



Charter School Bond Issuance: A Complete History Volume 2



CHARTER SCHOOL BOND ISSUANCE: A COMPLETE HISTORY

Volume 2

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Local Initiatives Support Corporation (LISC) is dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity – good places to work, do business and raise children. LISC mobilizes corporate, government and philanthropic support to provide local community-based organizations with:

- loans, grants and equity investments
- local, statewide and national policy support
- technical and management assistance

LISC is a national organization with a community focus. Our program staff are based in every city and many of the rural areas where LISC-supported community development takes shape. In collaboration with local community groups, LISC staff help identify priorities and challenges, delivering the most appropriate support to meet local needs. LISC is Building Sustainable Communities by achieving five goals:

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CHARTER SCHOOL BOND ISSUANCE: A COMPLETE HISTORY

Volume 2

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EXECUTIVE SUMMARY

In June 2011, LISC published the first volume of *Charter School Bond Issuance: A Complete History*. Volume 1 provided the first comprehensive listing of tax-exempt charter school bond issuances through year-end 2010 and analyzed their pricing with the goal of providing greater transparency to the sector for both investors and charter school borrowers. With the addition of post-2010 issuance volume, the tax-exempt charter school bond sector has grown to approximately 600 transactions totaling over \$6.4 billion. However, the percentage of the nation's 5,600 charter schools that have accessed the tax-exempt market for their permanent facility financing needs remains below 10%.

In order for the charter school sector to attain a scale comparable to other specialized sectors of the municipal market, such as health care or higher education, there needs to be general agreement among market participants regarding credit criteria and underwriting standards. As this report illustrates, underwriting and investment in these transactions remains customized, with lack of consensus as to the fundamental measures of credit strength. This uncertainty is reflected in recent changes to rating criteria by Fitch Ratings as well as the National Federation of Municipal Analysts' establishment of a committee to develop improved disclosure practices for charter school bond offerings.

Volume 2 of *A Complete History* strives to set the foundation for such consensus by examining the academic, operational and financial drivers of credit strength and risk for charter schools and the metrics for measuring them. For the first time, this volume provides extensive data and analysis of the disclosure provided in charter school bond offering documents, the credit characteristics of charter school borrowers at the time of issuance, the current financial strength of bond-financed charter schools as reflected in audited financial statements for Fiscal Year 2011 (FY11) and the repayment performance of these borrowers as of May 31, 2012.

With the extensive data and best practices highlighted in this report, it should be possible for market participants — investors, underwriters, rating agencies, bond and underwriter's counsel, conduit issuers, states, municipalities and charter schools and their authorizers — to adopt consistent and standardized disclosure practices and underwriting criteria that will enable the charter school sector to grow to scale. Specifically, Volume 2:

- Updates basic bond information for the expanded universe of 583 charter school tax-exempt bond issues, including data on par amount, issuer, jurisdiction, rating, credit enhancement and underwriter, and further identifies which transactions remain outstanding, have been refunded or have defaulted.
- Provides cost and pricing information for 75 transactions issued between January 1, 2011 and May 31, 2012, including coupon, yield, spread to the triple-A Municipal Market Index (MMD) for select maturities, underwriter's discount, costs of issuance and "All-In Cost."
- Analyzes the disclosure documents for approximately 400 outstanding bond issues to determine if disclosure has evolved over the sector's 15-year history and makes recommendations for best practices in disclosure.
- Provides analysis of charter school credit characteristics at issuance for approximately 400 outstanding issues and calculates medians for key credit characteristics.

- Gathers data from approximately 300 offering documents with multi-year pro forma budgets and analyzes growth assumptions.
- Calculates medians for 22 different financial metrics based on FY11 audited financial statements for approximately 300 charter schools with outstanding bond issuance.
- Compares key pro forma items and metrics with actual FY11 performance for a subset of offerings with both projected and actual FY11 data available in order to assess pro forma accuracy.
- Examines the repayment performance of charter school borrowers and details the disclosure and credit characteristics of defaulted transactions.

Several key findings emerge from these analyses.

MARKET OVERVIEW

- Of the 583 charter school transactions, 448, or 76%, with a total original par of \$5.4 billion, remain outstanding. Another 115, or 20%, with a total par of \$862 million, have either matured or been refunded (refunded), and 22, or 4%, with original par of \$173 million, have defaulted. The defaulted issues represent 3% of total par originated.
- Most of the debt originated in the sector's first five years, 69%, has matured or been refunded.
- Of the 448 outstanding bond issues totaling \$5.4 billion, 13% have ratings based on the strength of some form of credit enhancement, 39% have ratings based on the school's credit and 48% are unrated.
- While charter school bonds have been issued for schools in 29 states and the District of Columbia, four states — Arizona, Colorado, Michigan and Texas — account for 52% of the number of issuances and 59% of total par originated in the sector. This percentage has decreased in recent years, however, as more schools in other jurisdictions have accessed the market.

ISSUANCE & PRICING UPDATE

- Between January 1, 2011 and May 31, 2012, 75 charter school bond offerings totaling \$1.14 billion were issued; the average term was 29 years and the average borrowing cost, or All-In Cost, was 7.60%.
- Spreads to the triple-A MMD widened to historic highs for charter school borrowers over the 17-month period, averaging 341 basis points (bps).
- Average All-In Costs declined from 7.91% in 2011 to 6.94% in the first five months of 2012 despite higher spreads for unrated issuance, primarily due to a significant decline in the MMD.

- Costs of issuance and underwriter's discount, measured as a percentage of par, continued to decline from previous years. Over the 17-month period, costs of issuance averaged 4.67%, with an average underwriter's discount of 1.81% included in those costs.
- The trend toward rated issuance continued in 2011 and 2012, with rated offerings representing a sector high of 73% of the number of issues and 80% of the par amount originated.
- The trend toward larger issue size also continued. While average issue size for all outstanding transactions is \$12.1 million, the average over the 17-month period was \$15.2 million.

BEST PRACTICES IN DISCLOSURE

- Virtually all of the offering documents for the approximately 400 outstanding bond issues reviewed included financial statements and information on the school's age and enrollment.
- There was less uniformity with regard to inclusion of multi-year pro forma budgets and waitlist information; only 82% of the offering documents contained pro formas and only 59% contained waitlist information.
- Academic disclosure has generally improved over the sector's history; however, there was significant variation in both the magnitude and type of academic performance data provided in the offering documents.
- Of the ten different types of academic performance data analyzed, there has been a trend toward inclusion of multiple years of school performance data on mandated state exams together with district, state or neighboring school comparables.
- Academic disclosure is inversely related to ease of market access, with disclosure levels increasing in more difficult market periods, such as 2008 and 2009, and decreasing in periods of greater access, such as 2006 and 2007 or, more recently, between 2010 and 2012.

CREDIT CHARACTERISTICS AT ISSUANCE

- Based on medians for a data set of approximately 400 outstanding issues, the typical charter school at the time of issuance had been open for 6.4 years, had an enrollment of 554 students and maintained a waitlist representing 37% of its enrollment. Pro forma budgets projected a median debt service coverage ratio (DSCR) of 1.53x and a median debt burden (debt service and lease expense as a percentage of revenues) of 13.4% in the fifth or final year of the projections.
- Compared to the sector as a whole, the typical investment grade charter school borrower, with a bond rating of "BBB-/Baa3" or higher, was older, 9.0 years; larger, 713 students; and had a larger waitlist, 52%. Median projected DSCR for investment grade schools was the same at 1.53x, but the debt burden was lower at 11.4%.

- The typical non-investment grade borrower, with a bond rating in the double-B category, had been open for 7.1 years, enrolled 786 students and had a waitlist of 33%. The median projected DSCR was 1.42x and the median debt burden was 14.2%, resulting in a DSCR median that was lower and a debt burden median that was higher than that of any other rating category, including unrated offerings.
- Schools with unrated offerings had the youngest median age, 3.9 years; the lowest median enrollment, 380 students; and the smallest median waitlist, 23%. Median debt coverage was virtually identical to that of the sector as a whole, 1.52x, while the median debt burden was higher at 13.9%.
- Approximately 60% of outstanding issuance is for schools that at issuance had enrollments of 500 or more students and were more than five years old.

PRO FORMA ANALYSIS

- Generally, while most pro forma budgets projected growth, it was moderate. Based on different pro forma time horizons of three, four or five years, median annual growth in enrollment, revenue and expenses ranged between 4% and 7%, and median annual growth in debt service ranged between 5% and 9%.

CURRENT FINANCIAL METRICS

- The 298 charter schools with available FY11 financial statements accounted for 354 of the 448 outstanding issuances, representing 79% of both the number and original par amount of outstanding issues.
- Across the more than 70 variables employed in the FY11 financial analysis, the vast majority of charter schools were in sound financial condition despite difficult fiscal environments in many jurisdictions. All but four charter schools had positive net income for the year. Based on overall medians, the typical charter school had net income of almost \$1 million, a 10.9% increase in net assets, net assets of \$860,000 and 58 days cash on hand.
- In terms of debt metrics, the typical charter school had \$9.2 million of debt outstanding, a debt service coverage ratio of 1.41x and a debt burden of 12.7%. Median net debt to net available income was 8.6x, and median unrestricted cash as a percentage of debt outstanding was 9.0%.
- 68% of outstanding debt reviewed was for schools with debt burdens below the maximum recommended 15% benchmark, and 39% was for schools with burdens of less than 10%.
- 70% of outstanding debt reviewed was for schools with debt service coverage ratios greater than 1.20x, and 42% was for schools with coverage ratios in excess of 1.60x.

- Medians for schools with rated debt were stronger than those with unrated debt. Median net assets for schools with rated debt was \$1.3 million, two and a half times the median for schools with unrated debt, \$518,000. Median debt burden for schools with rated debt, 10.7%, was materially lower than the burden for schools with unrated debt, 13.4%.
- Within the rated universe, schools with investment grade bond ratings were in better financial health than those with non-investment grade bond ratings, although non-investment grade schools had a larger median enrollment of 1,120 students compared to 754 students for investment grade schools.
- Despite their smaller size, investment grade schools had higher median net assets, partially reflecting the fact that these schools tend to be older. The median for investment grade schools was just over \$2 million, more than double the \$800,000 median for non-investment grade schools. There was also a large disparity in the percentage change in net assets between Fiscal Year 2010 (FY10) and FY11, with investment grade schools having a median of 13.3% compared to 5.3% for non-investment grade schools.
- Reflecting their larger size, non-investment grade schools had higher median debt outstanding, and they also had significantly higher median debt per student and median debt burden.
- Schools in ten states accounted for approximately 85% of the outstanding debt reviewed in this section.

COMPARISON ANALYSIS

- Actual FY11 financial medians were in line with pro forma projections, with enrollment and debt service expense falling within 1% of projections at issuance, total revenue and net income falling within 10% and expenses falling within 13%.
- Median actual debt service coverage was slightly lower than projected at issuance, 1.39x compared to 1.48x; however, median actual debt burden was also lower than projected, 12.7% compared to 13.4%.

REPAYMENT PERFORMANCE

- There have been 22 monetary defaults on bond issues with original par of \$173 million, representing an overall default rate of 2.7% in terms of the total \$6.4 billion in par originated and 3.8% in terms of the total 583 bond issues.
- As of May 31, 2012, there were no monetary defaults on the 257 charter school bonds with investment grade ratings, one default among the 44 issues with non-investment grade ratings and 21 defaults among the 284 unrated issues.

- In terms of par originated and number of issues, default rates for rated issues were 0.1% and 0.3%, respectively, and default rates for unrated issues were 8.3% and 7.4%, respectively.
- Defaulting schools tended to be younger, smaller schools that borrowed at a relatively high cost of funds and had higher debt burdens, particularly in the early years before stabilization of enrollment and associated per pupil revenues.
- The median time lapse between issuance and default was 3.9 years. Nine defaults, or 41%, occurred within three years of issuance. A total of 15, or 68% of the defaults, occurred within five years of issuance, with only seven, or the remaining 32%, occurring past the five-year outstanding mark.
- Due partially to variability in the length of initial charter terms, charter renewal was not a consistent indicator of academic quality or repayment ability in the 22 defaulted transactions. Eight of the defaulted schools were operating under initial charter terms of eight years or longer at the time of default and another ten schools had received one or more charter renewals prior to bond issuance.
- Sixteen, or 73% of the 22 defaults, were linked directly to subpar academics. Another four defaults, or 18%, cited declining enrollment as the primary cause, with the school's academic reputation possibly a contributing factor in the declines. In the remaining two default cases, one school is now current on its debt service payments and the other school's bonds were unwound and partially refunded due to approval irregularities associated with the original issuance.

Based on analysis of FY11 audited financial statements for 298 schools representing almost 80% of outstanding issuance, we have found that the overall financial condition of the charter school sector is sound. This conclusion is evidenced by debt service coverage and debt burden ratios superior to general market expectations, with a higher than expected median debt service coverage ratio of 1.41x and a lower than expected median debt burden of 12.7%. Moreover, schools had a surprisingly strong, 10.9%, median increase in net assets in FY11 despite cutbacks and freezes in per pupil funding in many jurisdictions. Measured by other key financial metrics, an overwhelmingly high percentage of schools were found to have satisfactory ratios.

We are hopeful that the extensive data and analysis provided in this second volume of *A Complete History* will help bring consensus regarding appropriate disclosure practices and underwriting criteria so that credit-worthy charter school borrowers can access the market at scale and

on affordable terms. We have identified six fundamental, although by no means exhaustive, disclosure items, including: audited financial statements, school age, enrollment, waitlist information, multi-year pro forma budgets and academic performance data. More recent offering documents tend to include these items, although they are not all universally disclosed.

This report reveals that the greatest disclosure gap and the majority of defaults in the charter sector pertain to academic performance. Academic quality is a fundamental credit factor in charter school underwriting; it drives enrollment, financial strength and charter renewal. It is impossible to assess credit strength without a measure for, and disclosure of, this key factor. More recent offering documents highlight academic performance; however, there is great variation in both the content and form of data provided. Although the time has passed in which offering documents solely provide lengthy descriptions of school philosophy, curriculum and other educational inputs, disclosure of academic performance data has not yet been standardized.

While we recognize that each charter jurisdiction is unique, we have developed a checklist of academic disclosure items that we believe will begin to address this deficiency:

- School's performance on required state assessments for multiple years, disaggregated by grade and subject as appropriate.
- District and/or state comparables.
- Overarching discussion of the school's state report card and Adequate Yearly Progress (AYP) status.
- Ideally, an evaluative report from the school's authorizer regarding the school's academic performance. (Although not all authorizers develop quality reports as part of their ongoing monitoring and renewal processes, inclusion of such reports for those that do would provide valuable underwriting information.)

Disclosure of improved academic performance data in a more standardized form will enable market participants to directly evaluate academics as a key underwriting component for charter schools and greatly clarify what constitutes both a quality school and a sound investment. Only then can the charter school sector of the tax-exempt market achieve a scale commensurate with the growing importance of charter schools within the nation's public education system.

METHODOLOGY

This publication, the second of two volumes dedicated to a comprehensive analysis of the charter school bond sector, includes the most expansive listing of charter school bond issuances to date, including both rated and unrated bond issuance, together with the most wide ranging data sets. Our data sources included the Municipal Security Rulemaking Board's Electronic Municipal Market Access (EMMA), Securities Data Corporation (SDC), Thompson Municipal Market Monitor (TM3), Bloomberg L.P. (Bloomberg), MuniFilings, the National Alliance for Public Charter Schools Dashboard, the National Center for Education Statistics, state department of education websites and general web searches. We also sought borrower information from conduit issuers, such as the Industrial Development Authority of Pima County, the Colorado Educational and Cultural Facilities Authority and other frequent issuers of charter school bonds. In addition, we obtained data from underwriters, rating agencies and directly from schools.

We are confident that we have identified virtually the entire universe of public offerings and private placements of primarily tax-exempt transactions for charter school facilities executed through May 31, 2012, including a significant number of transactions where no official statement was published or disclosed. These transactions often include a small taxable series, which is included in the par amount for each offering. The data does not include fully taxable offerings, such as United States Department of Agriculture guaranteed debt, or tax credit bonds, such as Build America Bonds, Qualified School Construction Bonds or Qualified Zone Academy Bonds.

MARKET OVERVIEW

Utilizing Bloomberg, EMMA and MuniFilings, we determined issuance status for all 583 bond offerings, including those which were outstanding, those which were matured or refunded (refunded) and those which have either experienced a monetary default or been restructured in a manner which altered the original repayment terms of the bond issuance (defaulted).

Appendix B contains data for each of the 583 charter school bond issuances, including dated date, par amount, issuer, school jurisdiction, type of credit enhancement, if any, lead underwriter and any ratings assigned by Fitch Ratings (Fitch), Moody's Investors Service (Moody's) or Standard & Poor's (S&P). Seven of the 583 bond offerings had two series with distinct credits for a total of 590 series. Appendix B also notes if the issuance was included in the data set for the following analyses: "Best Practices in Disclosure," "Credit Characteristics at Issuance," "Pro Forma Analysis" and "Current Financial Metrics." Issuances are color-coded based on issuance status.

"Enhanced" and "unenanced" ratings are provided for each bond issue both at issuance and as of May 19, 2012 (current). For the purposes of this study, an "enhanced" rating is a rating stemming from additional credit enhancement or some other security pledge in addition to the revenues

from the charter school itself. An "unenanced" or "underlying" rating is a rating based on the credit strength of the charter school rather than that of any other security which may be considered as part of the issue. The long-term bond rating scales employed by the three major rating agencies are included in Appendix A for reference.

BEST PRACTICES IN DISCLOSURE

This section analyzes the evolution of disclosure practices for the sector over the past 15 years for 393 of the 448 outstanding charter school bond transactions, netting out issuances that were secured by either a letter of credit (LOC) or a non-charter school credit and those for which documents were unavailable. For this data set of available offering documents for single or joint charter school credits, we identified six key, although by no means exhaustive, disclosure items — financial statements, school age, enrollment, waitlist, pro formas and academic data — and determined whether they were included in the offering documents. One disclosure item in particular, academic data, had significant variation in data type. In order to assess the differences, we divided the academic data provided in the offering documents into ten categories and analyzed the findings.

CREDIT CHARACTERISTICS AT ISSUANCE

This section analyzes the actual data included in 379 of the offering documents in order to determine the credit characteristics at issuance of the charter schools that borrowed through the tax-exempt market. This data set excludes 14 pooled or joint offerings that were part of the disclosure analysis because in many cases the schools were not responsible for each others' debt (they were severally liable). Several schools had more than one offering, and we include repeat offerings as the schools had different characteristics at the time of each issuance. Data was analyzed for the five following variables:

- **School Age:** Age at issuance calculated in years as the difference between the dated date for the offering and the school's opening date (assumed as September 1st for all issues).
- **Enrollment:** Student headcount at issuance, where available, or an alternate measure, where unavailable.
- **Waitlist:** Number of students on the school's waitlist for the most recent period available at issuance as a percentage of enrollment.
- **Debt Service Coverage Ratio (DSCR):** Net income available for debt service divided by debt service as projected for the "Latest Year" of the pro formas.
- **Debt Burden:** Debt service divided by revenue as projected for the "Latest Year" of the pro formas.

CREDIT CHARACTERISTICS DATA AVAILABILITY BY VARIABLE

Variable	Rated	Unrated	All
Age	194	185	379
Enrollment	194	185	379
Waitlist	148	76	224
DSCR	143	166	309
Debt Burden	143	166	309

Medians and averages referenced throughout this section are based on a varying number of data points. The table above summarizes this variation in the aggregate for rated, unrated and all transactions. For subsets and different sorts of the data, the number of data points employed in the analysis can be found in Appendix C.

PRO FORMA ANALYSIS

This section analyzes 309 pro forma budget projections available from the 379 offerings included in the “Credit Characteristics at Issuance” analysis. Data was collected for two of the projection years after the budget year: the first year (Year 1) and the fifth or final year of the pro formas if they had a shorter time horizon (Latest Year). Latest Year data for debt service coverage and debt burden is employed in the “Credit Characteristics at Issuance” analysis, and data particular to FY11 is employed in the “Comparison Analysis.” The following pro forma items and metrics were analyzed for growth assumptions:

- **Enrollment:** Projected student headcount, where available, or an alternate measure, where unavailable.
- **Total Revenue:** Projected total operating revenues for the school.
- **Total Expenses:** Projected total operating cash expenses, excluding debt service, capital expenditures and non-cash expenses, such as depreciation and amortization.
- **Net Income:** Total revenue less total expenses.
- **Debt Service:** All projected interest and principal payments, both senior and subordinate, as well as facility leases and other capital lease expenses.
- **Debt Service Coverage Ratio:** Net income available for debt service divided by debt service.
- **Debt Burden:** Debt service divided by total revenue.

Budget figures reflect single-year operating cash flow items, and adjustments were made to the pro formas included in the offering documents as required to ensure consistency. For example, no capital expenditures, amortization or depreciation is included in expenses, and no carry-over of prior year surpluses is reflected in revenues. Subordination of management fees for charter management organizations is not taken into account in debt service coverage calculations; i.e., these fees are not added back to net available income in the coverage calculation.

