what students in a particular grade should be able to do.

Due to COVID-19 interruptions, Minnesota schools were not required to take MCAs in the spring of 2020. As of April 2021, the Charter School was administering MCAs to onsite students. The State provided a COVID-19 refusal code to exempt students who were quarantined due to COVID-19 or to students who chose to enroll in online learning for the school year. Because the most current MCA data is from two years ago, it is difficult to make comparisons across school districts using MCA data. The following tables present the academic performance of the Charter School, as compared to Saint Paul School District No. 625 and State averages as measured by the MCA test for the 2016-2017, 2017-2018, and 2018-2019 school years.

#### MCA Math Proficiency by Grade

Grade	2016-2017			2017-2018			2018-2019		
	Nova	District	State	Nova	District	State	Nova	District	State
3 <sup>rd</sup>	82.1%	41.3%	68.1%	84.6%	39.1%	66.4%	84.6%	39.5%	65.6%
4 <sup>th</sup>	76.3	41.5	66.7	83.3	38.8	64.9	85.9	38.8	63.8
5 <sup>th</sup>	87.0	36.1	57.1	66.7	34.1	54.7	78.2	31.2	51.9
6 <sup>th</sup>	87.2	28.2	55.2	89.6	25.0	53.6	76.9	23.9	50.2
7 <sup>th</sup>	80.8	28.2	54.9	92.5	29.0	54.4	93.7	27.5	52.1
8 <sup>th</sup>	85.5	34.3	58.0	86.7	32.3	57.0	91.3	32.8	55.0
11 <sup>th</sup>	83.3	29.9	48.3	76.4	27.2	47.1	85.2	27.2	45.0

Source: MN Report Card..

#### MCA Reading Proficiency by Grade

Grade	2016-2017			2017-2018			2018-2019		
	Nova	District	State	Nova	District	State	Nova	District	State
3 <sup>rd</sup>	74.4%	33.9%	56.5%	67.9%	34.3%	55.7%	82.1%	35.2%	54.4%
4 <sup>th</sup>	71.1	34.4	56.8	74.4	34.5	55.5	73.1	34.5	55.3
5 <sup>th</sup>	93.6	46.4	67.5	75.6	46.3	66.9	88.5	46.6	65.7
6 <sup>th</sup>	89.7	39.1	63.4	93.5	39.6	64.5	80.5	38.5	62.8
7 <sup>th</sup>	84.6	33.7	57.5	91.3	37.1	58.1	92.4	37.0	57.4
8 <sup>th</sup>	93.4	38.9	58.7	82.7	37.0	58.4	86.3	39.1	57.6
10 <sup>th</sup>	88.9	38.7	60.3	89.1	40.2	59.0	90.7	45.9	60.3

Source: MN Report Card.

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## MCA Science Proficiency by Grade

Grade	2016-2017			2017-2018			2018-2019		
	Nova	District	State	Nova	District	State	Nova	District	State
5 <sup>th</sup>	93.6%	35.2%	59.9%	73.1%	32.2%	58.1%	84.6%	29.5%	54.7%
8 <sup>th</sup>	77.6	24.4	45.7	72.0	20.6	44.7	77.5	23.8	42.4
High School	93.1	35.0	56.1	80.2	36.6	52.0	82.9	34.6	54.1

*Source: MN Report Card.*

In August of 2017, the Charter School was recognized for exceptional performance in the MCAs, receiving recognition from SchoolDigger as Minnesota’s #2 rated school in the State, and in August 2018, the Charter School maintained a ranking of #6.

### Other Academic Performance Measures

*Northwest Evaluation Association (NWEA) Measure of Academic Progress (MAP).*

The Charter School tests twice yearly in grades 9 and 10, in reading and math, to assess for skill proficiency and growth. The tests are administered in the fall. Then each student is tested at the end of the course in English or Math, which falls either in January or May. Progress is measured both corporately and individually.

The Charter School’s authorizer, the Friends of Education, reviews these scores yearly to determine whether the Charter School is making adequate progress across a school year with its students. The tests are nationally normed through 10th grade, and comprise one part of a multi-faceted accountability measure in testing.

The Charter School uses these scores to help identify student needs, and schedule targeted instruction. The Charter School also uses the data to assess the effectiveness of its courses, and to implement instructional changes if a cohort does not show improved student outcomes. Finally, the math growth results are linked to one of the Charter School’s school-wide goals to improve student outcomes in math.

Unlike the MCA testing, the Charter School only missed one opportunity to administer the MAP tests due to COVID-19 (in spring of 2020); the Charter School has testing data from the fall of 2019, the fall of 2021, and soon, the Charter School will have scores from the spring of 2021.

### Multiple Measurement Domains

*Multiple Measurement Rating (MMR).* MMR is an accountability system that is focused on closing the achievement gap and promoting high growth for all students. The MMR rating system was introduced in 2011-2012 and is given to all schools in the state on an annual basis and measures school performance in the areas of proficiency, growth, achievement gap reduction and graduation rates. Using the results of the MMR and Focus Rating (defined below), Title I schools can fall into the following five groups:

- **Reward Schools:** These schools are the top 15 percent of Title I schools based on the MMR. They represent the highest-performing schools on the four domains in the MMR. Currently, the reward for these schools mainly comes through public recognition. The MDE plans to share practices from these schools with Priority and Focus schools in an effort to replicate best practices across the state. These schools are identified annually.
- **Celebration Eligible:** These are the 25 percent of schools directly below the Reward school cutoff. These schools may apply to be Celebration schools, and the MDE selects approximately 10 percent of Title I schools to receive the Celebration school recognition. Celebration Eligible schools are identified annually, and the application process to become a Celebration school occurs annually as well.
- **Continuous Improvement:** These are the bottom 25 percent of Title I schools that have not already been identified as Priority or Focus. Continuous Improvement schools must work with their districts to create and implement improvement plans as well as set aside 20 percent of Title I funds to support school improvement

efforts. The MDE audits 10 percent of Continuous Improvement schools to ensure fidelity. These schools are identified annually.

- Focus:** All Minnesota schools receive a Focus Rating (FR) that measures their contribution to the State’s achievement gap. The 10 percent of Title I schools with the lowest FR are identified as Focus Schools and must work with the MDE and the Regional Centers of Excellence to implement interventions aimed at improving the performance of the school’s lowest-performing subgroups. Essentially, Focus schools are designated to attack the achievement gap head on. Focus schools are required to set aside 20 percent of Title I funds to support school improvement efforts. These schools are identified every three years. Some Focus schools are identified for persistent low graduation rates. These are schools with a six-year graduation rate, averaged over three years, below 60 percent. This separate group of low graduation rate Focus schools will establish goals and develop improvement plans around increasing the percentage of students fulfilling graduation requirements.
- Priority:** Priority Schools are the 5 percent most persistently low-performing Title I schools based on the MMR. Just less than half of these schools are identified through their participation in the School Improvement Grant (SIG) program. The remaining schools in this group are the Title I schools with the lowest MMR results. These schools must work with the MDE and the Regional Centers of Excellence to implement turnaround plans to make drastic improvements for increased student achievement. Priority schools are required to set aside 20 percent of Title I funds to support turnaround efforts, and these schools are also identified every three years.

The Charter School has been recognized by the MDE as a Reward School for the past academic year 2019-2020 and the 2020-2021 academic year. **Can the school confirm this?** The Charter School did not accept Title I money prior to that time.

**Lower School [Please update]**

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Designation	Reward			
MMR	76.76%			
FR	86.40%			

**Upper [Please update]**

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Designation	Reward			
MMR	100%			
FR	100%			

*Source: Minnesota Department of Education and the Charter School.*

**STATE AID PAYMENTS**

The primary source of funding for State charter schools is State funding. The various types of State funding distributed to a State charter school can be divided conceptually into several main categories: (i) General Education Revenue, (ii) transportation revenue, (iii) special education revenue, (iv) Building Lease Aid, (v) compensatory aid, and (vi) other state funding.