CURRENT FINANCIAL METRICS

This section analyzes the Fiscal Year 2011 (FY11) audited financial statements of 298 schools with outstanding tax-exempt debt to determine the overall fiscal condition of the charter school sector as well as formulate medians for various operating and balance sheet metrics for comparative purposes. Across the more than 70 variables employed in our research, we selected 22 that we believe are the key balance sheet and operating metrics in determining a charter school’s financial strength. While most of the financial definitions and metrics employed in this analysis are standard, we provide brief descriptions in a sidebar within the “Current Financial Metrics” analysis.

Audited financials were unavailable for 76 bond issuances that did not require school financial disclosure to municipal data repositories in FY11, including: bond offerings for schools that issued for the first time after the end of the FY11 (39), bond issues that were secured by either a letter of credit or a non-charter credit (24), and those offerings for multiple schools or schools that were too new to file audited financials for the year (13). In addition, there was no current FY11 financial information for 12 schools that issued prior to the end of FY11 and insufficient information for six other schools. The remaining 354 issuances, totaling \$4.26 billion, or 79% of both the number and original par amount of the outstanding issues, comprise the data set for our financial analysis. Net of multiple issuances by the same school borrowers, these 354 bond offerings were undertaken by 298 schools, a significant data sample that provides a valid overall profile of the charter school bond sector.

A mix of accounting standards, including both governmental and enterprise accounting, employed by the 298 schools necessitated numerous adjustments for definitional and analytical consistency, including netting out principal paid and capital outlays from operating expenses for those schools using governmental accounting. By making these adjustments, we are confident that these schools may be compared across standards and that our medians and conclusions are meaningful.

Medians referenced throughout this section are based on a varying number of data points, with a maximum of 298 data points for all schools, 143 for schools with rated debt and 155 for schools with unrated debt. For subsets and different sorts of the data, the number of data points employed in the analysis can be found in Appendix D.

COMPARISON ANALYSIS

This section compares pro forma projections with actual financial performance for a subset of 85 offerings for which we had both projected and actual FY11 data. The main pro forma operating budget items and the two key debt ratios, debt service coverage and debt burden, are compared to assess pro forma accuracy.

REPAYMENT PERFORMANCE

We identified a comprehensive list of defaulted charter school bonds by checking for material event notices in Bloomberg, EMMA and MuniFilings. We have defined a default as any transaction whose borrower, as of May 31, 2012, was unable to meet the principal and interest payments to investors that were agreed to at the time of bond issuance. Therefore, if a school has renegotiated its debt service terms with bondholders through a forbearance agreement, we have labeled it a default. A technical default, on the other hand, would not be considered a default for our analytical purposes as the reason for the technical default may be unrelated to repayment ability, such as failure to file timely disclosure information. Other technical defaults, such as revocation or non-renewal of a charter, may signal an eventual default, but they are not captured as a monetary default unless and until there is a missed payment to bondholders.

ISSUANCE AND PRICING UPDATE

In this section, we include cost and pricing information for 75 bond offerings issued between January 1, 2011 and May 31, 2012; information on prior transactions through year-end 2010 can be found in Volume 1. We provide the coupon and yield for the longest term bond of each offering, together with the spread to the triple-A Municipal Market Data Index, or MMD, based on the pricing of this long bond compared to the pricing of triple-A municipal bonds of the same maturity. We also gathered data on underwriter's discount (UD) and cost of issuance (COI), which were calculated as a percentage of the par amount of the bonds.

For fixed-rate issues with publicly available official statements and typical semi-annual payment structures, we calculated the true borrowing cost, or All-In Cost, for the issue. Debt service was calculated based on the principal amortization schedule for the issue and the coupons associated with individual serial and term bonds that comprise the offering. The target value was computed by subtracting the underwriter's discount and other costs of issuance from the par amount of the offering, subtracting any additional discount on the bonds or adding in any premium on the bonds at the time of issuance, as well as adding in any interest that may have accrued between the dated date and delivery to investors.

PRICING DATA AVAILABILITY BY VARIABLE

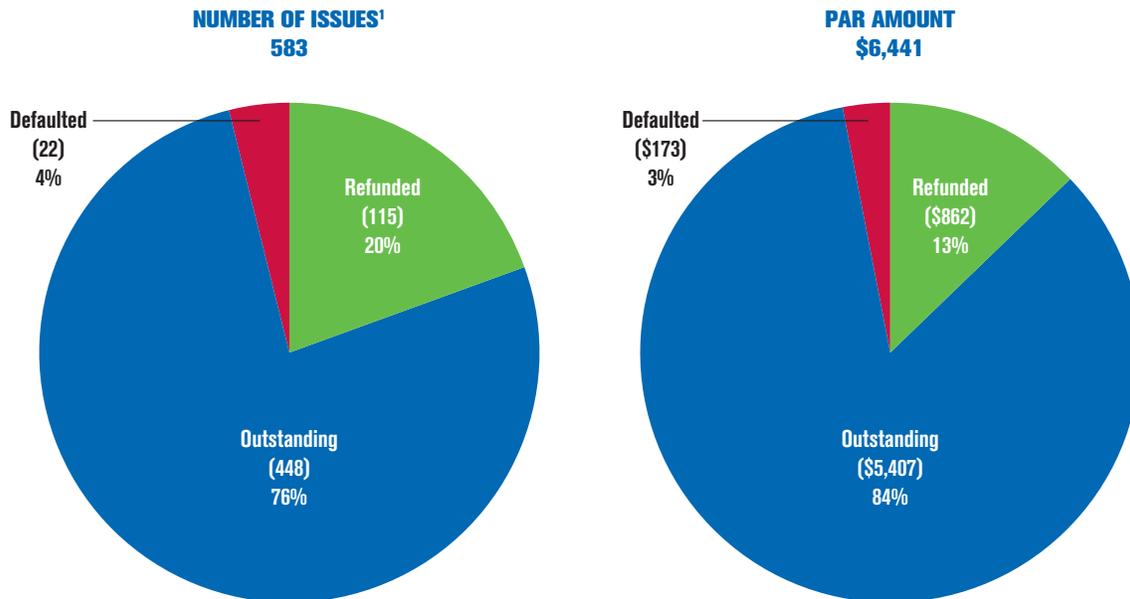
Variable	Rated	Unrated	Total
Coupon	56	19	75
Yield	56	19	75
Spread to MMD (MMD+)	56	18	74
Cost of Issuance (COI)	56	20	76
Underwriter's Discount (UD)	56	20	76
All-In Cost	55	16	71
Term	56	20	76

Two of the 75 offerings had two series of bonds with different credit profiles, bringing the maximum number of data points for any individual variable to 77. Averages referenced in this section are based on a varying number of data points. The table above summarizes this variation in the aggregate for rated, unrated and all transactions.

Downloadable spreadsheets of the appendices, together with other material from this report, are available on the EFFC's website, <http://www.lisc.org/effc/bondhistoryv2>.

MARKET OVERVIEW

AGGREGATE CHARTER SCHOOL BOND ISSUANCE STATUS (\$ in Millions)



¹ Seven of the 583 bond offerings had two series with distinct credits for a total of 590 series. Two of these offerings with multiple series had one series with an outstanding status and one series with a refunded status.

ISSUANCE STATUS

As of May 31, 2012, the number of tax-exempt charter school bond issues totaled 583, accounting for a par amount of \$6.44 billion. Approximately three-quarters of these 583 issues, with a total original par amount of \$5.41 billion and an average issue size of \$12.1 million, remain outstanding (outstanding). Another 115, or 20% of the issuances, with a total par amount of \$862 million and an average issue size of \$7.5 million, have either matured or been refunded (refunded). Twenty-two issues, or 4%, with a total original par amount of \$173 million and an average issue size of \$7.9 million, are categorized here as defaulted; they have either experienced a monetary default or been restructured in a manner which altered the original repayment terms of the bond issuance (defaulted).

Charter school bond issuance peaked in 2007 with 79 issues totaling just over \$1 billion. Issuance fell sharply during the credit crisis in 2008 and 2009, rebounding in 2010 with 74 offerings totaling \$951 million. In 2011, activity fell to 51 issues totaling \$800 million, with volume through May 2012 approximating 2011 levels. The table on the next page details the total number and par amount of charter school bonds originated each year together with a breakdown by issuance status.

Par Amount

Most of the debt originated in the sector's first five years has matured or been refinanced. Of the \$829 million par originated between 1998 and 2002, \$576 million, or 69%, has been refunded, \$221 million, or 27%, remains outstanding and \$33 million, or 4%, has defaulted. Par originated during this period accounts for 67% of total sector refundings, 4% of total sector outstanding issuance and 19% of total sector defaults as of May 31, 2012.

Approximately \$2.6 billion was originated over the succeeding five-year period between 2003 and 2007, including \$195 million, or 8%, that has been refinanced. A large majority, \$2.27 billion, or 87%, remains outstanding and \$140 million, or 5% of debt originated, has defaulted. Par originated during this period represents 23% of total refundings, 42% of total outstanding issuance and 81% of total sector defaults.

For the period between 2008 and 2012, issuance totaled \$2.9 billion, all but \$91 million, or 3%, of which remains outstanding. There were no defaults on these issues as of May 31, 2012. Par originated during this period accounts for 54% of total sector outstanding debt and 11% of total sector refundings.

STATUS BY ORIGATION YEAR (\$ in Millions)

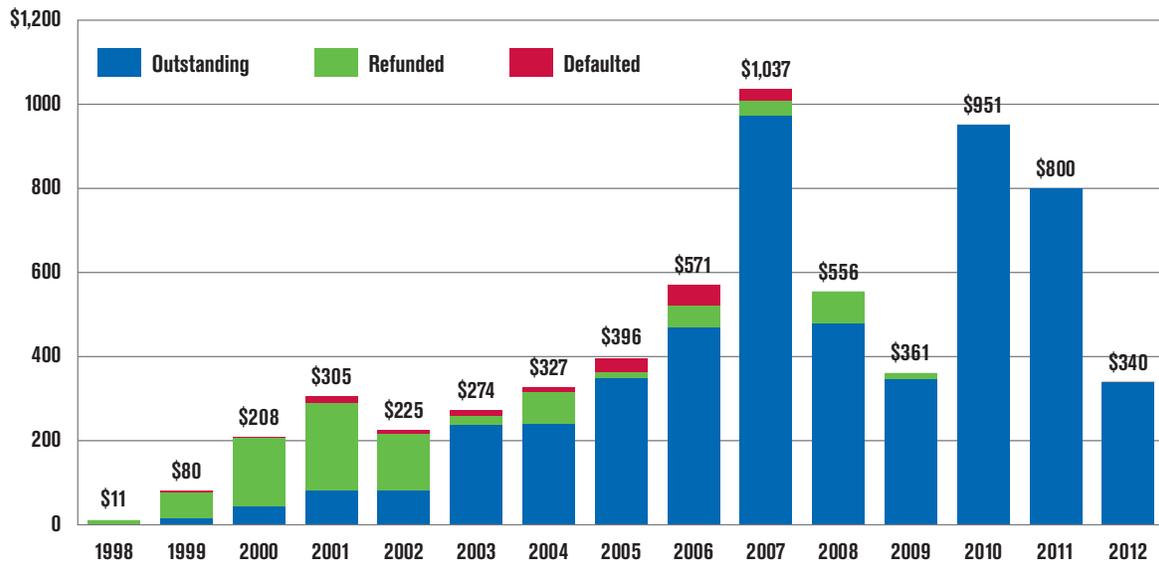
Year	Number of Issues				Par Amount			
	Out ²	Refunded	Defaulted	Total ³	Out ²	Refunded	Defaulted	Total
1998	0	4	0	4	\$0.0	\$11.2	\$0.0	\$11.2
1999	5	12	2	19	\$14.9	\$60.5	\$4.6	\$80.1
2000	4	21	1	26	\$43.6	\$161.7	\$2.6	\$207.9
2001	8	20	3	31	\$81.6	\$206.7	\$16.3	\$304.6
2002	13	18	2	33	\$80.6	\$135.4	\$9.4	\$225.5
2003	21	7	2	30	\$237.4	\$22.3	\$14.0	\$273.7
2004	28	12	2	42	\$240.8	\$73.6	\$12.5	\$326.9
2005	36	4	3	43	\$347.9	\$13.9	\$34.1	\$395.9
2006	47	7	5	59	\$468.8	\$50.5	\$52.1	\$571.5
2007	72	5	2	79	\$974.5	\$34.9	\$27.1	\$1,036.5
2008	41	3	0	44	\$478.4	\$77.4	\$0.0	\$555.9
2009	24	2	0	26	\$346.7	\$13.9	\$0.0	\$360.5
2010	74	0	0	74	\$950.8	\$0.0	\$0.0	\$950.8
2011	51	0	0	51	\$800.2	\$0.0	\$0.0	\$800.2
2012 ¹	24	0	0	24	\$340.3	\$0.0	\$0.0	\$340.3
Total	448	115	22	583	\$5,406.7	\$862.0	\$172.6	\$6,441.4

¹ Data as of 5/31/2012.

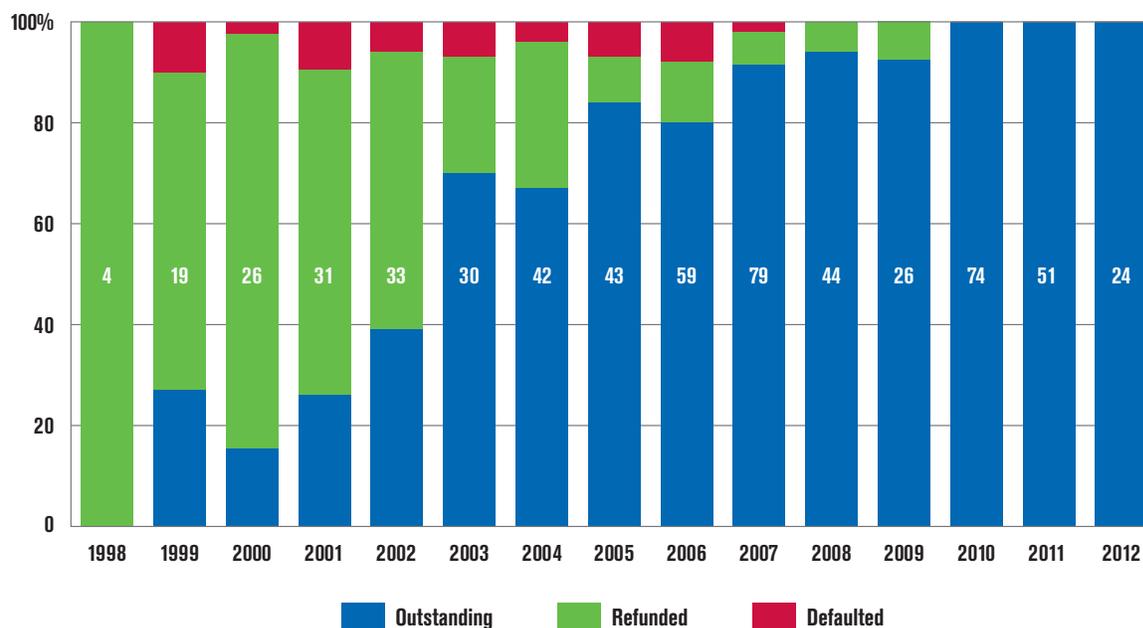
² "Out" means outstanding.

³ Two offerings had series with different issuance status.

ANNUAL ISSUANCE STATUS (\$ in Millions)



ANNUAL ISSUANCE STATUS Number of Issues¹



¹ Two offerings had series with different issuance status.

Number of Issues

For greater clarity, the graph above provides the percentage of issues by transaction status each year. The total number of issues originated annually is included on the columns for ease of reference. For example, all four issues originated in 1998 have matured or been refinanced, whereas all 51 issuances originated in 2011 are outstanding. In terms of number of issues, the highest default percentages can be found in the five-year period between 1998 and 2002. 1999 had the highest percentage of defaulted issues at 11% for two defaulted issues, followed by 2001 at 10% for three defaulted issues. During the five-year period between 2003 and 2007, 2006 had the highest default percentage at 9% for five defaulted issues, followed by 2005 at 7% for three defaulted issues. For the period between 2008 and 2012, no issuances had a monetary default status as of May 31, 2012.

STATUS BY RATING AT ISSUANCE

Of the 583 charter school bond issuances, slightly more than half were issued with ratings. The 301 rated offerings had a total par amount of \$4.38 billion and an average issue size of \$14.6 million. The 284 unrated offerings had a total par amount of \$2.06 billion and an average issue size of \$7.2 million. Two issues had both a rated and an unrated series. Roughly one-third of the ratings at issuance were based on the strength of credit enhancement (enhanced) rather than the school's own credit. The remaining two-thirds were based on the school's credit (unenhanced or underlying) and fell in the triple-B and double-B rating categories. The graph on the next page depicts the status of par originated by bond rating at issuance, including enhanced ratings where applicable.

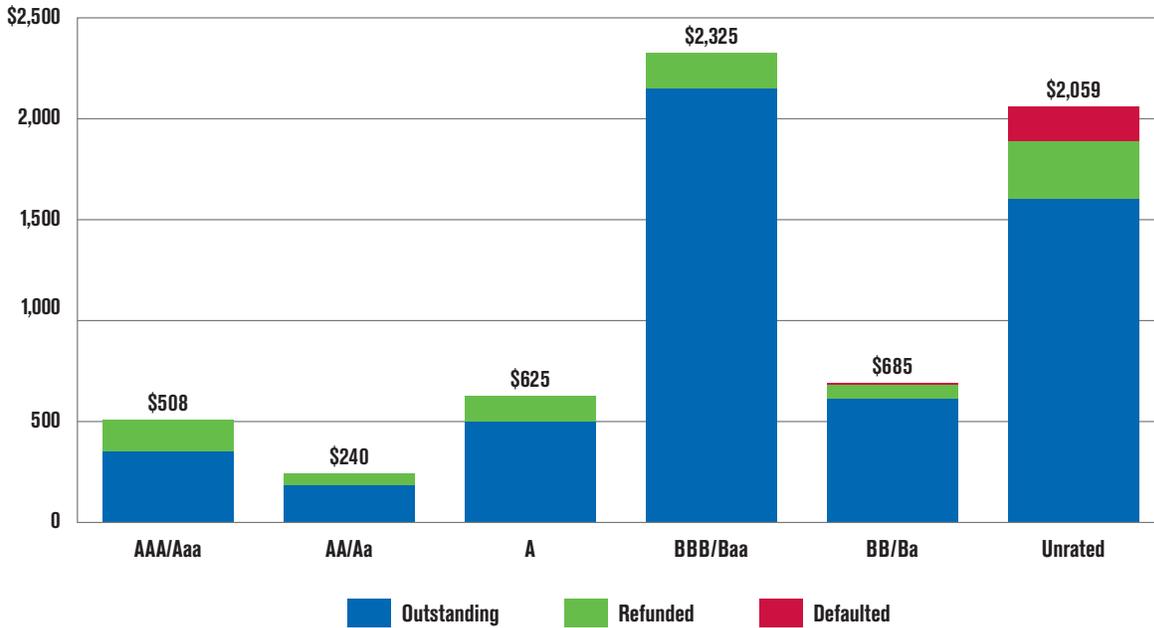
Par Amount

Triple-A rated bond issuance had a total original par amount of \$508 million, including \$156 million, or 31%, that has been refunded and \$352 million, or 69%, that remains outstanding. Double-A rated issuance totaled \$240 million of which \$56 million, or 23%, has been refunded and \$184 million, or 77%, remains outstanding. Bonds originated with an "A" rating had a total par of \$625 million, with \$124 million, or 20%, that has been refunded, and \$501 million, or 80%, which remains outstanding. None of the bond issues with an enhanced rating at issuance has defaulted.

The majority of rated bond offerings fell in the triple-B category, with a total par of \$2.33 billion. Only \$175 million, or 8%, has been refinanced, with the remaining outstanding issues totaling \$2.15 billion in original par. Of the \$685 million double-B rated par originated, \$67 million, or 10%, has matured or been refinanced, one issue with an original par amount of \$2.6 million has defaulted, and \$615 million, or 90%, remains outstanding.

Unrated issuance totaled \$2.06 billion, including \$284 million, or 14%, which has been refunded, \$170 million, or 8%, which has defaulted and \$1.61 billion, or 78%, which remains outstanding.