**General Education Revenue.** Under the State Charter School Act, General Education Revenue must be paid to a charter school as though it were a district. The amount is distributed through a statutory formula. Under the formula, funding is determined by pupil units, or a State resident pupil under age 21. The system of pupil units, as defined by Minnesota Statutes, Section 126C.05, subdivision 1, as amended, is applied to a charter school by first determining the Average Daily Membership of students in each grade level. Average Daily Membership is a pupil

count that reflects actual student enrollment over the school year. It is determined by calculating the sum for all pupils of the number of days in the charter school's school year that each pupil is enrolled, divided by the number of days the charter school is in session. In the 2013 Legislative session, the State Legislature changed the Average Daily Membership formula to create funding for all-day every-day Kindergarten. The new formula went into effect for fiscal year 2017. For fiscal year 2017 and thereafter, the Average Daily Membership is multiplied by the following factor to determine the pupil units:

- (1) a kindergarten pupil who is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school is counted as 1.0 pupil unit.
- (2) a kindergarten pupil that is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school is counted as .55 pupil units.
- (3) a pupil in grades 1-6 is counted as 1.0 pupil unit.
- (4) a pupil in grades 7-12 is counted as 1.2 pupil units.
- (5) a pupil in postsecondary enrollment programs is counted as 1.2 units.

Under State statute, basic revenue for each district equals the formula allowance multiplied by the adjusted marginal cost pupil units for the school year. The State legislature generally determines the amount of aid per pupil in odd numbered years. For the 2017 legislative session, the legislature increased the formula allowance by 2% for each of the next two years, resulting in state per pupil funding of \$6,438 and \$6,567 for the 2019-2020 and 2020-2021 fiscal years, respectively. The amount of aid per pupil unit for the next fiscal year, the current fiscal year and the past ten fiscal school years as provided by the Minnesota state legislature as shown on the table below:

#### State Per Pupil Funding

Fiscal Year	State Per Pupil Funding*
2020-2021	\$6,567
2019-2020	6,438
2018-2019	6,312
2017-2018	6,188
2016-2017	6,067
2015-2016	5,948
2014-2015	5,831
2013-2014	5,302
2012-2013	5,224
2011-2012	5,174
2010-2011	5,124

*\*Reflects the basic formula allowance only, including transportation. Excluded components include sparsity, operating capital, training & experience, equity, referendum equalization, and gifted & talented*

A charter school's membership is broken down into the number of students in each category and the number is multiplied by the relevant pupil units. The State allocates the applicable funding level for the charter school according to the total number of pupil units.

The formula is defined as the State traditional school district average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus a transportation allowance, which is an amount equal to the product of the formula allowing according to State law, multiplied by .0466, calculated without basic skills revenue, extended time revenue, alternative teacher compensation revenue, and transportation sparsity revenue, plus basic skills revenue, extended time revenue, basic alternative teacher compensation aid according to State law, and transition revenue as though the charter schools were a traditional school district. In the 2015 Legislative session, the State Legislature approved extended time revenue for charter schools at

the rate of \$17 per pupil unit beginning in fiscal year 2015-16; however, this amount has steadily decreased and in 2019-2020 was at a rate of \$14 per pupil unit.

### **Special Education Revenue**

Special education revenue must be paid for each child with a disability. A charter school must be paid special education as though it were a school district. The aid is equal to the State total special education aid multiplied by the ratio of the district's initial special education aid to the State total initial special education aid.

In the 2013 Legislative session, the State Legislature changed how charter schools were reimbursed for the portion of the aid paid by the resident school district of the student, also referred to as Tuition Billing. As a result of that change, charter schools are responsible for 10% of the Tuition Billing amount that would have been charged to the resident district, which equates to approximately 4-6% of special education costs.

### **Lease Aid**

State lease aid is calculated as \$1,314 per pupil (ADM) unit for the entire school, or 90% of the school's lease obligations, whichever is less. Lease aid is paid to the School as part of the State aid metered payment system whereby all State aid entitlements for the school are calculated by the Department of Education and then payments are metered out to the school according to the State's payment schedule. Aid entitlements include General Education Aid, Lease Aid, Special Education Aid, and other miscellaneous aids. Ninety percent (90%) of the aid entitlements are paid over 24 installments during the current school year; the remaining 10% holdback is paid to the School on August 30, September 30, and October 30 of the following school year. Each payment of State aid during the school year represents 1/24th of the 90% total State aids due in that current year, but does not include an equal amount of each aid category. Payment for certain aid categories will vary throughout the year, but each semimonthly payment is predictable based on the annual aid entitlements calculated. The Charter School uses the aid payment schedule to forecast cash flow throughout the year.