STATUS BY RATING AT ISSUANCE
(\$ in Millions)

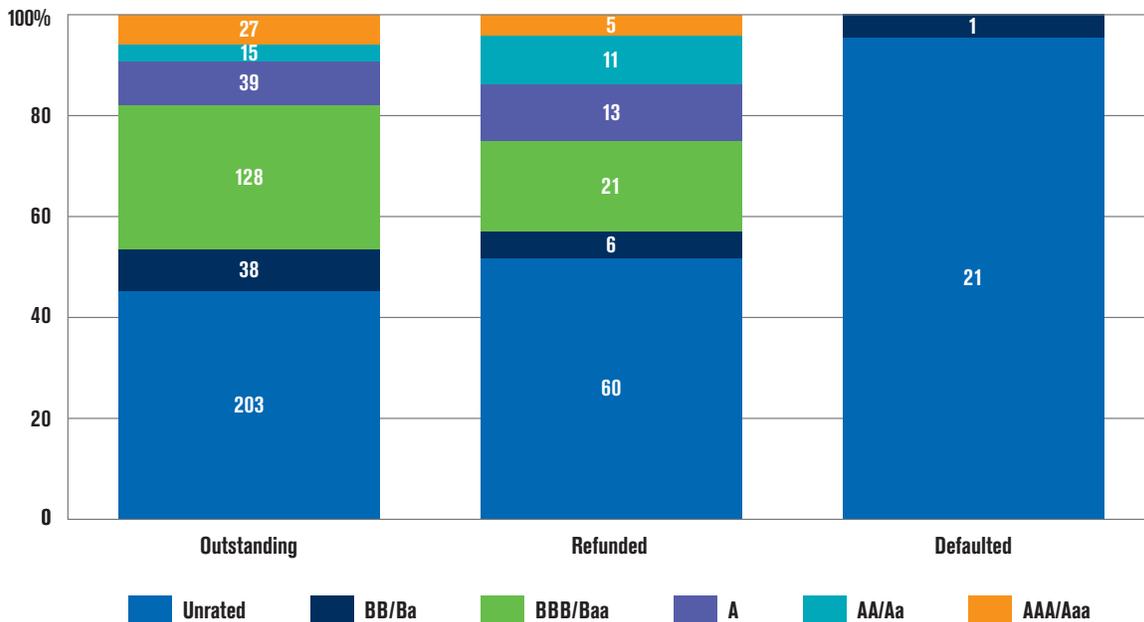


Number of Issues

The graph below depicts the breakdown of the number of outstanding, refunded and defaulted offerings by rating at issuance. As can be seen, unrated issuances represent the largest share across issuance status categories, accounting for 45% of outstanding issues, 52% of refunded issues and 95% of defaulted issues. Double-B rated issues represent a fairly small share of all three categories, accounting for 8% of outstanding

issues, 5% of refunded issues and 5% of defaulted issues. Triple-B rated issuances account for the second largest share of outstanding and refunded issues, 28% and 18%, respectively. Issues originated with enhanced ratings of "A" or higher account for 18% of the number of outstanding issues and roughly one-quarter of refunded issues.

STATUS BY RATING AT ISSUANCE
Number of Issues¹



¹ Five offerings had series either with different ratings or different issuance status.

OUTSTANDING CHARTER SCHOOL UNDERLYING RATINGS

As of May 31, 2012, 448 of the 583 charter school bond issues remained outstanding with a non-default status. These outstanding issues have a total original par of just over \$5.4 billion, and represent 76% of the number of issues and 84% of the original par amount issued. Throughout this report, we focus on this outstanding universe, analyzing the disclosure documents, credit characteristics at issuance and FY11 financial performance of these charter school borrowers. Where appropriate, we integrate discussion of underlying school ratings, either at issuance or current, as part of the analysis.

At issuance, 206 of the 448 outstanding issuances had underlying ratings based on the borrowing school's credit. The remaining 242 had no underlying rating, but 35 benefited from an enhanced rating on the bonds. Currently, 196 of the issuances have underlying ratings based on the school's credit; the remaining 252 do not, but 37 benefit from an enhanced rating.

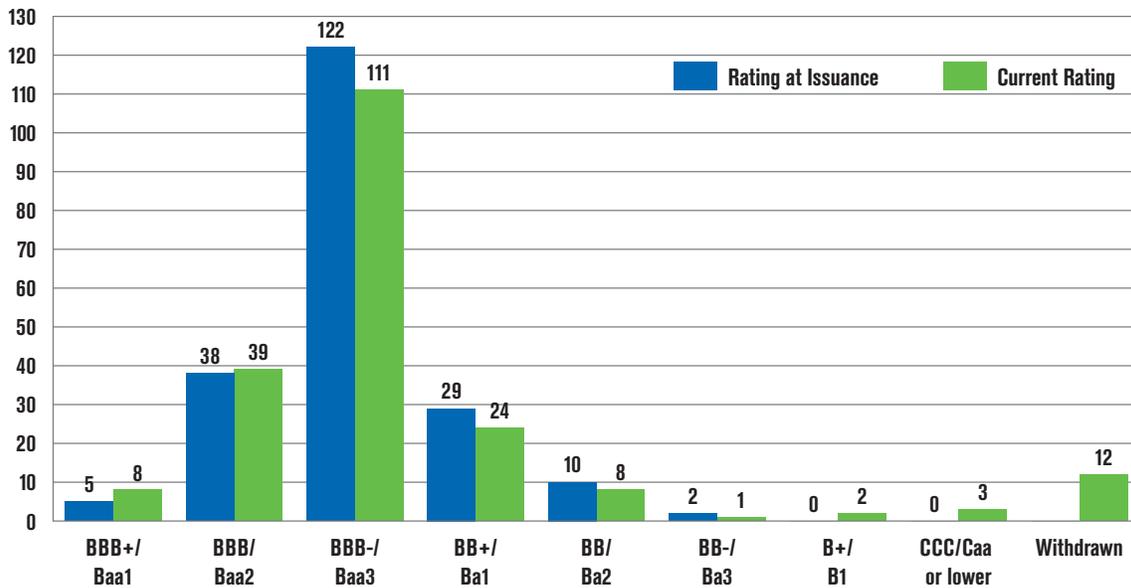
The current underlying ratings have the same general distribution as at issuance, with slight increases on the high and low margins. Roughly 80% fall in the triple-B investment grade category. On the higher end of the rating spectrum, there are currently eight "BBB+" underlying ratings

compared to only five at issuance. On the lower end of the spectrum, there are now five transactions rated below the double-B category.

Of the 206 issues with underlying ratings at issuance, 148, or 72%, currently have the same rating as at the time of issuance. Twenty-six, or 13%, have been upgraded, including 11 that were upgraded from below investment grade to investment grade. Conversely, 18, or 9%, have been downgraded, including 11 that were downgraded from investment grade to non-investment grade. Twelve, or 6%, of the initial underlying ratings were withdrawn. Eight of these withdrawals were for schools that borrowed through Colorado's moral obligation program; program administrators chose not to maintain underlying ratings for the schools in addition to the program's rating. Of the remaining four withdrawn ratings, one was a "BBB-" rating and three were double-B ratings. Two insured offerings initially issued without an underlying rating for the school subsequently obtained triple-B ratings.

The chart below illustrates the initial and current underlying ratings for the outstanding bond issues. The gradations between the major rating categories are shown here for greater clarity.

**UNDERLYING CHARTER SCHOOL RATINGS
COMPARISON OF RATINGS AT ISSUANCE AND CURRENT**

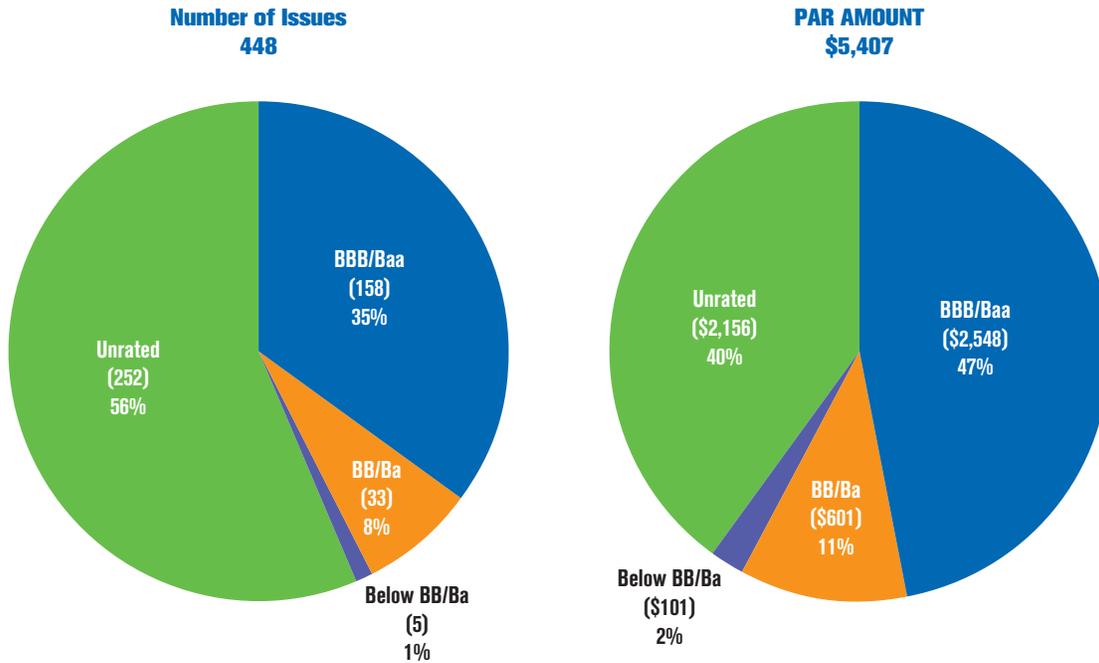


Outstanding Issuance by Current Underlying Ratings

The 448 outstanding issues have a total original par of \$5.41 billion. The 252 offerings with no underlying rating based on the school's credit account for \$2.16 billion, or 40% of original par. Offerings with underlying ratings in the triple-B category account for the largest share, \$2.55

billion, or 47%. Issuances with ratings in the double-B category have original par of \$601 million, or 11% of the total, and the five issues with underlying ratings below double-B have original par of \$101 million, or 2% of the total.

OUTSTANDING ISSUES BY UNDERLYING SCHOOL RATING (\$ in Millions)



BEST PRACTICES IN DISCLOSURE

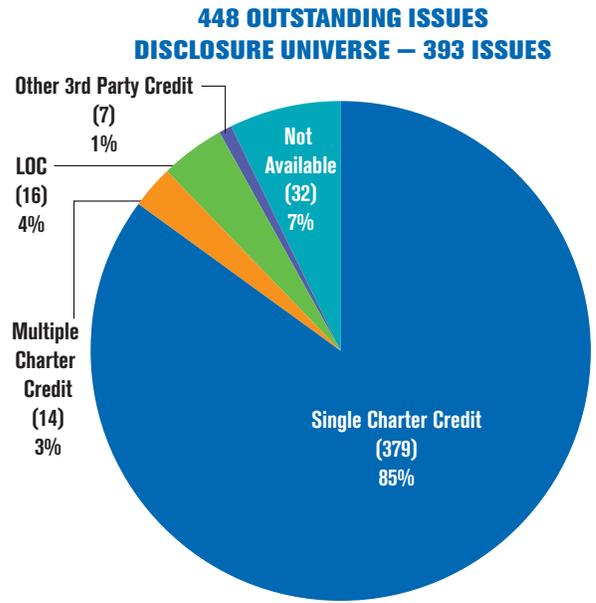
As part of the bond issuance process, charter school borrowers work with an underwriter, underwriter's counsel and bond counsel to draft the official statement, the main disclosure and offering document employed in the sale of tax-exempt bonds. A preliminary official statement (POS) is used for soliciting investors. The final official statement (OS) is printed after sale of the bonds and contains the final bond terms, including principal amounts, coupon rates, yields and maturities. The document also contains information about the issuer, the borrower's finances and operations, the project that is being financed, the structure and term of the bonds, the security and sources of repayment for the borrowing, and any credit rating.

These offering documents are designed to disclose all material facts about the borrower's operations and enable investors to make an informed assessment of risk. We undertook an analysis of the disclosure documents for the 448 outstanding charter school bond issues in order to determine if disclosure had evolved over the sector's 15-year history. We found that charter school offering documents often contain information not particularly helpful in evaluating charter school credit risk and fail to highlight the fundamental drivers of charter school risk.

UNIVERSE

We analyzed offering documents for 393, or 88%, of the 448 outstanding charter school bond issuances totaling \$4.9 billion in original par issuance. Disclosure documents were unavailable for 32, or 7%, of the issues. In addition, a total of 23 issuances, or 5%, were excluded because they were either secured by a letter of credit (LOC) or a third-party credit, such as a school district, where the disclosure was appropriately based on the letter of credit provider or school district rather than the charter school borrower. It should be noted, however, that offering documents for charter school

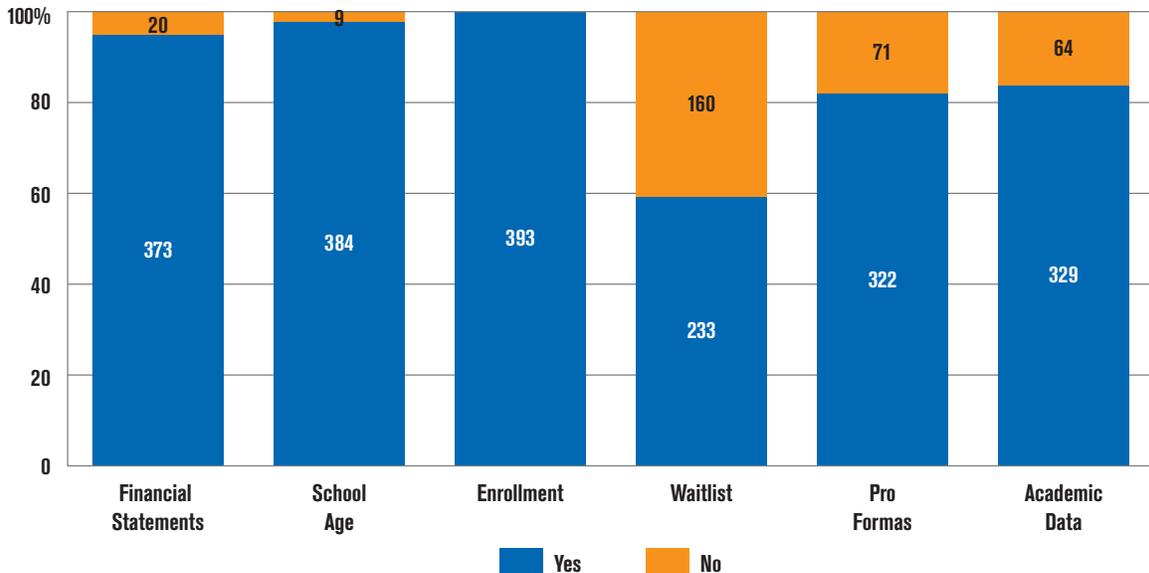
bonds enhanced with Colorado's moral obligation pledge are included in the analysis. The available 393 offering documents for single and multiple charter credits comprise the data set for the following disclosure analysis.



OVERVIEW

We identified six primary, although by no means exhaustive, disclosure items that should be included in a charter school bond offering document and determined whether they were provided in the universe of 393 bond issues analyzed here. For certain items we delved into additional breakdowns of information, and for others we simply noted whether the document contained the information.

DISCLOSURE INFORMATION 393 Offering Documents



FINANCIAL STATEMENTS

A borrower's audited financial statements are a fundamental component of any offering document, and it is standard practice to include such historical financial data in charter school bond offerings. Only 20, or 5%, of the offering documents did not include audited financial statements for the charter school, and almost half of these omissions were among the much smaller number of outstanding offerings issued prior to 2005. The number of years of financial statements provided varied between offerings, and, in certain cases, summaries of the statements were provided in the body of the offering document rather than as a separate appendix. As a general rule, offering documents should include a minimum of three years of audited financial statements.

SCHOOL AGE

A school's age provides the context for all other disclosure provided as part of the offering document. It is not possible for underwriters or investors to assess enrollment trends, academic achievement progress, likelihood of charter retention or soundness of financial position without this fundamental information. All but nine of the offering documents contained information on the borrowing school's age, and even in these nine cases, the document contained related information such as year of incorporation or the date the charter was awarded. While the inclusion of age was fairly universal, it was not always clearly stated or easy to find.

ENROLLMENT

Given that charter school bonds are secured with per pupil revenues, enrollment data is another key underwriting variable. All of the 393 offering documents contained current enrollment information, with the large majority also containing information on historical and projected enrollment. Offering documents varied in terms of the type of enrollment information detailed, with some providing student headcount, others average daily attendance (ADA) and others some alternative measure used for budget purposes within the relevant jurisdiction. Generally, inclusion of both headcount and the budgetary equivalent reflected in historical financial performance and employed in pro forma projections is most informative.

WAITLIST

Charter schools often maintain waitlists for students who would like to attend the school, but did not receive a spot through the lottery process. Waitlist quality varies based on the school's frequency of updating its list. However, the size of a school's waitlist is important from an underwriting perspective both because it is an indicator of academic quality and because the school can draw upon its waitlist to maintain enrollment. There was less uniformity with regard to inclusion of waitlist information than for other disclosure items. Only 233, or 59%, of the offering documents contained waitlist information, with none of the offering documents prior to 2003 containing this information. Offering documents should include waitlist

Discussion of charter authorization and renewal is usually found in the narrative describing a school's establishment and operating history. While charter renewal is an important disclosure item in terms of a school's overall organizational, financial and academic condition, it is not a consistent indicator of repayment performance for the sector as a whole due to variability in the length of initial charter terms across jurisdictions. For example, the four states which account for more than half of all charter school bond issuance to date have widely differing initial charter terms:

- Arizona has an initial charter term of 15 years, with authorizer review every five years.
- Michigan has an initial charter term of up to ten years, with authorizer review at least every seven years.
- Texas has an initial term of five years.
- Colorado has an initial charter term of at least three but not more than five years.

Due to this variability, we did not examine charter renewal as one of the disclosure items for outstanding issues, although we recognize that such disclosure should be included in any charter school offering document. Please see "Repayment Performance" for an analysis of renewal history in the context of the 22 defaulted transactions

data with a description of the manner in which a school maintains and utilizes its waitlist.

PRO FORMAS

Multi-year financial projections, or pro formas, are an important budgetary tool for schools and a critical underwriting component. These projections show operating revenue and expense items on a cash basis together with underlying assumptions regarding enrollment and growth. Underwriters utilize pro formas to calculate key financial ratios, including debt service coverage and debt burden, among others. Of the 393 offering documents, 322, or 82%, contained multi-year projections, and 71, or 18%, failed to include them or included only one year of projections, which were not considered for these purposes. The pro formas that were included had varying time horizons, with the horizon defined as the number of years after the budget year. Almost half, 45% of the 393 offering documents, contained pro formas with the budget year and an additional four years, another 31% contained pro forma projections of five years or longer and the remaining 6% contained pro formas with a two- or three-year horizon. A time horizon of five to seven years in addition to the budget year is optimal from an underwriting perspective, constituting the intersection of strategic forward planning and realistic assumption possibilities.

ACADEMIC DATA

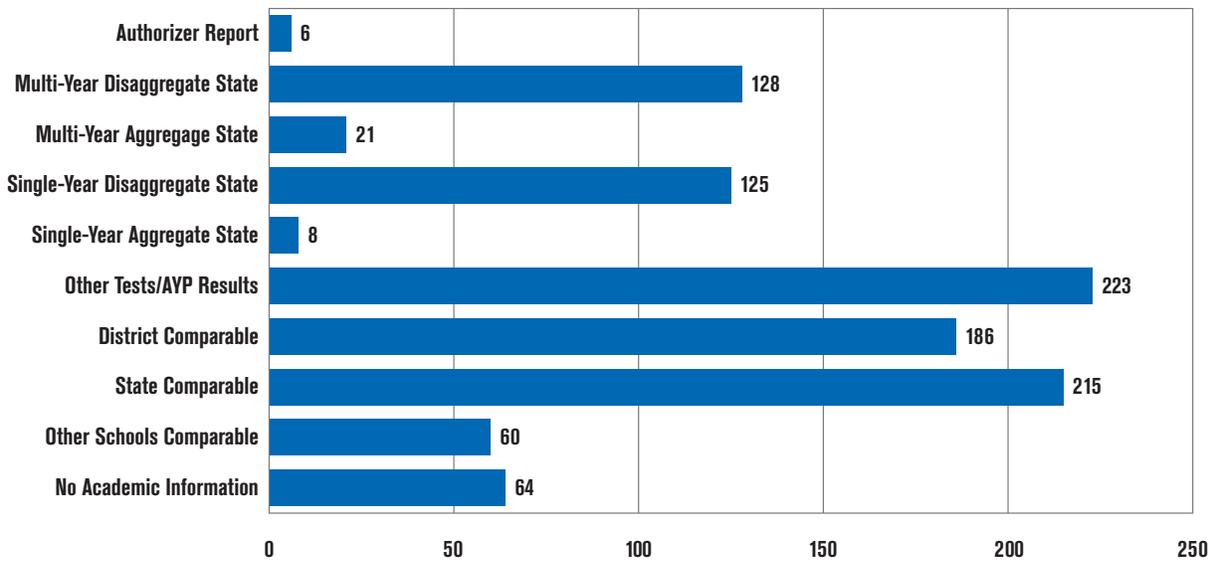
Analysis of academic quality is essential to underwriting charter schools since both charter renewal and the ability to attract students depend on the strength of a school's educational program. A large majority of the outstanding charter school issuances, 329, or 84%, contained some information on the school's academic performance. However, 64 issuances, or 16%, did not contain any information on student results, focusing instead on educational philosophy, curriculum and other educational inputs. Even among the offering documents that contained a discussion of academic performance, there was great variation in content. In order to assess the differences, we divided the academic data provided in the offering documents into ten categories:

- **Authorizer Report:** An evaluative report by the authorizer assessing the school's academic performance.
- **Multi-Year Disaggregate State:** School results in required state tests for multiple grade levels or subject matter for two or more years.
- **Multi-Year Aggregate State:** School results for a single state measure, such as California's Academic Performance Index (API) score, for two or more years.

- **Single-Year Disaggregate State:** School results in required state tests for multiple grade levels or subject matter for a single year.
- **Single-Year Aggregate State:** School results for a single state measure for a single year.
- **Other Tests/AYP Results:** School results for nationally norm-referenced tests, such as TerraNova, as well as discussions of Adequate Yearly Progress (AYP) or grades on state report cards.
- **District Comparable:** District results for equivalent state test.
- **State Comparable:** State results for equivalent state test.
- **Other Schools Comparable:** Neighboring or competing school results for equivalent state test.
- **No Academic Information:** No results were provided.

It should be noted that for comparables we did not distinguish between single-year and multi-year comparisons. For instance, the document may have included multi-year state data for the charter school, but district or state comparables may only have been provided for the most recent year.

ACADEMIC DATA
393 Offering Documents



Results were tallied for all 393 issues for each of these ten categories. For example, 215 of the 393 offering documents included a state comparable for the school's results in required state tests and 186 provided a district comparable. In certain instances, the offering documents included more than one category, e.g., both a district and a state comparable. The largest category of academic data provided in the documents was the Other Tests/ AYP Results; however, the disclosure captured here included a large number of short narrative discussions of AYP status, which frequently focused on reasons for not meeting AYP rather than documenting student outcomes.

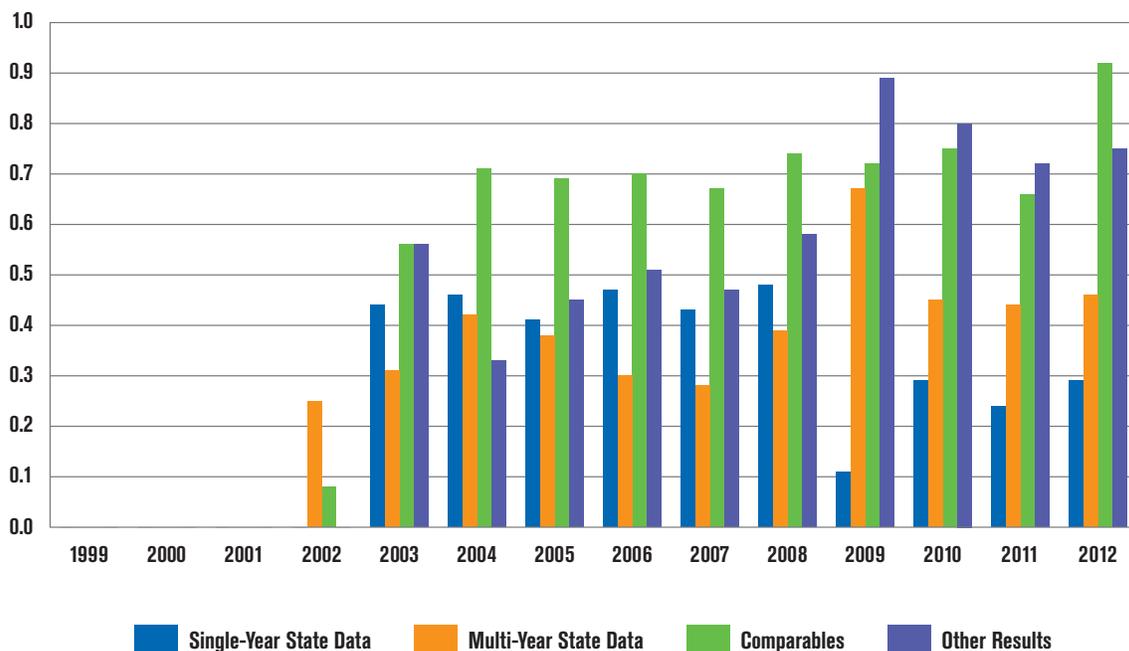
In general, we found the combination of multi-year disaggregate state results for the school with district or state comparables the most interpretable and valuable information from an underwriting perspective due to the benefits of standardized testing and meaningful benchmarks. Authorizer evaluations of the school's academic performance, developed pursuant to the authorizer's ongoing monitoring and renewal processes, were also extremely informative; however, there were only six of these evaluative reports in the 393 offering documents. Instead, the documents frequently contained lengthy original charter authorizations, which reflect goals rather than actual performance or progress in meeting goals.

We combined the ten categories into four broader groupings in order to analyze trends over the period between 1999 and 2012 when these 393 bond issues were originated. We combined the aggregate and disaggregate categories for single-year and multi-year state data. For example, the eight

data points for the Single-Year Aggregate State category were combined with the 125 data points for the Single-Year Disaggregate State category into one grouping, Single-Year Data. We similarly combined the comparable categories, adjusting for double-counting between categories for this group. For example, if one issue had state, district and other school comparables, we counted the three comparables as one under the grouping Comparables. Lastly, we combined the Other Tests/ AYP Results with Authorizer Report to form the Other Results group. The graph below illustrates the percentage of offerings each year that contained disclosure within these four broad groupings.

None of the offering documents before 2002 included disclosure regarding academic performance. Post-2002, there has been fairly consistent inclusion of comparables, averaging roughly 70% between 2004 and 2011 and rising to 92% in 2012. However, disclosure of a school's state test scores, for either a single year or multiple years, has fluctuated over the same time horizon, with inclusion of multi-year state data peaking in 2009 and single-year state data peaking in 2008, the two most difficult years for charter schools to access the tax-exempt market due to economic conditions. While it appears that the trend is to include multi-year rather than single-year data, the percentage of offerings which include this superior data has declined from a high of 69% in 2009 to approximately 45% over the three most recent years. The offering documents include a higher percentage of Other Results, but this category also peaked at 89% in 2009 and then declined to between 70% and 80% in the three most recent years.

ANNUAL ACADEMIC DATA
Percentage of Offerings with Data Group — 393 Offering Documents



Academic Metric

We weighted the raw data for the ten categories based on our view of how informative each is from an underwriting perspective in terms of evaluating school quality. For example, since we found the Authorizer Report and Multi-Year Disaggregate State categories the most informative, we tripled their weight. We also doubled the weight for the Multi-Year Aggregate State and Single-Year Disaggregate State categories. The remaining categories were awarded a single point. Using these weights for the individual data components, we developed an academic metric for each offering that ranged between 0 and 10 for the 393 issues. From a best practice standpoint, we believe offering documents should have a minimum metric score of five and an ideal metric score of eight or higher. Given our weighting system, the minimum score represents inclusion of multi-year disaggregate results for the school on required state exams, some overarching discussion of the school's state report card and AYP status, and a district or state comparable. The ideal score represents these items together with an evaluative report from the authorizer, if available, regarding the school's academic performance.

As illustrated by the accompanying graph, only 2% of charter school issuances met the ideal metric. Slightly more than one-third met the minimum academic metric, with metrics ranging between five and seven. Another third had low to moderate academic disclosure with a metric ranging between two and four, and slightly less than one-third of all issuances had zero or little academic information. The average for all 393 issues was 3.53, and the median was 4.00.

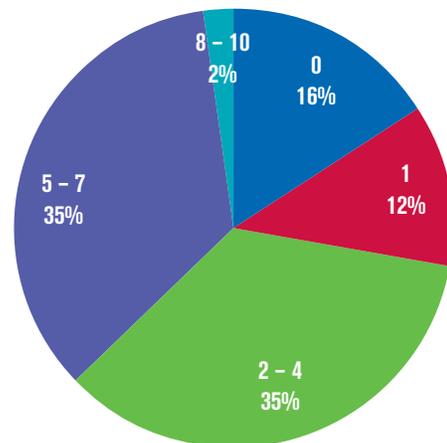
We calculated the average weighted metric for the offerings each year in order to determine if the quality of academic disclosure has been improving. As mentioned above, there was no academic disclosure in terms of a discussion of outcomes rather than inputs prior to 2002; therefore, we only included annual averages for the period between 2002 and 2012. As seen in the graph on the next page, there was improved academic disclosure until market access became easier in 2006 and 2007. In those years, the average academic metric decreased from a high of 4.10 in 2005 to 3.47 in 2006, and fell further to 3.37 in 2007. During the credit crisis in 2008 and 2009, the quality of academic disclosure improved, with the average metric rising to 4.13 in 2008 and then to 4.44 in 2009. When market access eased somewhat for charter schools in 2010, the average academic metric fell to 4.13 and remained below 4.00 in 2011 and 2012.

Improving academic disclosure practices consistently, regardless of market conditions, would contribute greatly to the sector's development by providing investors with key underwriting information in more standardized form. As disclosure becomes standardized, market participants will become increasingly adept at evaluating results. While such evaluations will differ for schools in different jurisdictions or at different points in the charter life cycle, the combination of greater data uniformity and increased volume will expand the universe of market participants expert in the interpretation of the extensive academic data now available for the nation's public schools.

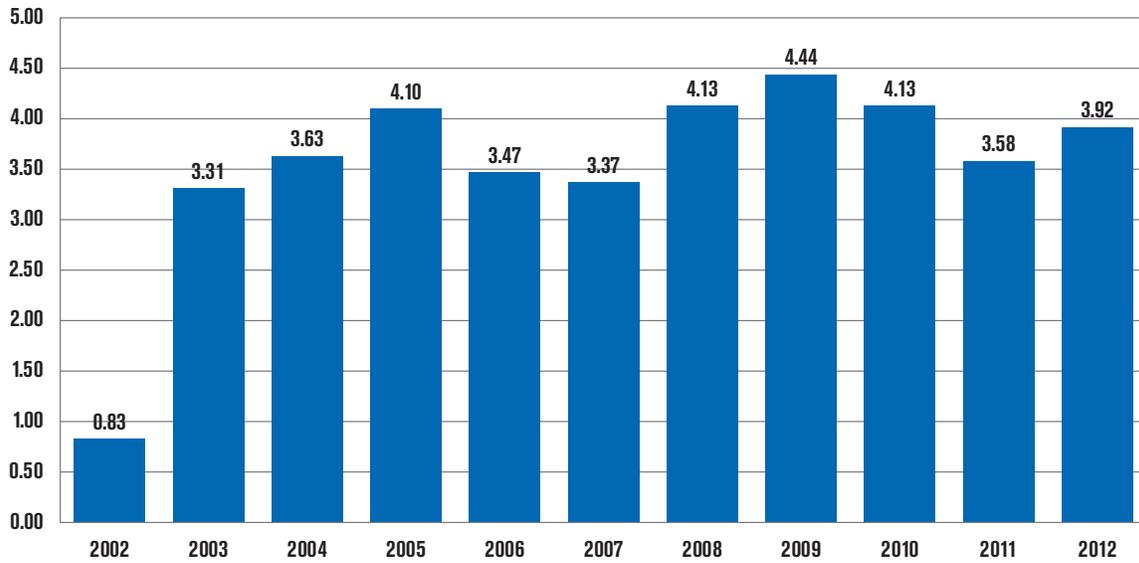
ACADEMIC METRIC Data Weighting

Academic Data	Weight
Authorizer Report	3
Multi-Year Disaggregate State	3
Multi-Year Aggregate State	2
Single-Year Disaggregate State	2
Single-Year Aggregate State	1
Other Tests/AYP Results	1
District Comparable	1
State Comparable	1
Other Schools Comparable	1

ACADEMIC METRIC DISTRIBUTION 393 Offering Documents



AVERAGE ANNUAL ACADEMIC METRIC 393 Offering Documents



In addition to other best practice recommendations throughout this disclosure analysis, we provide the following list of “red flags” that we gleaned from review of the 393 offering documents. Schools that have one or more of these red flags should refrain from accessing the market and investors should avoid offerings with such characteristics, as they may have been brought to market prematurely or inappropriately.

- ✓ Limited rather than full charter renewal during renewal process
- ✓ Declining enrollment
- ✓ Recent reduction in grades served
- ✓ Frequent turnover in principal and/or other leadership positions
- ✓ Significant teacher turnover
- ✓ Conflicts of interest

CREDIT CHARACTERISTICS AT ISSUANCE

OVERVIEW

In the disclosure analysis, we identified six key disclosure items and determined whether they were included in the offering documents for a universe of 393 outstanding single or multiple charter credits. In this section, we analyze the actual data in order to develop a clearer understanding of the credit characteristics at issuance of the charter schools that borrowed through the tax-exempt market and how these characteristics translated into underlying credit ratings for the schools. Several schools had more than one offering, and we include repeat offerings as the schools had different characteristics at the time of each issuance. The universe for this credit analysis excludes 14 offerings for pooled or joint credits, which were part of the disclosure analysis, because in many cases the schools were not responsible for each others' debt (they were severally liable) and inclusion of their larger combined characteristics would have distorted the results. We analyzed data for the remaining 379 outstanding offerings totaling \$4.69 billion in original par issuance for the following variables:

- **School Age:** Age at issuance calculated in years as the difference between the dated date for the offering and the school's opening date (assumed as September 1st for all issues).
- **Enrollment:** Student headcount at issuance, where available, or an alternate measure, where unavailable.
- **Waitlist:** Number of students on the school's waitlist for the most recent period available at issuance as a percentage of enrollment.
- **Debt Service Coverage Ratio:** Net income available for debt service divided by debt service as projected for the Latest Year.
- **Debt Burden:** Debt service divided by revenue as projected for the Latest Year.

The table below summarizes the median results for the 379 offerings for each of the five variables as well as medians for underlying school credits by major rating category at issuance: investment grade, non-investment grade and unrated. The offerings were fairly evenly divided between those with no underlying rating based on the school's credit, 185, and those with underlying ratings, 194. Within the rated offerings, 155 fell within the investment grade category and 39 fell below investment grade in the double-B category. Thirty-five of the offerings, which did not have an underlying rating for the school, had an enhanced rating for the bond offering. These 35 were tallied as part of the unrated offerings because all but one were rated based on insurance or a letter of credit.

The 379 offerings were for schools with a median age of 6.4 years, a median enrollment of 554 students and a median waitlist of 37%. The median projected DSCR was 1.53x, and the median projected debt burden was 13.4%. Investment grade offerings were for schools that tended to be older, 9.0 years; larger, 713 students; and have larger waitlists, 52%. Median projected DSCR for investment grade schools was the same as for the sector as a whole, but the debt burden was lower at 11.4%. Non-investment grade offerings were for schools with a median age of 7.1 years, a median enrollment of 786 students and a median waitlist of 33%. The median projected DSCR for non-investment grade credits was 1.42x, and the median debt burden was 14.2%, resulting in a DSCR median that was lower and a debt burden median that was higher than that of any other rating category, including unrated offerings. Unrated offerings were for schools with the youngest median age, 3.9 years; the lowest median enrollment, 380; and the smallest median waitlist, 23%.

Medians and averages referenced throughout this section are based on a varying number of data points. The accompanying table summarizes this variation in the aggregate. For different sorts of the data included in the median calculations which follow, the number of data points employed can be found in Appendix C.

MEDIANS BY INVESTMENT GRADE CATEGORY

	Data Set	Investment Grade	Non-Investment Grade	Unrated	All
# of Issues	379	155	39	185	379
Par Millions	Na	\$2,529.9	\$632.2	\$1,524.4	\$4,686.5
Age	379	9.0	7.1	3.9	6.4
Enrollment	379	713	786	380	554
Waitlist	224	52%	33%	23%	37%
DSCR	309	1.53	1.42	1.52	1.53
Debt Burden	309	11.4%	14.2%	13.9%	13.4%

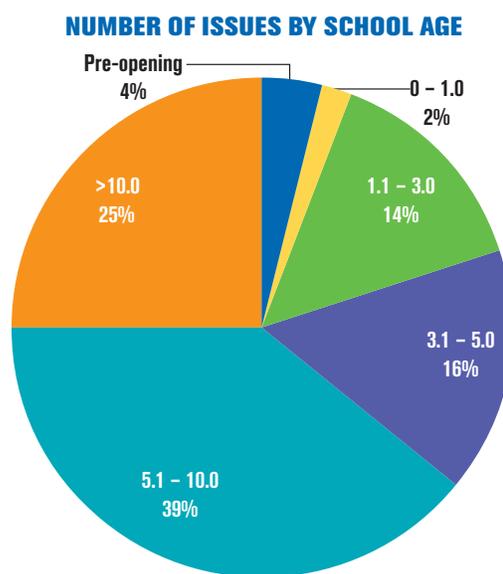
Please refer to “Pro Forma Analysis” for a more detailed discussion of the pro forma results and the two derivative ratios employed here. We should note, however, that debt service is defined to include all debt service expense, senior and subordinate, as well as facility leases and other capital lease expenses. For this credit analysis, we chose to compare the Latest Year coverage and burden ratios rather than Year 1 ratios, which we also calculated, because Year 1 data included significant amounts of capitalized interest. For schools still growing at issuance, Latest Year projections also provide a better idea of anticipated debt coverage and burden at the school’s steady state with full enrollment and associated revenues.

We did not analyze the financial statements included as part of the offering documents, choosing instead to focus on the current financial strength of charter schools as reflected in the most recent audited financial statements available for FY11. Please see “Current Financial Metrics” for that analysis. We also chose not to analyze the academic data, primarily due to the large variability in the type of information provided, which makes meaningful comparisons difficult. If more standardized academic data disclosure becomes the norm, such analysis will be greatly facilitated.

SCHOOL AGE

For the 379 outstanding charter school bond offerings, the median school age at issuance was 6.4 years, and the average age was 6.9 years. Of the 379 issues, 64% were for schools that were more than five years old at the time of issuance, and 16% were for schools that were between three and five years old. The remaining 20% were for newer schools, including 14% for schools that were between one and three years old, 2% for schools that were in their first year and 4% that had not yet opened. Two-thirds of the offerings for brand new schools were for schools that were part of charter networks, but which issued bonds that were not secured by the parent organization or network.

School maturity is considered a strength from a credit perspective because the school has had time to weather the initial start-up phase, institutionalize financial and operating systems, develop a track record of academic performance, and perhaps receive a charter renewal or an interim review by its authorizer.



ISSUANCE & CREDIT CHARACTERISTICS BY SCHOOL AGE

Age	# of Issues	Par Millions	Investment Grade %	Non-Investment Grade %	Unrated %	Enrollment	Waitlist	DSCR	Debt Burden
Pre-opening	15	\$161.1	0%	0%	100%	0	Na	1.72	15.2%
0 - 1.0	9	\$77.5	0%	0%	100%	390	62%	1.57	16.5%
1.1 - 2.0	24	\$218.0	0%	4%	96%	420	36%	1.49	15.6%
2.1 - 3.0	29	\$188.1	0%	10%	90%	377	23%	1.54	13.6%
3.1 - 4.0	36	\$476.9	28%	8%	64%	484	33%	1.57	14.5%
4.1 - 5.0	26	\$282.9	54%	12%	35%	595	32%	1.38	13.8%
5.1 - 7.5	73	\$849.1	44%	15%	41%	554	49%	1.57	13.9%
7.6 - 10.0	74	\$819.8	54%	12%	34%	626	36%	1.57	11.6%
>10 Years	93	\$1,613.0	63%	10%	27%	726	31%	1.65	12.8%
All	379	\$4,686.5	41%	10%	49%	554	37%	1.53	13.4%

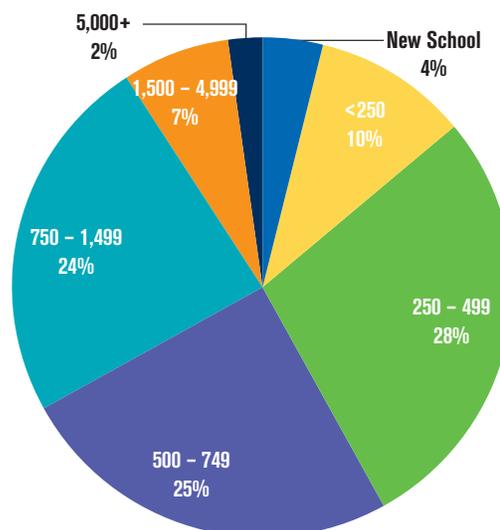
As would be expected, the percentage of offerings with underlying ratings in the triple-B investment grade category increases with the age of the school at issuance. Roughly 40% to 60% of offerings for schools four years or older have been assigned investment-grade ratings. The percentage of unrated offerings decreases as schools mature; all 24 schools that issued bonds either before opening or during their first year opted to issue on an unrated basis compared to only 27% of schools ten years or older. The percentage of non-investment grade ratings is fairly consistent for schools after their second year, ranging between 8% and 15% for the different age groups. The choice to obtain a non-investment grade rating may be more a function of the pricing spread between rated and unrated offerings at the time of issuance than the age of the school per se.

Median enrollment at issuance increases with school age, rising after start-up from a median of 390 students for first-year schools to 726 students for schools ten years or older. Median waitlist percentages fall between 31% and 36% for five of the nine age categories. Pro forma projections of debt service coverage do not appear related to the age of the school, with the newest schools having the highest median at 1.72x. On the other hand, pro forma projections of debt burden show a generally decreasing trend line with school maturity.

ENROLLMENT

The median enrollment at issuance for the schools represented in the 379 offerings was 554 students, and the average was 907 students. Of the 379 outstanding charter school bond offerings, 58% were for schools with enrollments of 500 students or more at issuance, and 28% were for schools with enrollments between 250 and 499 students, the range for a typical stand-alone charter school. Small or growing schools of less than 250 students accounted for 10% of the offerings. On the extremes, 4% of the offerings were for new schools and 2% were for larger charter networks

NUMBER OF ISSUES BY ENROLLMENT



with 5,000 or more students that issued bonds on a recourse basis. It should be noted that this last category of network issuers includes several repeat offerings between 2009 and 2012 for two networks that increased enrollment at the time of issuance from 5,500 to 9,300 students in one case and from 12,000 to 20,000 students in another.