## **BUDGET; ACCOUNTING; DEBT; FUNDRAISING**

### **Budget and Accounting**

A Board-appointed Finance and Budget Committee is responsible for overseeing the financial welfare of the Charter School as well as overseeing all financial reporting requirements to outside organizations. The Charter School has implemented sound "best practices" financial policies, oversight, and strategic forward thinking which allowed the Charter School to increase the total fund balance of its general fund by \$1,639,530 by the end of fiscal year 2020. The Finance and Budget Committee oversees the creation of the annual budget, accounts for spending, control contract bids, and works with the Executive Director to achieve long-term financial goals and success. This committee also ensures adequate internal controls over spending, oversees the fund balance, and communicates financial data to stakeholders.

Each year in June, a budget is prepared by for the following fiscal year, with input and oversight by the Finance and Budget Committee, with underlying assumptions and estimates clearly documented. The budget is subject at all times to review by the Authorizer. As noted above, the budget is based only on stated and federal educational funding. It does not include anticipated cash donations.

The Charter School maintains several funds, each of which is considered a separate accounting entity. A separate budget is prepared for each fund on the same basis of accounting as the year-end audited financial statements. Budgeted expenditure appropriations lapse at fiscal year-end. Mid-year, after enrollment numbers are stabilized and government funding levels are known, the Budget and Finance Committee reviews the underlying assumptions and modifies the operating budget to reflect known changes. This modified budget is presented to the Board and adopted in October.

As required by Minnesota state law, the Charter School operates as a nonprofit corporation under Minnesota Statutes, Chapter 317A. State law requires the Charter School to comply with Uniform Financial Accounting and Reporting Standards for Minnesota School Districts, which mandates the use of a governmental fund accounting

structure and mandatory reporting requirements. Separate fund financial statements are prepared for governmental and fiduciary funds. The existence of the various school funds has been established by the Minnesota Department of Education.

During the past several years, the implementation of strong financial policies and controls has been a focus of Administration and the committee. The Minnesota Department of Education has acknowledged the Charter School's efforts by presenting the Charter School with the Minnesota Finance Award from 2010 through 2020. This award is for recognition of performance in financial management and timely submission of UFARS data and audited financial statements.

The Charter School contracts with its Finance Manager for services related to its accounting, payroll, generation of financial statements, and compliance reporting.

*See* "APPENDIX B - MINNESOTA LAWS RELATING TO CHARTER SCHOOLS - in this Official Statement.

### **Audit**

Under the Charter Contract, the Charter School is required to conduct an annual financial audit. The Charter School approved the engagement of CliftonLarsonAllen LLP, as its auditor for the year ended June 30, 2020 and 2019. Audited Financial Statements for Fiscal 2020 and 2019 are included in "APPENDIX D - AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019."

### **CARES Act Funding**

In response to the COVID-19 pandemic, the federal government passed the CARES Act which provided funding for many different types of businesses and units of government. As part of the CARES Act, the Governor's Education Relief Fund (the "GEER Fund") was established, whereby the U.S. Department of Education awards grants to Governors for the purpose of providing local educational agencies ("LEAs") and other education-related entities with emergency assistance as a result of COVID-19. The CARES Act also established the Elementary and Secondary School Emergency Relief Fund (the "ESSER Fund"), whereby the U.S. Department of Education awards grants to state education agencies (SEAs), who in turn award sub-grants to schools that apply for funding. Lastly, the CARES Act established the Coronavirus Relief Fund (the "CRF"), which provides payments to State, Local, and Tribal Governments navigating the impact of the COVID-19 outbreak. The Charter School has been allocated \$246,226 of CRF funding and \$52,548 combined from the first round ESSER Fund, GEER Fund and Esser Grants by the State of Minnesota (the "State") that are funded from the initial CARES Act funding. Based upon the preliminary estimates of round two of ESSER Fund funding, which was authorized in December 2020 as part of the second round of CARES Act funding, the Charter School is anticipating receiving approximately \$77,675 of additional funding in late summer 2021.