Larger enrollments are generally considered a credit strength, although bigger is not always better. Larger student bodies tend to be better able to withstand fluctuations in revenues stemming from lost students or budgetary cuts. On the other hand, schools which grow enrollment in order to pay for their facility rather than in response to the logic of their academic program can face other risk factors.

As with school age, the percentage of offerings with investment grade ratings increases with enrollment size. Between 62% and 100% of the offerings for schools of 1,000 students or more were assigned investment

ISSUANCE & CREDIT CHARACTERISTICS BY ENROLLMENT

Enrollment	# of Issues	Par Millions	Investment Grade %	Non-Investment Grade %	Unrated %	Age	Waitlist	DSCR	Debt Burden
New School	15	\$161.1	0%	0%	100%	-0.5	Na	1.72	13.2%
<250	40	\$188.7	5%	5%	90%	5.8	41%	1.60	13.8%
250 - 499	106	\$741.8	26%	8%	65%	4.9	37%	1.53	13.7%
500 - 749	95	\$872.6	54%	8%	38%	6.8	35%	1.53	13.5%
750 - 999	45	\$622.7	44%	24%	31%	7.1	29%	1.47	13.4%
1,000 - 1,499	45	\$762.3	62%	11%	27%	7.8	34%	1.48	12.8%
1,500 - 2,499	13	\$381.4	62%	23%	15%	11.2	35%	1.58	9.3%
2,500 - 4,999	12	\$595.4	83%	8%	8%	11.2	75%	1.40	9.7%
>5,000	8	\$360.6	100%	0%	0%	10.5	130%	1.68	12.0%
All	379	\$4,686.5	41%	10%	49%	6.4	37%	1.53	13.4%

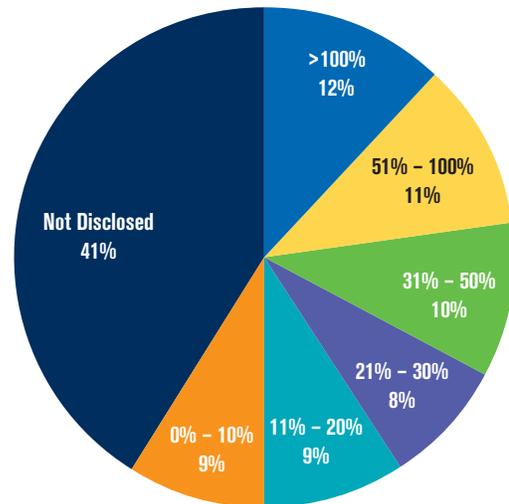
grade ratings. The percentage of offerings with non-investment grade ratings varies with less of a discernible trend line, ranging from 0% to 24%. Schools with enrollments of fewer than 500 students were less likely to obtain a rating. None of the offerings for new schools were rated; only 10% of the offerings for schools with enrollments of fewer than 250 students were assigned a rating, and only 35% of the offerings for schools with enrollments between 250 and 499 students were assigned a rating. It is notable that 26% of the schools within this moderate 250-499 range were assigned investment grade ratings. These smaller investment grade schools tended to be established stand-alone schools as indicated by a median age of 7.3 years compared to a median age of 4.9 years for the category as a whole.

Median age at issuance generally increases with enrollment, equaling between seven and eight years for schools with enrollments ranging between 500 and 1,499 students. The median age is roughly 11 years for schools with enrollments of 1,500 or higher. The median waitlist percentage is 35% to 40% for most enrollment categories, but jumps to 75% and 130% for the two largest groupings. Median projected coverage ratios range between 1.40x and 1.72x, but with no discernible trend line. Projected debt burden medians range between 13% and 14% for schools with enrollments of fewer than 1,500 students, but fall to between 10% and 12% for the largest schools.

WAITLIST

Of the 379 outstanding charter school bond issuances, 155, or 41%, were for schools that either did not maintain a waitlist or did not disclose the information, 12% were for schools that maintained waitlists equaling 100% or more of their enrollment at issuance, 11% were for schools with waitlists

NUMBER OF ISSUES BY WAITLIST



of between 51% and 100% of enrollment and 10% were for schools with waitlists of between 31% and 50% of enrollment. The remaining 26% of offerings fell fairly equally between the 0%-10%, 11%-20% and 21%-30% waitlist ranges. The median waitlist percentage at issuance for the 224 outstanding bond issuances which disclosed the data was 37%, and the average was 68%.

A large number of waitlisted students, representing a high percentage of the student body, is considered a credit strength because it is indicative of the school's reputation and demand, and generally reflective of the school's academic quality. Equally important, should a school lose students for any reason, it has the ability to draw from its waitlist to maintain enrollment and per pupil revenue.

ISSUANCE & CREDIT CHARACTERISTICS BY WAITLIST

Waitlist	# of Issues	Par Millions	Investment Grade %	Non-Investment Grade %	Unrated %	Age	Enrollment	DSCR	Debt Burden
0% - 10%	35	\$395.2	31%	14%	54%	9.3	552	1.47	13.7%
11% - 20%	35	\$414.6	51%	9%	40%	8.0	650	1.52	14.0%
21% - 30%	30	\$476.1	37%	17%	47%	6.9	657	1.38	15.8%
31% - 40%	20	\$269.8	50%	35%	15%	7.4	773	1.56	10.9%
41% - 50%	18	\$154.5	39%	17%	44%	7.8	411	1.56	13.2%
51% - 75%	22	\$334.0	55%	9%	36%	6.4	601	1.64	14.0%
76% - 100%	18	\$416.0	89%	6%	6%	6.9	635	1.39	13.9%
101% - 200%	28	\$470.5	57%	18%	25%	8.8	945	1.59	12.1%
>200%	18	\$177.2	78%	11%	11%	8.2	488	1.95	12.8%
Na	155	\$1,578.6	26%	4%	70%	5.0	445	1.53	13.2%
All	379	\$4,686.5	41%	10%	49%	6.4	554	1.53	13.4%

Perhaps because of the smaller data set, waitlist strength does not appear to be related to either school age or size. However, it does appear to be positively related to the percentage of investment grade ratings, with those categories with higher waitlists generally having a higher percentage of investment grade ratings and the lower waitlist categories tending to have a higher percentage of unrated offerings. The pro forma ratios both appear to have a relation to waitlist as well, with DSCR medians generally higher and debt burden medians generally lower for the higher percentage waitlist categories.

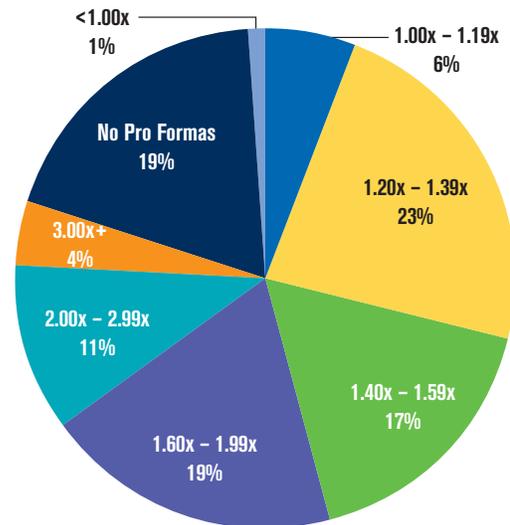
DEBT SERVICE COVERAGE RATIO

Of the 379 outstanding charter school bond issuances, 19% did not contain pro forma budget projections, 23% projected coverage ratios between 1.20x and 1.39x, 37% projected ratios ranging between 1.40x and 1.99x and 15% projected ratios of 2.00x and above. The remaining 7% projected coverage of less than 1.20x. The median projected DSCR for the 309 offerings with pro formas was 1.53x, and the average was 1.69x.

The debt service coverage ratio measures how much net revenue, or cushion, a borrower has to meet its principal and interest payments after it pays for operating expenses. For example, a DSCR of 1.00x means that the school has precisely enough funds to pay its operating expenses and debt service, but not a dollar of excess funds, while a ratio of 1.50x means the school has excess funds equal to half of its debt service payment for the year. For debt service coverage, the higher the ratio the better.

As expected, the percentage of investment grade offerings generally increases with higher projected ratios, ranging from 0% for offerings

NUMBER OF ISSUES BY DSCR



with projected coverage of less than 1.00x to between 24% and 54% for ranges with projections above 1.20x. Interestingly, 63% of the offering documents which did not contain pro formas were rated investment grade, signifying perhaps that in the presence of a rating, such disclosure was considered less important by underwriters or investors. The percentage of non-investment grade ratings for the different categories ranges roughly between 7% and 13%. Debt burden is the only variable that appears related to debt service coverage, with debt burden decreasing as coverage increases.

ISSUANCE & CREDIT CHARACTERISTICS BY DSCR

DSCR	# of Issues	Par Millions	Investment Grade %	Non-Investment Grade %	Unrated %	Age	Enrollment	Waitlist	Debt Burden
<1.00x	3	\$19.5	0%	0%	100%	4.5	665	23%	13.9%
1.00x - 1.19x	24	\$309.8	21%	13%	67%	7.6	587	18%	14.2%
1.20x - 1.39x	86	\$1,215.7	38%	13%	49%	5.8	577	30%	14.6%
1.40x - 1.59x	66	\$917.1	42%	8%	50%	7.4	601	32%	13.6%
1.60x - 1.99x	74	\$656.2	24%	11%	65%	6.5	440	34%	13.2%
2.00x - 2.99x	41	\$589.8	54%	7%	39%	6.1	578	44%	10.7%
3.00x+	15	\$157.2	33%	13%	53%	6.7	603	35%	9.1%
No Pro Formas	70	\$821.2	63%	10%	27%	6.3	546	76%	Na
All	379	\$4,686.5	41%	10%	49%	6.4	554	37%	13.4%

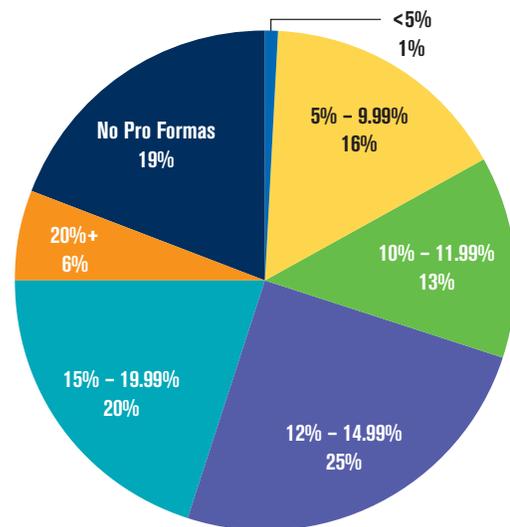
DEBT BURDEN

Of the 379 outstanding bond issuances, 19% did not contain pro forma projections, 55% projected debt burdens below 15% and 26% projected burdens in excess of 15%, including 6% that projected burdens in excess of 20%. The median projected debt burden for the 309 offerings with pro formas was 13.4%, and the average was 13.5%.

A lower debt burden is considered a credit strength when underwriting charter schools. It is difficult for a charter school to maintain the quality of its academic program if it diverts too much of its operational dollars to meet its facilities needs. Most underwriters familiar with charter schools use a 15% benchmark for maximum debt burden, with 12% to 15% the recommended upper-end range.

The percentage of investment grade offerings is generally higher for schools with lower debt burdens with the exception of those offerings with projected burdens of under 5%. Within this aberrant category, there was one unrated issue for a school in its third year of operation and another non-investment grade offering also for a school in its third year. The remaining non-investment grade offering was for a growing charter network that was subsequently upgraded to investment grade. Median DSCRs decrease consistently as debt burdens rise, and schools with debt burdens above 15% also have lower median ages and enrollments.

NUMBER OF ISSUES BY DEBT BURDEN



ISSUANCE & CREDIT CHARACTERISTICS BY DEBT BURDEN

Debt Burden	# of Issues	Par Millions	Investment Grade %	Non-Investment Grade %	Unrated %	Age	Enrollment	Waitlist	DSCR
<5%	4	\$41.1	25%	50%	25%	4.4	991	34%	2.99
5% - 9.99%	60	\$783.2	60%	5%	35%	8.4	652	32%	1.84
10% - 11.99%	49	\$491.6	51%	2%	47%	7.0	626	38%	1.59
12% - 14.99%	95	\$1,300.9	28%	14%	58%	6.8	564	40%	1.46
15% - 19.99%	77	\$942.9	25%	13%	62%	5.4	435	24%	1.43
20%+	24	\$305.6	13%	13%	75%	2.1	584	38%	1.35
No Pro Formas	70	\$821.2	63%	10%	27%	6.3	546	76%	Na
All	379	\$4,686.5	41%	10%	49%	6.4	554	37%	1.53

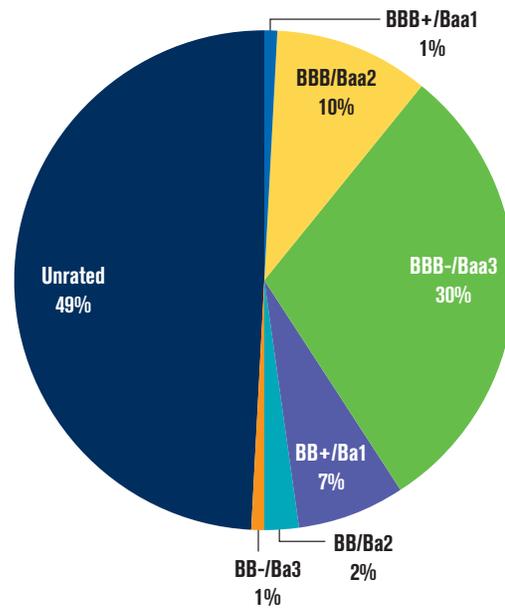
RATING

Of the 379 outstanding charter school bond issuances, 185, or 49%, had no underlying rating based on the school's credit at issuance. Of the offerings for schools which obtained such ratings, 155, or 41% of the total, were assigned ratings in the triple-B investment grade category, and 39, or 10% of the total, were assigned ratings in the double-B non-investment grade category.

The relationship between the different criteria and the ratings assigned at issuance is apparent in the table below, which details medians by rating gradation. The median age at issuance is almost uniformly older with higher gradations. The one exception to this rule is for the "BB-/Ba3" category, which contains only two offerings for small schools with high projected debt burdens. Similarly, enrollment and waitlist percentages are higher for more highly rated schools. Again, the exceptions are within the double-B category. Issuances in the "BB+/Ba1" and "BB/Ba2" gradations had median enrollments of 806 and 818, respectively, both higher than the median for issuances in the "BBB-/Baa3" gradation, illustrating that bigger is not always better. The offerings for these larger non-investment grade schools projected higher debt burdens than the investment-grade offerings.

DSCR medians show less of a trend line, but part of the explanation could be that 44 of the investment grade offerings did not contain pro formas, and their ratios are not captured in the medians. Generally, the projected coverage ratios across rating categories were healthy. Debt burden

NUMBER OF ISSUES BY RATING



medians showed more of a trend line, with higher rated offerings generally having significantly lower debt burdens. Debt coverage and debt burden medians for unrated offerings are generally superior to those in the non-investment grade category, although these unrated offerings tended to be for younger, smaller schools.

ISSUANCE & CREDIT CHARACTERISTICS BY RATING

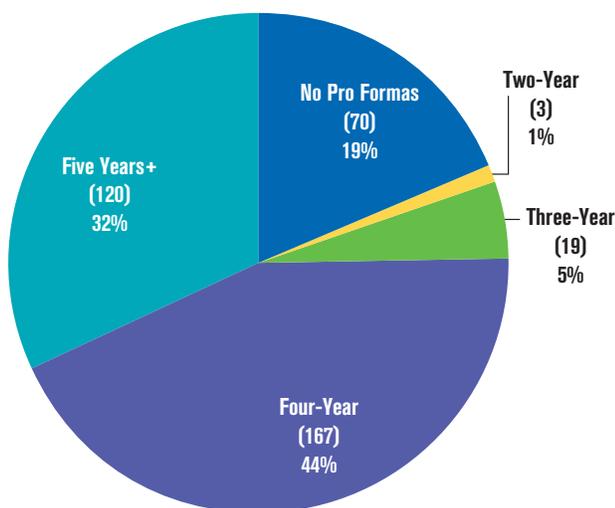
Rating	# of Issues	% of Issues	Par Millions	Age	Enrollment	Waitlist	DSCR	Debt Burden
BBB+/Baa1	4	1.1%	\$67.1	10.9	873	149%	1.39	11.2%
BBB/Baa2	37	9.8%	\$1,011.2	9.7	1,290	77%	1.54	10.9%
BBB-/Baa3	114	30.1%	\$1,451.6	8.6	676	41%	1.54	11.5%
BB+/Ba1	28	7.4%	\$440.1	6.9	806	33%	1.36	14.4%
BB/Ba2	9	2.4%	\$179.9	6.8	818	41%	1.78	13.3%
BB-/Ba3	2	0.5%	\$12.2	8.6	338	32%	1.51	16.8%
Unrated	185	48.8%	\$1,524.4	3.9	380	23%	1.52	13.9%
All	379	100.0%	\$4,686.5	6.4	554	37%	1.53	13.4%

PRO FORMA ANALYSIS

OVERVIEW

In this section, we analyze the budget projections available from the universe of 379 outstanding charter school bond offerings employed in the credit analysis. Only 309, or 81%, of the offering documents contained pro formas, representing total issuance of \$3.87 billion. The 309 pro formas had varying time horizons, with the horizon defined as the number of years after the budget year. We collected data for two of the projection years after the budget year: the first year (Year 1) and the fifth year or final year of the pro formas if they had a shorter time horizon (Latest Year). For example, an offering issued in 2008 with a four-year pro forma horizon would have a 2008 budget year, a 2009 Year 1 and a 2012 Latest Year. The pro formas included in the offering documents had time horizons ranging from two to five or more years.

**PRO FORMA HORIZONS
379 ISSUES IN CREDIT CHARACTERISTICS
AT ISSUANCE UNIVERSE**



Because enrollment drives both expenses and revenues for charter schools, we included enrollment projections as part of the pro forma analysis. Averages and medians are calculated for Year 1 and the Latest Year for each of the following items:

- **Enrollment:** Projected student headcount, where available, or an alternate measure, where unavailable.
- **Total Revenue:** Projected total operating revenues for the school.
- **Total Expenses:** Projected total operating cash expenses, excluding debt service, capital expenditures and non-cash expenses, such as depreciation and amortization.
- **Net Income:** Total revenue less total expenses.

- **Debt Service:** All projected interest and principal payments, both senior and subordinate, as well as facility leases and other capital lease expenses.
- **Debt Service Coverage Ratio:** Net income available for debt service divided by debt service.
- **Debt Burden:** Debt service divided by total revenue.

Budget figures reflect single-year operating cash flow items, and adjustments were made to the pro formas included in the offering documents as required to ensure consistency. For example, no capital expenditures, amortization or depreciation is included in expenses, and no carry-over of prior year surpluses is reflected in revenues. Subordination of management fees for charter management organizations is not taken into account in debt service coverage calculations; i.e., these fees are not added back to net available income in the coverage calculation.

The table below summarizes average and median calculations for the two years for the 309 pro formas. Across years and median and average categories, expenses are projected to equal approximately 80% of revenue, with net income available for debt service of 20%. Debt burden is projected at roughly 13%, resulting in a cash surplus of 7%. As can be seen, averages are approximately two times the medians for both enrollment and the operating budget items. For example, average Year 1 revenue equals \$9.6 million compared to median Year 1 revenue of \$4.9 million. These higher averages are driven by several large charter network borrowers that have large enrollments and budgets in the \$100 million to \$200 million range. While these large borrowers raise the averages, they represent a relatively small share of the number of tax-exempt issuances, resulting in lower medians for the sector as a whole.

AGGREGATE PRO FORMA DATA (\$ in Millions)

Item	Year 1		Latest Year	
	Median	Average	Median	Average
Enrollment	650	1,163	735	1,477
Total Revenue	\$4.862	\$9.625	\$5.692	\$12.526
Total Expenses	\$3.775	\$7.781	\$4.509	\$9.907
Net Income	\$0.972	\$1.844	\$1.272	\$2.619
Debt Service	\$0.640	\$1.218	\$0.795	\$1.545
DSCR	1.51	1.84	1.53	1.69
Debt Burden	12.5%	12.5%	13.4%	13.5%

There is considerably less variability between average and median coverage ratios and debt burdens. The average DSCR for Year 1 pro formas is 1.84x compared to a median of 1.51x. This difference diminishes further for the Latest Year projections due to reduced variability in annual debt service payments for the later years. Because debt burden is calculated as a percentage of revenue, there is little or no difference in the average and median debt burdens for the two years.

PROJECTED GROWTH

The accompanying table details median growth projections between Year 1 and the Latest Year based on the differing pro forma horizons. There are only three pro formas with a two-year time horizon, and they essentially project inflationary increases in budgetary items with no increased enrollment. DSCR and debt burden are very similar for the two years, reflective of some level of capitalized interest.

The 19 pro formas with a three-year horizon project median enrollment growth of 8%, or 4% annually, together with revenue growth of 15% and lower expenditure growth of 9% over the three-year period. As a result, net income is projected to grow 29% over the period, or 14% annually. Growth in debt service expenditures is projected at 17%, or almost 9% annually, reducing coverage from 1.60x to 1.52x and increasing debt burden from 10.6% to 13.4% over the pro forma horizon.

Four-year pro formas are the most numerous of the 309 analyzed. The 167 pro formas project a median 13% increase in enrollment, or 4% annual enrollment growth. Revenues, expenses, net income and debt service cumulatively grow by a median 15% to 18% over the four-year period, or roughly 5% annually. Somewhat paradoxically, the DSCR is projected to improve slightly from 1.50x to 1.52x while debt burden is projected to increase from 12.8% to 13.4%.

Finally, for the 120 five-year pro formas, enrollment increases by a median 24% over the period, or 6% annually. Revenues are projected to grow by 27% and expenses by 23%, resulting in a median 39% increase in net income, or almost 10% annually. Debt service increases by 25% over the five-year period, with the median DSCR projected to increase from 1.51x to 1.55x and the median debt burden projected to increase from 12.3% to 13.7%. One possible explanation for improved coverage in the face of a

MEDIAN PROJECTED GROWTH & RATIOS BY PRO FORMA HORIZON

Item	2-Year	3-Year	4-Year	5-Year
# of Issues	3	19	167	120
Par Millions	\$11.6	\$249.0	\$1,823.7	\$1,781.1
Cumulative Growth				
Enrollment	0%	8%	13%	24%
Total Revenue	2%	15%	17%	27%
Total Expenses	2%	9%	16%	23%
Net Income	-2%	29%	18%	39%
Debt Service	1%	17%	15%	25%
Ratios				
DSCR Year 1	2.34	1.60	1.50	1.51
DSCR Latest Year	2.40	1.52	1.52	1.55
Debt Burden Year 1	9.3%	10.6%	12.8%	12.3%
Debt Burden Latest Year	9.7%	13.4%	13.4%	13.7%

higher debt burden is that larger schools or schools at full enrollment attain some economies of scale in their operations that allow them to dedicate a higher percentage of revenue to their facilities needs while reducing overall expenditures as a percentage of revenues.

Generally, while most pro formas projected growth, it was measured. Based on different pro forma horizons of three, four or five years, median annual growth in enrollment, revenue and expenses ranged between 4% and 7%, and median annual growth in debt service ranged between 5% and 9%.

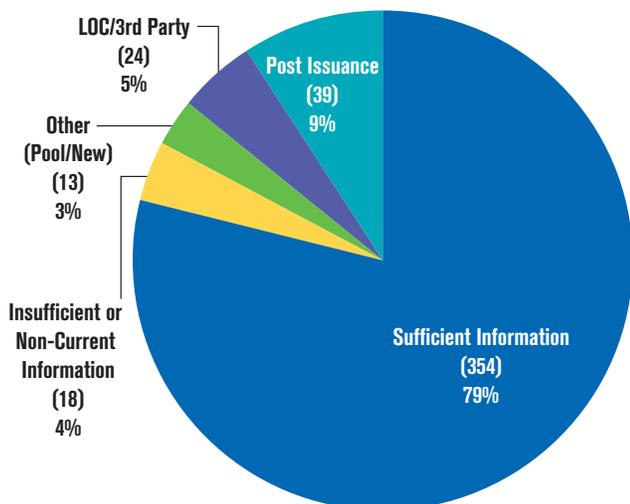
CURRENT FINANCIAL METRICS

In order to assess the current financial condition of bond-financed charter schools, we analyzed audited financial statements for Fiscal Year 2011. We obtained financials from a variety of sources, including Bloomberg, EMMA, TM3, state education department websites, issuer websites and, in some cases, directly from schools. All but a handful of schools had a 6/30 fiscal year-end, with the exceptions having an 8/31 year-end.

UNIVERSE

Of the 448 outstanding transactions totaling \$5.41 billion in issuance, we were able to access full and complete FY11 financial data on the school borrowers for 354 of the issuances totaling \$4.26 billion, or 79% of both the number and original par amount of the outstanding issues. Audited financials were unavailable for 76 of the bond issuances that did not require school disclosure to municipal data repositories in FY11, including: offerings for schools that issued for the first time after the end of the FY11 (39), bond issues that were secured by either a letter of credit or a non-charter credit (24) and those offerings for multiple schools or schools that were too new to file audited financials for the year (13). In addition, there was no current FY11 financial information for 12 schools that issued prior to the end of FY11 and insufficient information for six other schools. The remaining 354 bond issues comprise the data set for our financial analysis. Net of multiple issuances by the same school borrowers, these 354 bond offerings were undertaken by 298 schools, a significant data sample that should provide a valid overall profile of the charter school bond sector.

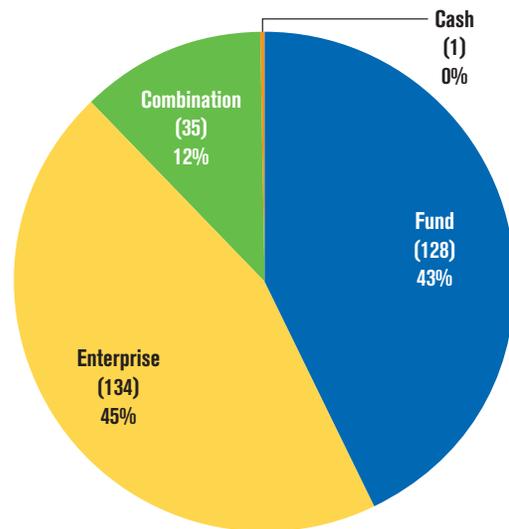
FY11 CHARTER SCHOOL FINANCIAL DISCLOSURE 448 OUTSTANDING ISSUES



ACCOUNTING PRACTICES

For FY11, the 298 charter schools primarily employed either governmental fund accounting rules (128) or enterprise accounting rules (134). One school used cash accounting, while the remaining 35 schools used a combination approach where they adhered to fund accounting for their governmental activities and enterprise accounting for their business-related projects. These “enterprises” often included affiliated building corporations that borrowed on behalf of the related charter school in order to finance the school’s facilities and abide by state laws regarding debt and/or building ownership.

ACCOUNTING PRACTICES 298 SCHOOLS



The mix of accounting standards for the 298 schools necessitated numerous adjustments for definitional and analytical consistency. For example, capital assets are included on the balance sheet for schools using enterprise accounting but not those using governmental accounting. Therefore, we included total net assets and changes to total net assets in the analysis rather than focusing on general fund and other governmental fund activities. Capital investment and principal payments are included as expenses in governmental accounting but not in enterprise accounting. As such, numerous adjustments were required to develop comparable figures and to calculate debt service coverage and other ratios, particularly if there was significant refinancing activity during FY11. By making these adjustments, we are confident that these schools may be compared across standards and ensure that our medians and conclusions are meaningful.

OVERVIEW

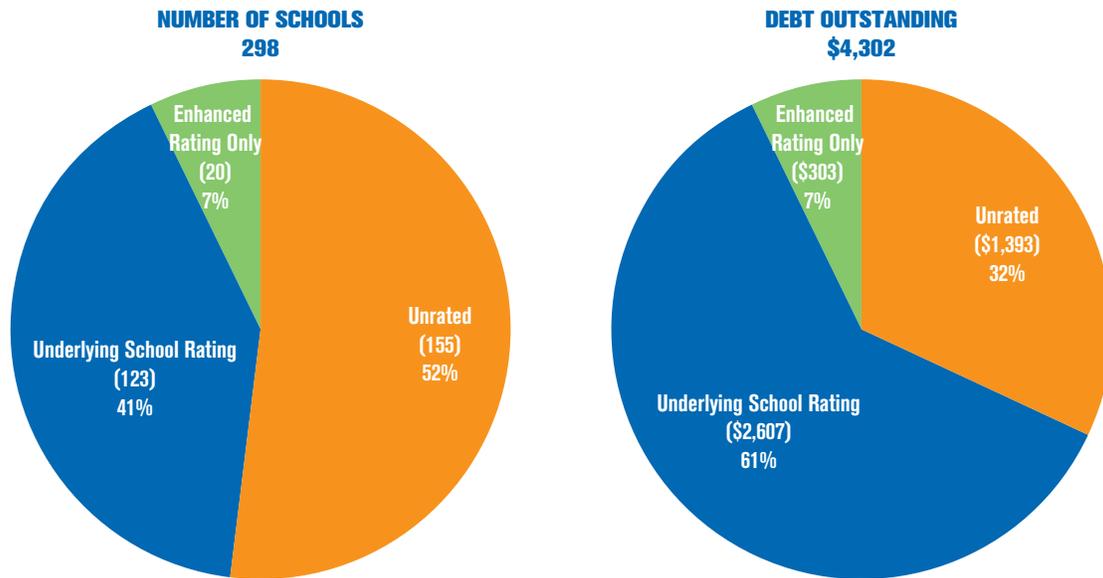
As of the end of FY11, the 298 schools included in our analysis had total outstanding debt of just over \$4.3 billion. This outstanding figure represents original bond issuance of \$4.26 billion less any amortization through the end of FY11 plus additional debt the schools borrowed through non-bond financing. The 298 schools are divided fairly evenly between those which have unrated bonds, 155, and those which have rated bonds, 143. Schools with rated bonds, however, account for roughly two-thirds of total debt outstanding. This is both because rated offerings tend to be larger and because rated schools tend to access the bond market more frequently. Within the rated universe, 123 of the schools, or 86%, have bond ratings based on the school's underlying credit, and 20, or 14%, have bond ratings based solely on a form of credit enhancement, such as bond insurance, a bank letter of credit or a state moral obligation pledge. The graphs below provide a breakdown of the number of schools and total debt outstanding based on this differing rating status.

Across the more than 70 variables employed in our research, we selected 22 that we believe are the key balance sheet and operating ratios in determining a charter school's fiscal strength, including debt service coverage, debt burden, debt per student, percentage change in net assets and days cash on hand (DCOH), among others. In order to analyze this significant financial information and provide a comprehensive assessment of the charter school bond sector, we analyzed the data by three different criteria:

- Bond rating status (rated or unrated)
- State (for top ten states)
- Underlying school rating category (investment grade or non-investment grade)

While most of the financial definitions and metrics employed in this analysis are standard, we provide brief descriptions in the accompanying sidebar on the next page.

BOND RATING STATUS (\$ in Millions)



Summary of Definitions

Enrollment	Student headcount during 2010–2011 school year.
Bonds Outstanding	Outstanding bond debt.
Debt Outstanding	All outstanding bond debt, other loans and capital leases.
Actual Debt Service	Principal and interest payments on all debt outstanding in FY11, net of capitalized interest.
Maximum Annual Debt Service (MADS)	Generally equal to the maximum amount of bond debt service due in any single year of the offering.
Bond DSCR	Net income divided by actual bond debt service for FY11.
All Debt DSCR	Net income divided by actual debt service for FY11.
Bond MADS Coverage	Net income divided by MADS.
Debt Burden - All Debt	Actual debt service divided by total revenue.
Debt Burden - MADS	Bond MADS divided by total revenue (does not include other indebtedness).
Total Revenue	Total operating revenues for the school.
Total Expenses	Total operating cash expenses, excluding debt service, capital expenditures and non-cash expenses, such as depreciation and amortization.
Net Income	Total revenue less total expenses.
Total Unrestricted Cash & Investments	Cash and liquid investments that are not reserved for a specific use.
DCOH - Unrestricted	Unrestricted cash and cash equivalents divided by daily expenses (total operating cash expenses divided by 365).
DCOH - All	Includes both unrestricted cash and equivalents and trustee-held cash for reserves and replacements, debt service set-aside funds and operating reserves. It excludes construction funds and debt service reserve funds. Sum of preceding divided by daily operating expenses.
Total Unrestricted Cash & Equivalents as % of Debt Outstanding	Unrestricted liquid resources divided by total debt outstanding.
Net Assets	Total assets less total liabilities.
Net Debt to Net Available Income	Debt outstanding, net of debt service reserve account, divided by net income.
Revenue per Student	Total revenue divided by enrollment.
Expense per Student	Total expenses divided by enrollment.
Debt Service per Student	Actual debt service divided by enrollment.
Debt per Student	Debt outstanding divided by enrollment.

ANALYSIS BY BOND RATING STATUS

In the overview table, we provide medians for all 298 schools as well as categorical breakdowns for the 143 schools which have rated bond debt and the 155 which have unrated bond debt. Data for the 20 schools that had enhanced bond ratings, but no underlying rating based on the school's credit, is included in the "Rated" category in this division. Fifteen of these schools borrowed through Colorado's moral obligation program, which requires schools to meet investment grade rating criteria in order to participate.

As of the end of FY11, just over \$4.3 billion in debt was outstanding for the 298 schools reviewed in this analysis. Of that total, the vast majority, \$4.03 billion, was issued via the 354 outstanding tax-exempt bond transactions, with the balance of \$271 million representing other non-bond loans and capital leases.

Schools of 500 students or more accounted for \$3.69 billion, or 86% of total debt outstanding. On the extremes, the 7% of schools with enrollments of fewer than 250 students accounted for only \$85 million, or 2% of debt outstanding, while the 2% of schools with enrollments of 5,000 or more accounted for \$593 million, or 14% of debt outstanding.

MEDIANS BY BOND RATING STATUS

Financial Metric	All	Rated	Unrated
Number of Schools	298	143	155
Total Debt Outstanding	\$4,302,174,409	\$2,909,504,020	\$1,392,670,389
Enrollment	646	798	501
Bonds Outstanding	\$8,617,500	\$11,143,503	\$7,055,000
Debt Outstanding	\$9,215,000	\$11,515,000	\$7,627,730
Bond DSCR	1.45x	1.63x	1.33x
All Debt DSCR	1.41X	1.56x	1.33x
Bond MADS Coverage	1.37x	1.46x	1.30x
Debt Burden - All Debt	12.7%	10.7%	13.4%
Debt Burden - MADS	13.0%	12.1%	13.3%
Total Revenue	\$5,347,856	\$6,847,432	\$4,188,241
Total Expenses	\$4,264,998	\$5,740,441	\$3,452,863
Net Income	\$975,547	\$1,294,236	\$774,811
Actual Debt Service	\$651,192	\$785,887	\$595,776
Total Unrestricted Cash & Investments	\$776,714	\$1,297,473	\$517,990
DCOH - Unrestricted	58	70	48
DCOH - All	99	113	75
Total Unrestricted Cash & Equivalents as % of Debt Outstanding	9.0%	11.9%	6.8%
Net Assets	\$861,387	\$1,737,123	\$476,997
% Change in Net Assets	10.9%	12.2%	8.6%
Net Debt to Net Available Income	8.6x	8.4x	8.7x
Revenue per Student	\$8,124	\$8,116	\$8,154
Expense per Student	\$6,875	\$6,934	\$6,789
Debt Service per Student	\$1,030	\$927	\$1,147
Debt per Student	\$14,641	\$14,648	\$14,293

Enrollment

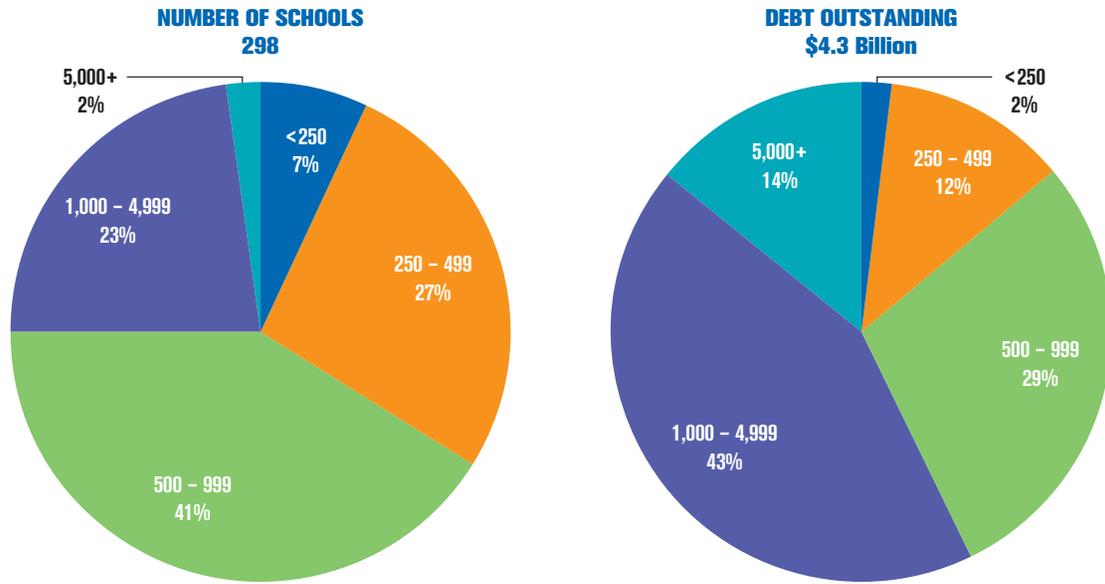
Median enrollment for the 298 schools was 646 students, with a much higher average of 964 due to the effects of large charter networks. The range of enrollment was considerable, from a low of 122 students to a high of 16,721. While the large network borrowers raise the averages, they represent a relatively small share of the number of tax-exempt issuances, resulting in lower medians for the sector as a whole. Median enrollment for schools with rated debt was 798 students, significantly larger than for schools with unrated debt, where the median stood at 501 students.

Bonds & Debt Outstanding

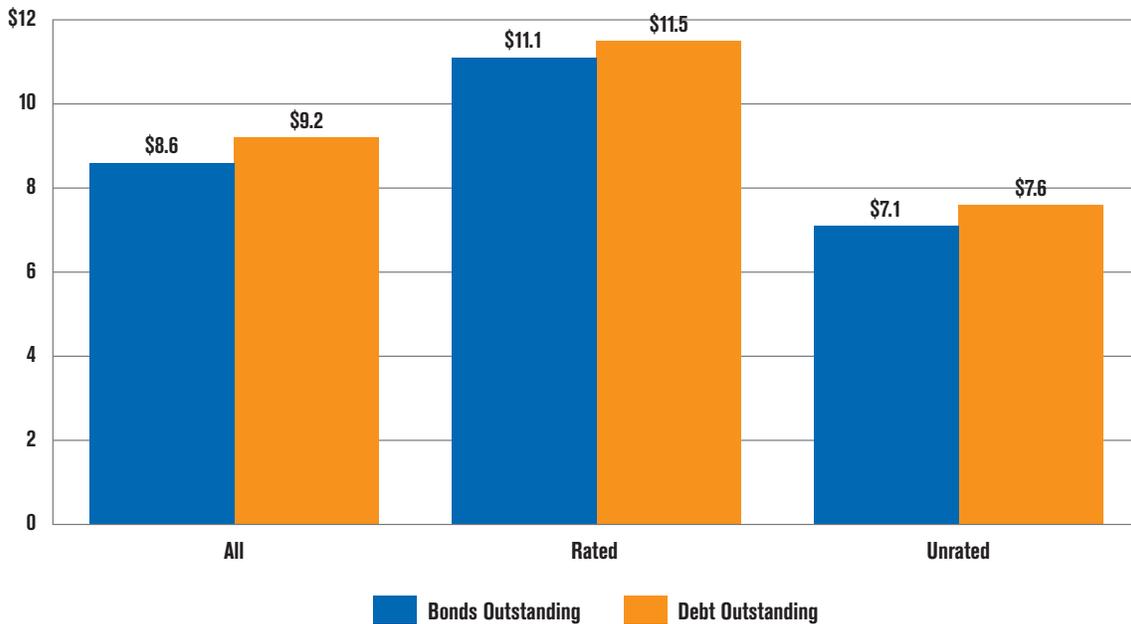
The median dollar amount of bonds outstanding for the reviewed schools was \$8.6 million while the average was significantly higher at \$13.5 million. For total debt outstanding, the median stood at \$9.2 million while the average was \$14.4 million. These sizable differences between medians and averages are driven by the sector's generally higher average par amount in recent years along with the larger and more frequent borrowings of several charter networks.

The differences between medians for schools with rated and unrated debt corresponds primarily to differences in typical issue size for the two market segments. Schools with unrated debt had a median of \$7.1 million for bonds outstanding and \$7.6 million for debt outstanding. Schools with rated debt had medians roughly 50% higher, at \$11.1 million for bonds outstanding and \$11.5 million for debt outstanding.