On March 10, 2021, the United States Congress passed the "American Rescue Plan Act of 2021 (the "2021 COVID Rescue Act") which President Biden signed into law on March 11, 2021. Under the provisions of the 2021 COVID Rescue Act, there will be an additional round of ESSER Fund funding in fiscal year 2022 that is currently estimated to be approximately double the amount received in ESSER Fund round two funding. The Charter School is anticipating receiving approximately \$153,981 of round three of ESSER Fund funding in summer 2022. The provisions of the 2021 COVID Rescue Act are broader than other prior federal COVID relief provisions, but are still being interpreted at the time of issuance of the Series 2021 Bonds. At this time, the Charter School has not made any determination at this time as to how to deploy any of the round two ESSER Funds or the round three ESSER Funds anticipated to be received under the 2021 COVID Rescue Act. CRF funding, ESSER Fund funding and the other funding for K-12 education under the CARES Act and the 2021 COVID Rescue Act are all one-time funding of K-12 education programs from the federal government and is not funding that is anticipated to be continued in the future and the Budget Projection does not project that such funding will continue throughout the period of the Budget Projection.

### **Payroll Protection Program Forgivable Loan**

In response to the COVID-19 pandemic under the federal CARES Act (the “CARES Act”), the federal government has authorized the United States Small Business Administration Payroll Protection Program (“PPP”) which offers loans that may be forgivable to employers to maintain payroll if certain provisions are met. Loans under the PPP loan program will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must be used for payroll). PPP loan payments will be deferred for six months. No collateral or personal guarantees are required for PPP loans. Neither the government nor lenders will charge small businesses any fees for PPP loans. Forgiveness of a PPP loan is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness of a PPP loan will be reduced if full-time headcount declines, or if salaries and wages decrease. PPP loans will have a maturity of two years and an interest rate of 1%. The Charter School did not apply for a PPP loan under the initial round of funding under the CARES Act, but applied for and received a PPP loan from Old National Bank (previously Anchor Bank, N.A.) under the second round of CARES Act funding in the amount of \$1,212,000. As of [REDACTED], 2021, the Charter School has been granted forgiveness of the full amount of its PPP loan.

### **Summary of Financial Statements and Projections**

Financial projections for Fiscal Years 2021-2026 constitute “forward-looking” statements of the type described in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although the Charter School believes that the assumptions upon which these financial projections are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. All phases of the operations of the Charter School involve risks and uncertainties, many of which are outside of the Charter School’s control and any one of which, or a combination of which, could materially affect the Charter School’s results with respect to its future financial results.

Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions; the willingness of the State to fund public schools including charter schools at present or increased levels; competitive conditions within the Charter Schools’ service area; lower-than-projected enrollment; unanticipated expenses; changes in government regulation including changes in the law governing charter schools in the State; future claims for accidents against the Charter School and the extent of insurance coverage for such claims; and other risks discussed in this Official Statement. See “BONDHOLDERS’ RISKS” in this Official Statement.

The Underwriter has not independently verified the Charter School’s projections, and makes no representations nor gives any assurances that such projections, or the assumptions underlying them, are complete or correct.

NO REPRESENTATION OR ASSURANCE CAN BE GIVEN THAT THE CHARTER SCHOOL WILL REALIZE REVENUES IN AMOUNTS SUFFICIENT TO MAKE ALL REQUIRED DEBT SERVICE PAYMENTS ON THE SERIES 2021 BONDS. THE REALIZATION OF FUTURE REVENUES DEPENDS ON, AMONG OTHER THINGS, THE MATTERS DESCRIBED IN “BONDHOLDERS’ RISKS,” AND FUTURE CHANGES IN ECONOMIC AND OTHER CONDITIONS THAT ARE UNPREDICTABLE AND CANNOT BE DETERMINED AT THIS TIME. THE UNDERWRITER MAKES NO REPRESENTATION AS TO THE ACCURACY OF THE PROJECTIONS CONTAINED HEREIN, NOR AS TO THE ASSUMPTIONS ON WHICH THE PROJECTIONS ARE BASED.