AGGREGATE DEBT OUTSTANDING BY SCHOOL SIZE



MEDIAN BONDS & DEBT OUTSTANDING (\$ in Millions)

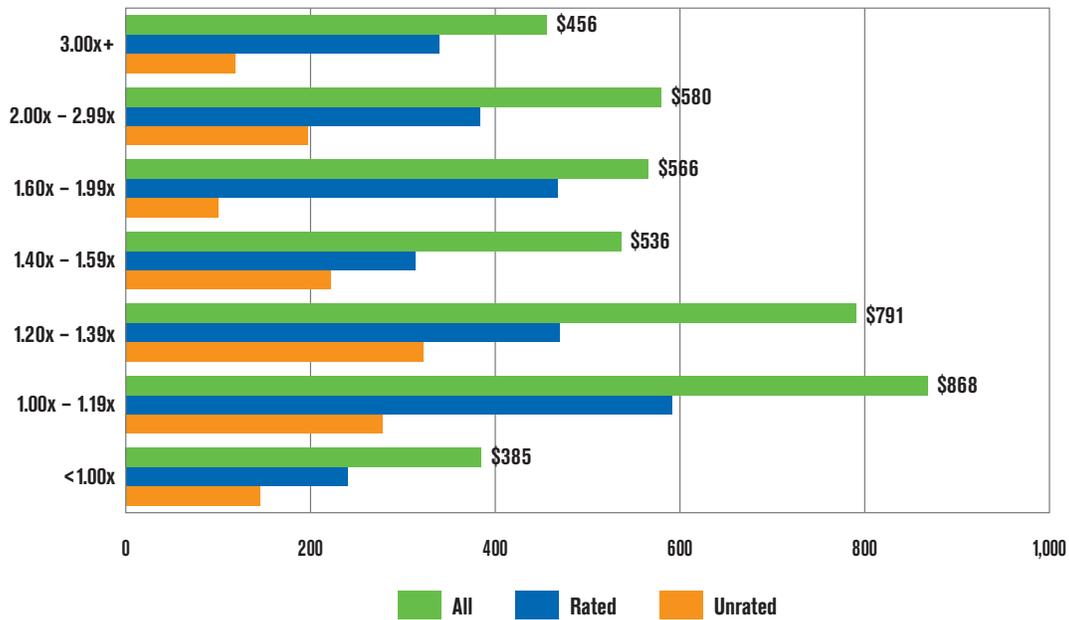


Debt Service Coverage

The debt service coverage ratio measures how much net revenue, or cushion, a borrower has to meet its principal and interest payments after it pays for operating expenses. For debt service coverage, the higher the number the better. The median Bond DSCR for all schools for FY11 was a sound 1.45x, while the median All Debt DSCR was slightly lower, but still satisfactory, at 1.41x. Not surprisingly, the Bond DSCR median and All Debt DSCR median for schools with rated debt were materially higher at 1.63x and 1.56x, respectively, than for the unrated portion of the sector which stood at 1.33x for both categories.

This trend continues for the Maximum Annual Debt Service calculation. It is important to note that the MADS metric only includes bond debt as the maximum amounts for other obligations are not typically specified in the audited financials. However, this bond debt represents the overwhelming majority of total debt outstanding, 94%. The median MADS coverage for all schools was 1.37x. The median for schools with rated debt was 1.46x, and the median for schools with unrated debt was 1.30x.

DSCR - All Debt
(\$ in Millions)



As illustrated in the graph above, the majority of outstanding debt had healthy coverage in FY11, with almost \$800 million in debt falling into the 1.20x-1.39x coverage range, over \$500 million falling into the 1.40x-1.59x coverage range, and a sizable total, \$1.6 billion, falling into the three highest ranges in excess of 1.60x. The 1.00x-1.19x range had the largest amount of outstanding debt in any single range, almost \$870 million, reflecting the fact that many schools fund their educational programs and pay their debt service without generating significant additional cash flow. On the weaker end of the coverage spectrum, approximately \$385 million in outstanding debt had coverage of less than 1.00x. In a few cases, this low coverage was due to the school's strained financial condition. In other cases, it was due to recent borrowing where the schools had access to capitalized interest to meet all or part of debt service; however, the capitalized interest amount was not clearly detailed in the audit or the offering document, and, therefore, its benefit was not taken into account in the ratio calculation.

There was a slight difference in the distribution of debt among the various ranges for the rated and unrated universes. Thirty percent of debt outstanding for schools with both rated and unrated debt had coverage below 1.20x. Schools with unrated debt had a relatively higher share, 39% versus 28%, in the middle coverage ranges between 1.20x and 1.59x. Schools with rated debt had a relatively higher share, 42% versus 30%, of outstanding debt with coverage above 1.60x.

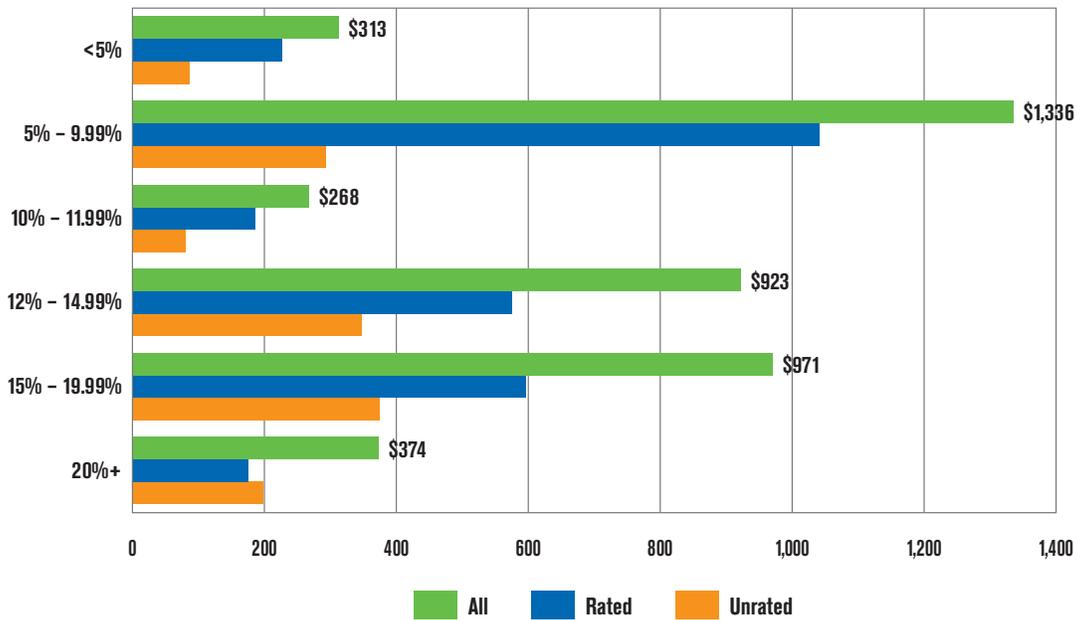
Debt Burden

Debt burden, defined as the percentage of annual revenue spent on principal, interest and capital leases, is another critical metric that provides insight into the financial health of a charter school. For this ratio, the lower the number the better, as too many dollars spent on debt service mean that a school's core education program may become shortchanged, potentially affecting academic performance.

As previously discussed, it is advisable for charter schools to maintain a debt burden below 15%; however, schools exceed this percentage when they are in expansion mode and are paying for a facility that will meet their needs at full enrollment before they have all their students. For FY11, the median All Debt burden for the 298 schools was 12.7%. There was a significant difference, however, for schools with rated debt, where the median was 10.7%, and schools with unrated debt, where the median was materially higher at 13.4%.

The MADS burden follows a similar, although less pronounced, trend line, with a median of 13.0% for all schools, a median of 12.1% for schools with rated debt and a median of 13.3% for schools with unrated debt. Although charter schools tend to have level debt for their bond offerings, the MADS burdens are higher because capitalized interest is netted out of actual FY11 debt service, resulting in lower burdens for the actual FY11 measure. In the aggregate, there is not a significant difference between median MADS and All Debt burdens, although there are more substantial differences within smaller universes. The chart on the next page illustrates the dollar amount of debt outstanding in FY11 within different burden ranges.

DEBT BURDEN - ALL DEBT
(\$ in Millions)



Over \$1.6 billion, or 39% of outstanding debt, had a debt burden of less than 10%. A total of \$2.8 billion, or 68%, had a debt burden below the 15% benchmark. On the other extreme, \$374 million, or 9%, had a debt burden of 20% or more. Schools with unrated debt tended to have a higher percentage of outstanding debt falling into the higher debt burden categories. For example, 42% of the outstanding debt for schools with unrated bonds had a debt burden of 15% or more compared to only 28% of schools with rated bonds. Similarly, 14% of the unrated universe had a burden of 20% or more compared to only 6% for the rated universe.

Operating Metrics

The median total revenue for all schools was \$5.3 million, and the average was \$9.2 million. There was an extraordinarily broad range between a low of \$800,000 and a high of \$149 million and a significant revenue differential between schools with rated debt and those with unrated debt, reflecting the fact that rated schools tended to have higher enrollments. Median revenue for schools with rated debt was \$6.8 million, with a median enrollment of 798 students. Median revenue for schools with unrated debt was \$4.2 million, with a median enrollment of 501 students.

On the expense side, the median stood at \$4.3 million, well below the average of \$7.6 million. As with total revenue, there was a wide range of expenses, from a low of \$600,000 to a high of \$126 million. As expected, the large differential between schools with rated and unrated debt continued, with median expenses of \$5.7 million and \$3.5 million, respectively.

Of the 298 schools reviewed, all but four had positive net income for the year, a particularly impressive accomplishment given the difficult fiscal environment in many jurisdictions. Median net income available for debt

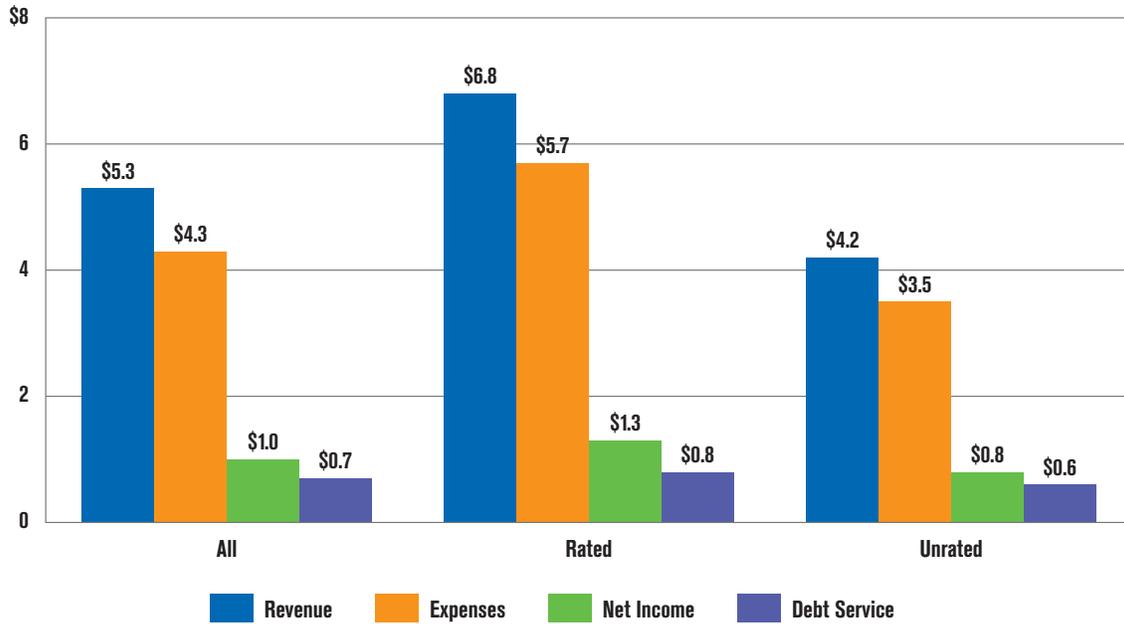
service was \$975,000, ranging from negative net income of \$400,000 to a high of almost \$27 million for one of the nation's largest charter networks. There was a significant difference between the rated and unrated universes, with a median of \$1.3 million for schools with rated debt and just under \$775,000 for schools with unrated debt. The chart on the next page depicts these operating statement medians together with median debt service in FY11, which was \$786,000 for schools with rated debt and \$596,000 for schools with unrated debt.

Days Cash on Hand - DCOH

To determine the liquidity of the sector, we analyzed the DCOH metric, or available cash to daily cash expenses. DCOH is a particularly useful analytical tool as results are not skewed by a school's size. Because this measure is calculated differently by analysts, we used the two most common variations. The first measure, DCOH - Unrestricted, limits the cash included in the calculation to unrestricted cash and cash equivalents. The median for this metric was 58 days for all schools, with a much higher average of 76 days. The median for the rated universe was 70 days, roughly 50% higher than the 48 day median for schools with unrated debt.

We also analyzed the more inclusive metric, DCOH - All, by including cash held by the trustee, but excluding construction funds and debt service reserve funds. The median for this metric was 99 days for all schools, with an average of 136 days. The median for schools with rated debt was 113 days in contrast to the 75 day median for schools with unrated debt.

OPERATING STATEMENT MEDIANS
(\$ in Millions)



Unrestricted Cash as % of Debt Outstanding

Another way of measuring liquidity is comparing a school's cash and cash equivalents to the amount of debt outstanding. In FY11, the median for this metric stood at 9.0% for all schools. The contrast between schools with rated and unrated debt was significant at 11.9% and 6.8%, respectively.

Net Assets

We also analyzed balance sheets for the 298 school borrowers, including the size of each school's balance sheet, or net assets, and the percentage change in net assets from FY10 to FY11. The median net assets for all schools was \$860,000 with a particularly sizable differential between the median for schools with rated debt at \$1.7 million and the much smaller median of approximately \$475,000 for schools with unrated debt.

% Change in Net Assets

The high percentage of schools with positive net income in FY11 is reflected in a solid median change in net assets of 10.9%. Schools with rated debt had a 12.2% median increase and schools with unrated debt had a median increase of 8.6%. These medians are a particularly strong reflection of overall financial health given the cutbacks and freezes in per pupil funding that many states have experienced over the past several years. It appears that the majority of charter school borrowers that have accessed the tax-exempt bond market are managing their revenue and expenditure levels wisely.

Net Debt to Net Available Income

The Net Debt to Net Available Income metric measures how much each school's cash flow is leveraged by its debt obligations. For this metric, the lower the number the better and anything over 10.0x is considered to be overleveraged and a sign that a school may have borrowed in excess of what its cash flow can support. There was little variation in the rated and unrated universes for this metric, with a median of 8.4x for schools with rated debt and a slightly higher median of 8.7x for schools with unrated debt. Generally, leverage ratios for the sector are within acceptable ranges, with a median of 8.6x for all schools. Those schools which fell above the medians tended to be growing schools projecting increased cash flow, and a lower ratio, once enrollment stabilized.

Per Student Data

Median revenue, expense, debt service and debt per student did not appreciably differ between the rated and unrated universes, although there was a wide range for each of the metrics. Median revenue per student for all schools stood at \$8,124, with a median of \$8,116 for schools with rated debt and a median of \$8,154 for schools with unrated debt. Median expense per student was \$6,875 for all schools. The rated median was slightly higher at \$6,934, and the unrated median was slightly lower at \$6,789.

Median debt service per student was \$1,030, with a lower median of \$927 for schools with rated debt and a higher median of \$1,147 for schools with unrated debt, primarily reflecting the higher borrowing costs for unrated schools. The debt per student median was more consistent across these

universes, although the range for this metric was broad. The median debt per student for all schools was \$14,641, virtually the same as the median for schools with rated debt, \$14,648, and schools with unrated debt, \$14,293.

ANALYSIS BY STATE

Charter schools in 29 states and the District of Columbia have outstanding tax-exempt debt for their facilities. Arizona, Colorado and Michigan are home to 54% of the 298 schools, with a combined total of 162. Schools in these three states had total debt outstanding of \$1.67 billion at the end of FY11, representing approximately 40% of the total. Due to larger borrowings, Texas' 24 charter schools, or 8% of the schools, accounted for \$830 million, or 19% of total debt outstanding. Six other states – California, Florida, Minnesota, New York, Pennsylvania and Utah – accounted for another 76 schools, or 26%, and \$1.19 billion in debt outstanding, or 28%. The remaining 36 schools, or 12%, are located in 19 different states and the District of Columbia and accounted for \$620 million, or 14% of total debt outstanding. The top ten states represent a total of 262, or 88%, of the 298 schools and \$3.68 billion, or 86%, of the \$4.3 billion outstanding debt reviewed in this report, and they are the focus of this analysis.

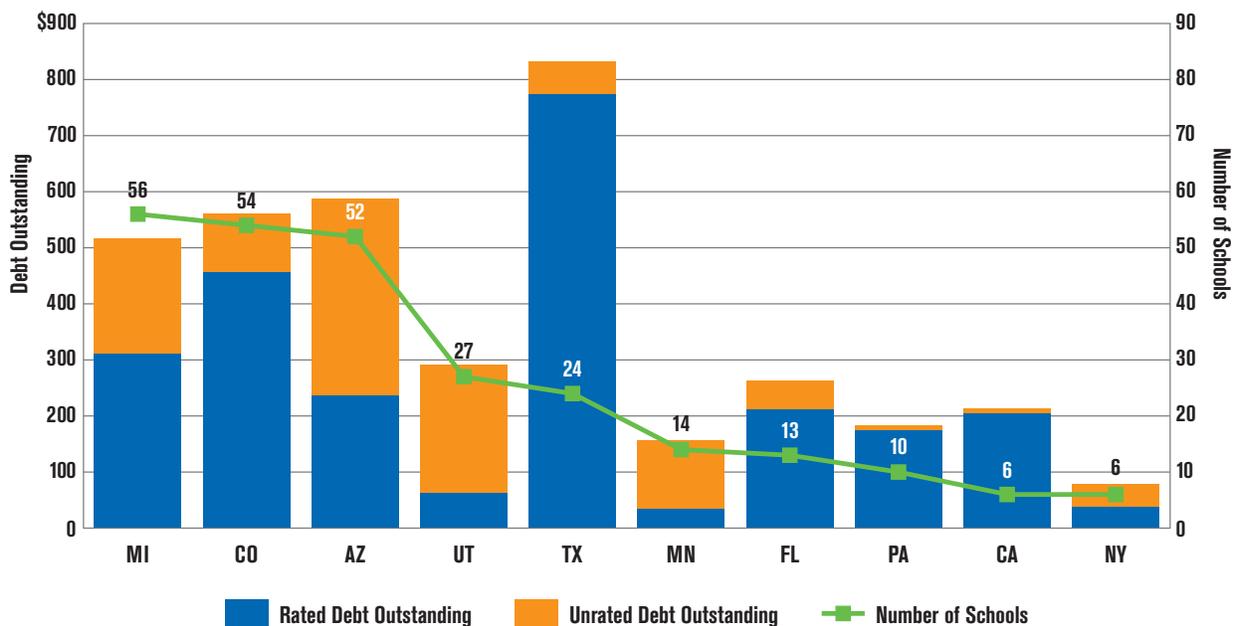
For these top ten states, the graph below details the number of schools together with aggregate debt outstanding further broken down by schools' bond rating status, rated or unrated. Please see Appendix D for medians for specific financial metrics for these top ten states. Individual metrics of note are discussed further below.

Both the aggregate amount of debt outstanding and the relative composition of rated and unrated debt varied greatly among states. Arizona, Colorado, Michigan and Texas each had more than \$500 million in outstanding debt, and while schools in Texas and Colorado primarily issued on a rated basis, schools in Arizona and Michigan more frequently issued on an unrated basis. Only seven of the 24 schools in Texas had unrated debt, and the borrowings for these schools were considerably smaller. Debt outstanding for the seven schools was \$57 million, accounting for only 7% of the \$830 million outstanding in the state. Similarly, in Colorado, 30% of the schools had unrated debt, accounting for only \$100 million, or 19% of the \$550 million debt outstanding. On the other hand, 41 of Arizona's 52 schools had \$350 million in unrated debt outstanding, accounting for 60% of the state total. In Michigan, 34 of the state's 56 schools had unrated debt equaling \$204 million, or 40% of the state total.

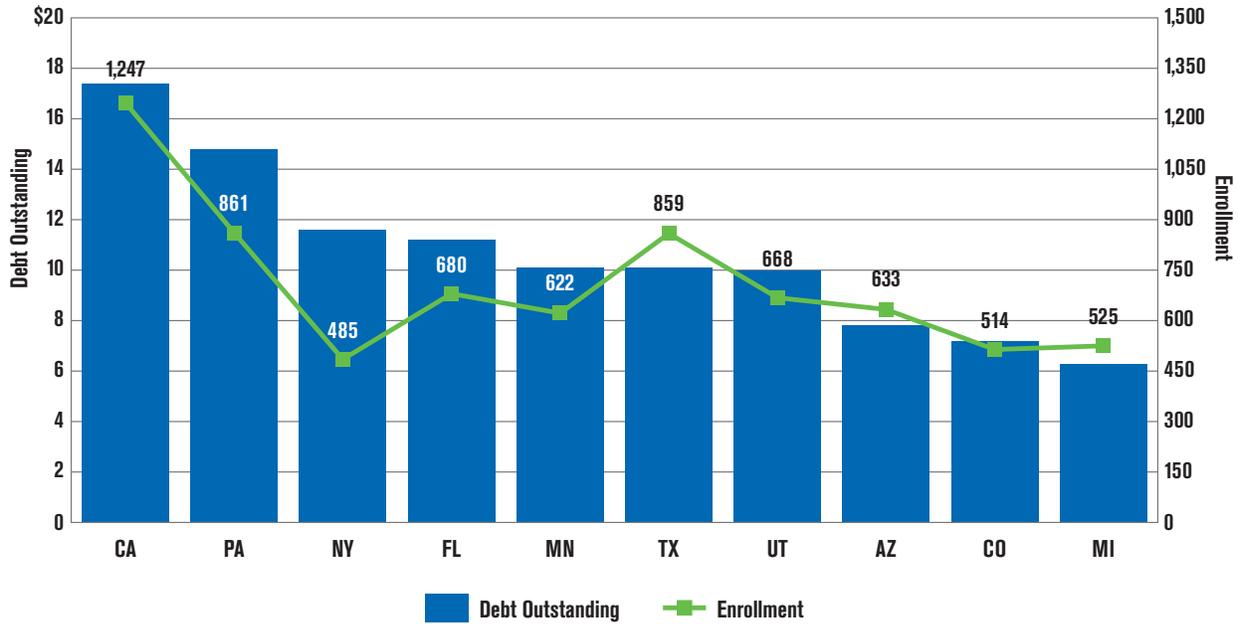
In terms of the other top ten states, schools in California, Florida and Pennsylvania were more likely to issue on a rated basis while schools in Minnesota and Utah were more likely to issue on an unrated basis. New York schools were evenly divided, with three schools issuing on an unrated basis and three schools issuing on a rated basis.