### **Existing Debt and Obligations**

As of Fiscal Year ended June 30, 2020, the Company had a net of \$22.2 million in charter school lease revenue bonds. The Charter School also recorded a pension liability in the amount of \$6.3 million, representing the school proportionate share of the unfunded liabilities for the two statewide pension plans in which it participates (TRA and PERA). See Notes 5 and 6 of the Audited Financial Statements of the Charter School as set forth in Appendix D of the Official Statement for more detailed information about the Charter School’s long-term liabilities.

[For a number of years the Charter School has had a line of credit (the “Line of Credit”) with Anchor Bank for an amount not to exceed \$500,000. This was set up originally when the State increased the holdback percentage for state support for all public schools so that the Charter School could meet its obligations in a timely fashion. The Charter School currently does not have an outstanding balance with respect to the Line of Credit and the Line of Credit

does not have an unused facility fee. Other than the Charter School's line of credit with Anchor Bank, the Charter School does not currently have other existing debt or obligations.] **[Audit for FY end 2020 indicates the line of credit agreement was to expire on December 15, 2020. Has this been renewed? Same terms? Any outstanding balance as of May 2021?]**

### **Historical Financial Data**

The following financial data presents selected historical financial data of the Charter school, as shown in on the next page:

**[TO COME]**

### **Investment Policies**

**[PLEASE ADD A SHORT DESCRIPTION OF THE SCHOOL'S INVESTMENT POLICIES.]**

### **Fundraising**

The Charter School has a commitment not to ask families to sell items such as candy and wrapping paper to help support the Charter School. Instead, to pay for teacher training, enhanced curricular materials, and educational equipment, the Charter School raises funds primarily through the Nova Annual Appeal **[Could the school please provide a brief explanation of what this is?]** and through efforts designed by the NPTO.

A Board-appointed Development Committee is responsible for overseeing the planning and administration of philanthropic fundraising activities pursued on behalf of the Charter School, including:

- Planning and administering an annual fundraising appeal;
- Promoting the fundraising efforts of the school's the Charter School Parent Teacher Organization;
- Planning and administering grant writing activities;
- Administering project-specific major gift and capital campaigns; and
- Reviewing all proposals for fundraising activities to be approved by the Board.

The Charter School receives donations in support of its mission from a variety of individuals, corporations, and foundations. The Charter School received donations in the amount of \$[\_\_\_\_\_] in fiscal year 2020, \$[\_\_\_\_\_] in fiscal year 2019, and \$[\_\_\_\_\_] in fiscal year 2018. The Charter School intends to continue its fundraising efforts in the future. No assurance can be given that donations received in future years will continue at current levels.

### **NO MATERIAL LITIGATION **[PLEASE UPDATE]****

No action, suit proceeding, or investigation at law or in equity, before or by any court, any governmental agency, or any public board or body is pending or, to the best of the Charter School's knowledge, threatened, affecting the validity of the Indenture, the Loan Agreement, the Series 2021 Bonds, or contesting the corporate existence or powers of either the Charter School or the Company.

There is presently no material litigation pending or, to the best of its officers' knowledge, overtly threatened against either the Charter School or the Company. The Charter School has received two separate letters from legal counsel representing former employees of the Charter School, both of whom are no longer employees of the Charter School. The letters allege that the employment was ended in a manner that violated contractual or legal rights inuring to these individuals. The Charter School does not regard these threats as material to the Charter School's operation. It carries insurance coverage for these types of claims. The matters have been tendered to the Charter School's carriers.

The Charter School has not yet received a response from the carriers either accepting or declining coverage. The Charter School expects that both matters will be handled by the insurers.

There are two pending discrimination complaints against the Charter School from the 2015–16 school year. One is from the St. Paul Human Rights Commission alleging discrimination toward an individual student and one from the Minnesota Department of Human Rights alleging discrimination of Black Students in the Upper School during the 2014-2015 school year. Both complaints are awaiting a decision. The Charter School expects that decision on both complaints will not have a financial impact on the Charter School.