For various legal and/or political reasons, charter schools in some jurisdictions are unable to access the tax-exempt market through traditional conduit borrowers. As such, these schools have borrowed via an out-of-state issuer. We have classified these schools by school location rather than issuer jurisdiction throughout this report.

NUMBER OF SCHOOLS & AGGREGATE DEBT OUTSTANDING BY STATE
(\$ in Millions)



MEDIAN DEBT OUTSTANDING & ENROLLMENT BY STATE
(\$ in Millions)



Debt Outstanding

Median debt outstanding for schools in the top ten states varied in accordance with several key factors. Most clearly, median debt outstanding tended to be higher in states with higher median enrollments. Michigan, with a relatively low median enrollment of 525 students, had the lowest median debt outstanding for its 56 schools, \$6.3 million. On the other extreme, California’s six schools, with the highest median enrollment of any state, 1,247 students, also had the highest median debt outstanding, \$17.4 million. Pennsylvania, with the second highest median enrollment, also had the second highest median debt outstanding, \$14.8 million. Other factors obviously impact this metric, including differing real estate markets, construction costs, per pupil funding levels and facilities policies across the country.

Debt Service Coverage

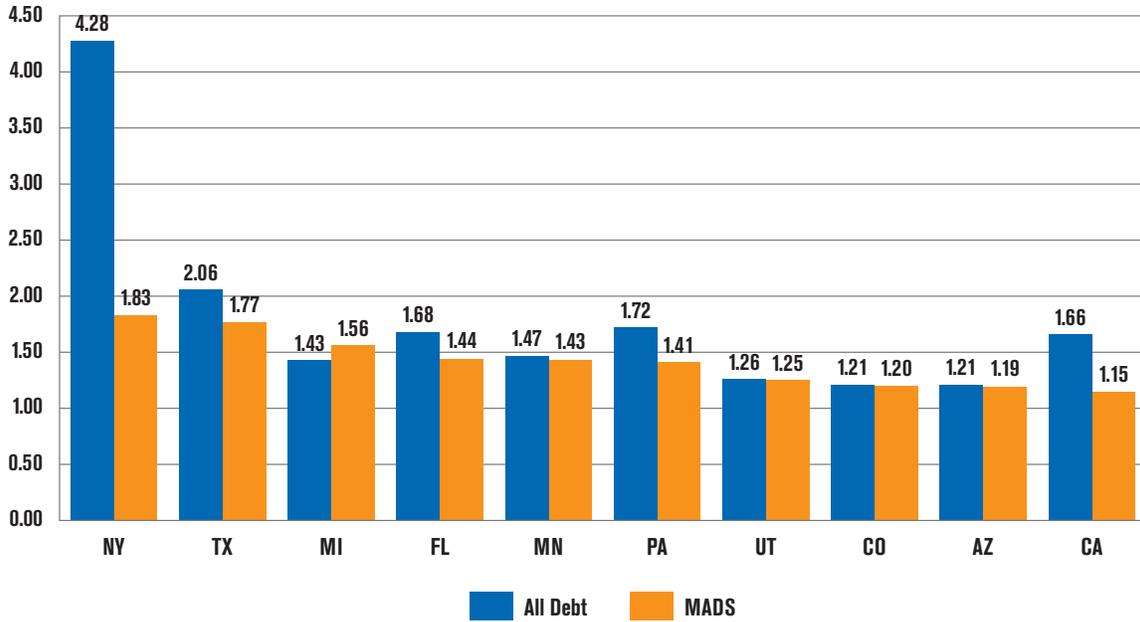
For the top ten states, median coverage ratios based on maximum annual bond debt service ranged from a high of 1.83x for New York to a low of 1.15x for California. All of the top ten states other than Arizona and California had medians of 1.20x or above, with six states having medians above 1.40x. The All Debt median coverage ratios are generally higher than the MADS ratios, despite including bond and non-bond debt service, because most states had a few schools with recent bond issuances that had capitalized interest in FY11. Once level debt service on these issues

begins, as captured in MADS, the All Debt coverage will decline accordingly. The most extreme case of this phenomenon was New York where two of the six schools had recent issuances with significant capitalized interest in FY11, resulting in coverage of over eight times. Excluding these two schools, New York’s All Debt coverage median declines to 2.39x. The graph on the next page details median All Debt and MADS debt service coverage ratios by state.

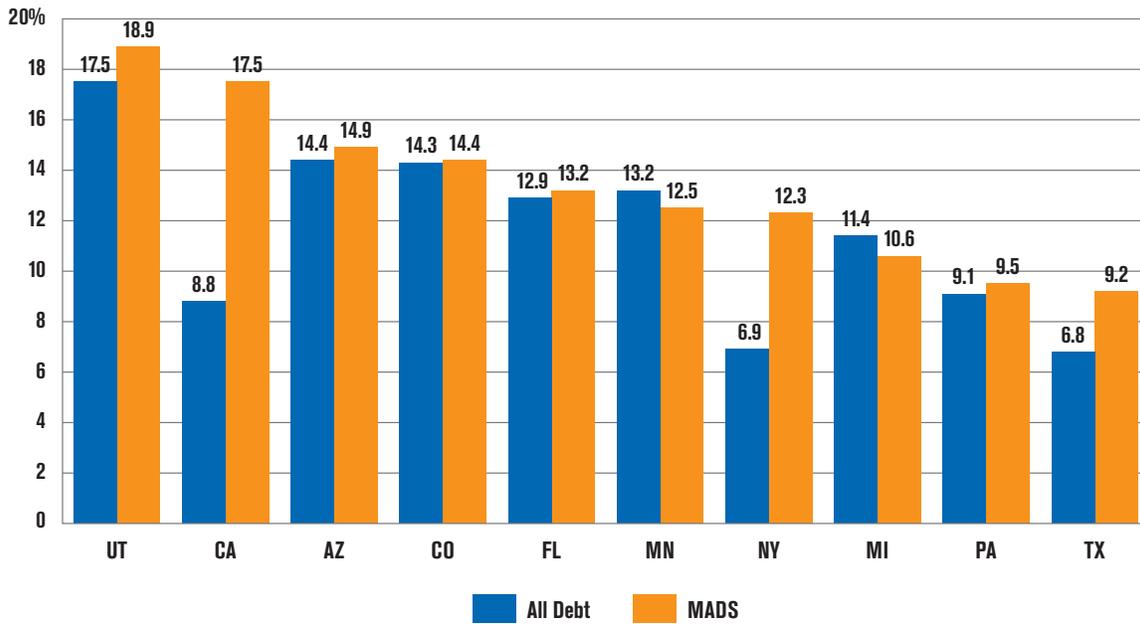
Debt Burden

Debt burden based on maximum annual bond debt service ranged from a high of 18.9% in Utah to a low of 9.2% in Texas. All but two states – Utah and California – had medians below the 15% benchmark. The combination of higher interest rates for predominantly unrated issuance and relatively low per pupil funding levels help explain Utah’s median. Higher real estate costs and low per pupil revenues contribute to the relatively high burden for California. Once again, debt burden medians based on actual debt payments for both bonds and other debt was lower for a majority of states, with the greatest discrepancies occurring in states with a smaller number of issuances. California and New York had the lowest actual debt burdens in large part because they each had only six schools, including several with recent issuances and significant capitalized interest in FY11.

MEDIAN DSCR BY STATE
All Debt & MADS



MEDIAN DEBT BURDEN BY STATE
All Debt & MADS

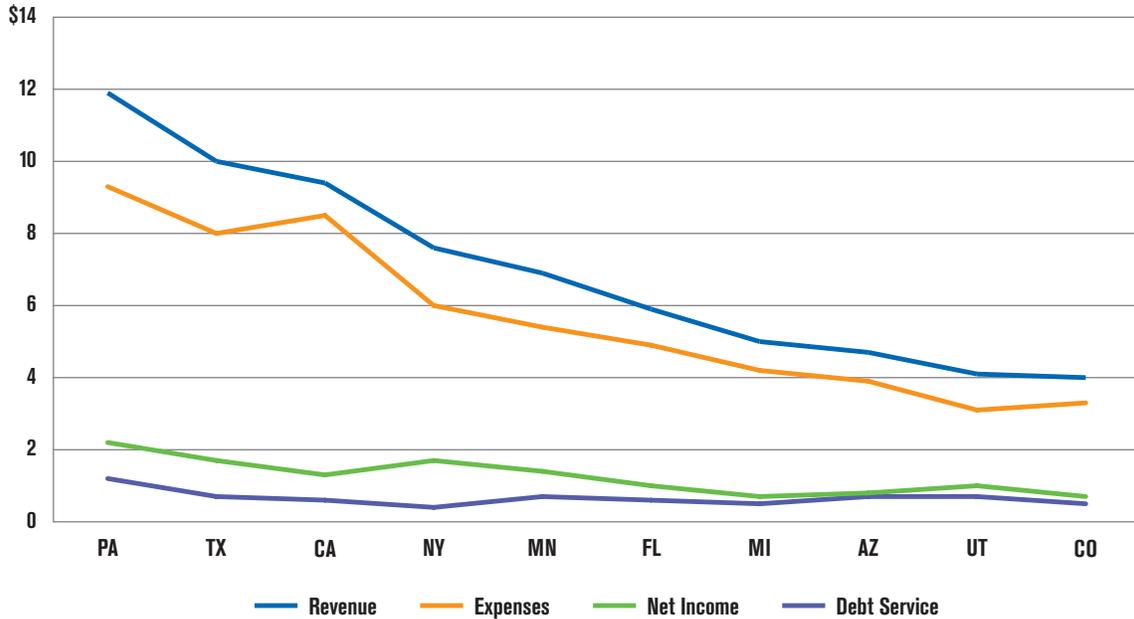


Operating Metrics

As illustrated by the graph on the next page, school revenue, expenses and net income were highly correlated. Several factors other than general school management affect these medians. Most clearly, school size varies fairly significantly by state, with schools in California, Pennsylvania and Texas having higher median enrollments than the other seven states and

thus higher operating statement medians. In addition, the level of per pupil funding support provided to charters schools varies by state, with New York, Pennsylvania and Minnesota providing higher levels of per pupil funding. Cash flow was tightest in Michigan, Arizona, Utah and Colorado, where median net income and median debt service were virtually identical.

CASH FLOW MEDIANS BY STATE
(\$ in Millions)



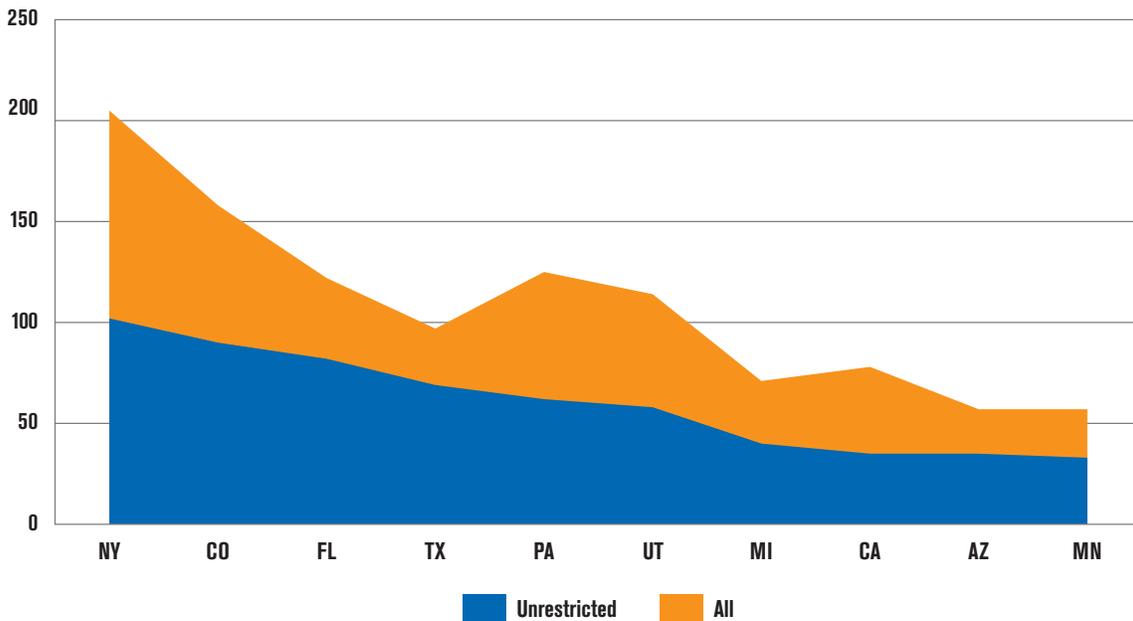
Days Cash on Hand - DCOH

Median DCOH - Unrestricted ranged from a low of 33 days for Minnesota's charter schools to a high of 102 days for New York's schools. Four states – Minnesota, Arizona, California and Michigan – had medians of roughly one month's unrestricted cash on hand. Three other states – Pennsylvania, Texas and Utah – had approximately two months. Colorado, Florida and New York had medians of approximately three months. The median for the more inclusive metric, DCOH - All, followed the same general trend line, with Minnesota schools having the lowest median, 57 days, and New York schools having the highest, 205 days.

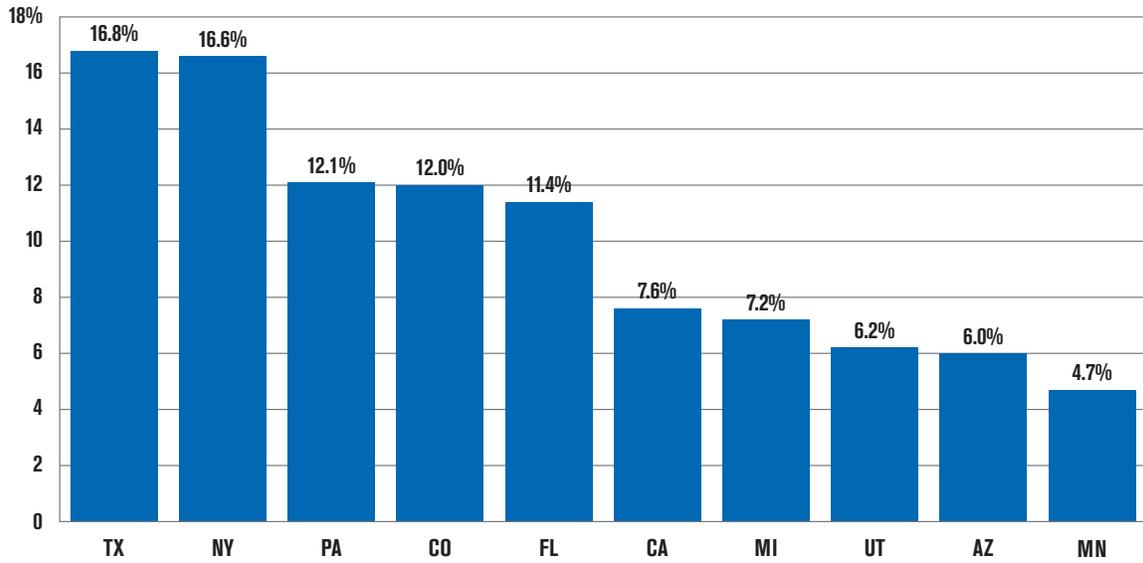
Unrestricted Cash as % of Debt Outstanding

Median total unrestricted cash and investments as a percentage of debt outstanding ranged from highs of over 16% for Texas and New York to a low of 4.7% for Minnesota. For this metric, the higher the number the better as it measures the amount of available resources a school has compared to its total outstanding debt. While charter schools are not generally expected to have high liquidity levels, half of the top ten states had ratios above 10% and only one was less than 5%, as shown in the graph on the next page.

MEDIAN DAYS CASH ON HAND (DCOH) BY STATE



MEDIAN UNRESTRICTED CASH AS % OF DEBT OUTSTANDING BY STATE



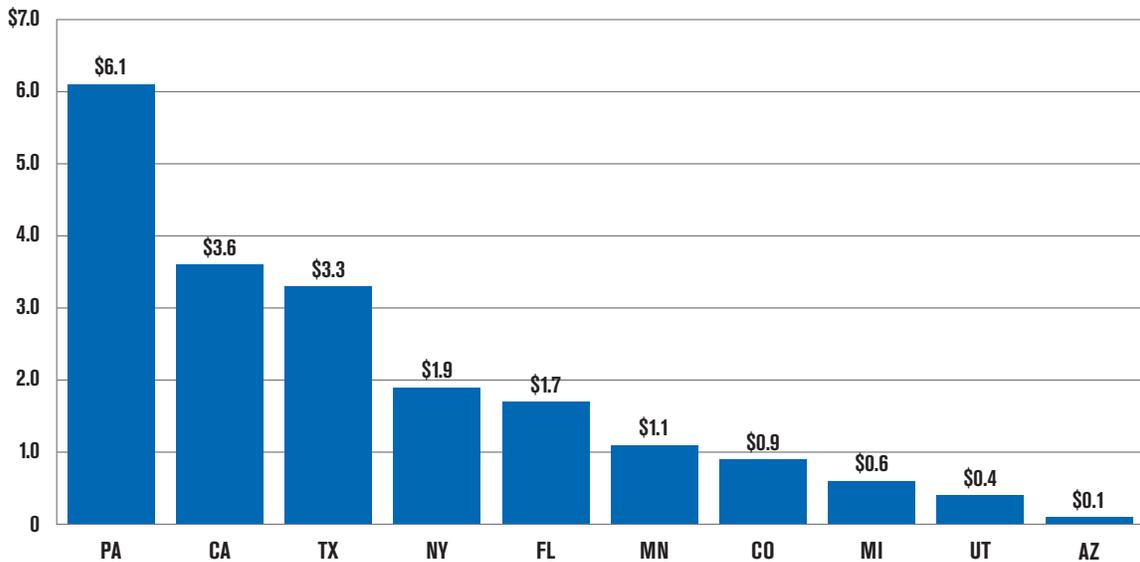
Net Assets

Net asset medians varied widely among states from a low of only \$55,000 in Arizona to a high of \$6.1 million in Pennsylvania. Schools in Pennsylvania, California and Texas had median net assets above \$3 million, reflecting the fact that the charter schools which borrowed through the tax-exempt market in those states tended to be larger, more mature schools with a history of prudent financial management even in sometimes difficult fiscal environments. Schools in New York, Florida and Minnesota had net assets in the \$1 million to \$2 million range, while the remaining four states had median net assets below \$1 million, as shown below.

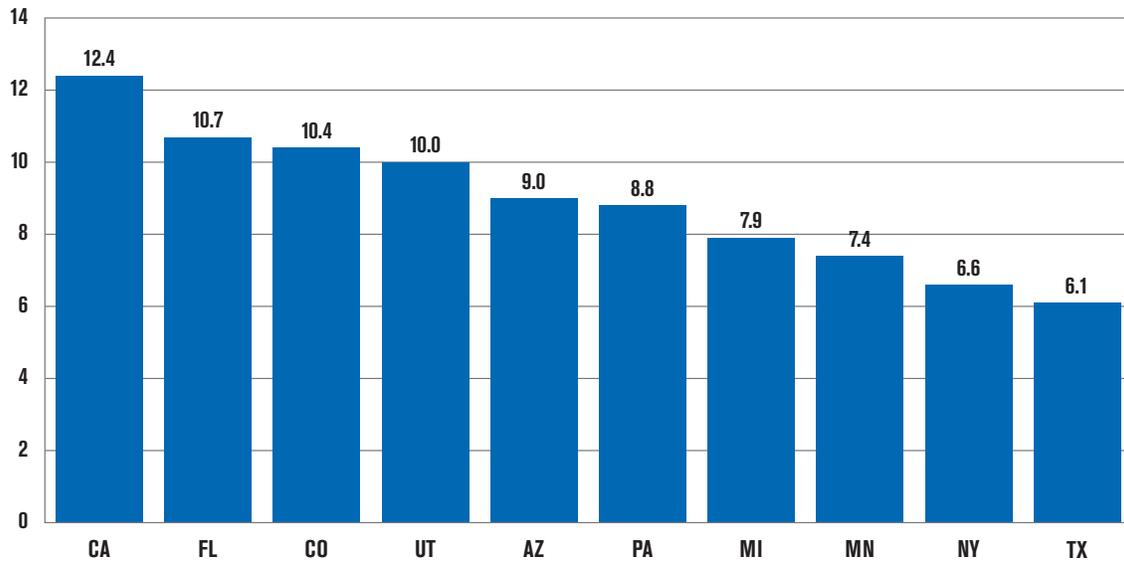
Net Debt to Net Available Income

The graph on the following page details medians for the top ten states. Texas had the lowest net debt to net available income median at 6.1x, with New York having the next strongest ratio at 6.6x. At the weaker end of the range was California, with a ratio of 12.4x, reflective of the state's particularly acute fiscal situation. Medians for seven of the ten states fell at or below 10.0x, and two – Colorado and Florida – were below 11.0x.

MEDIAN NET ASSETS BY STATE (\$ in Millions)



MEDIAN NET DEBT TO NET AVAILABLE INCOME BY STATE

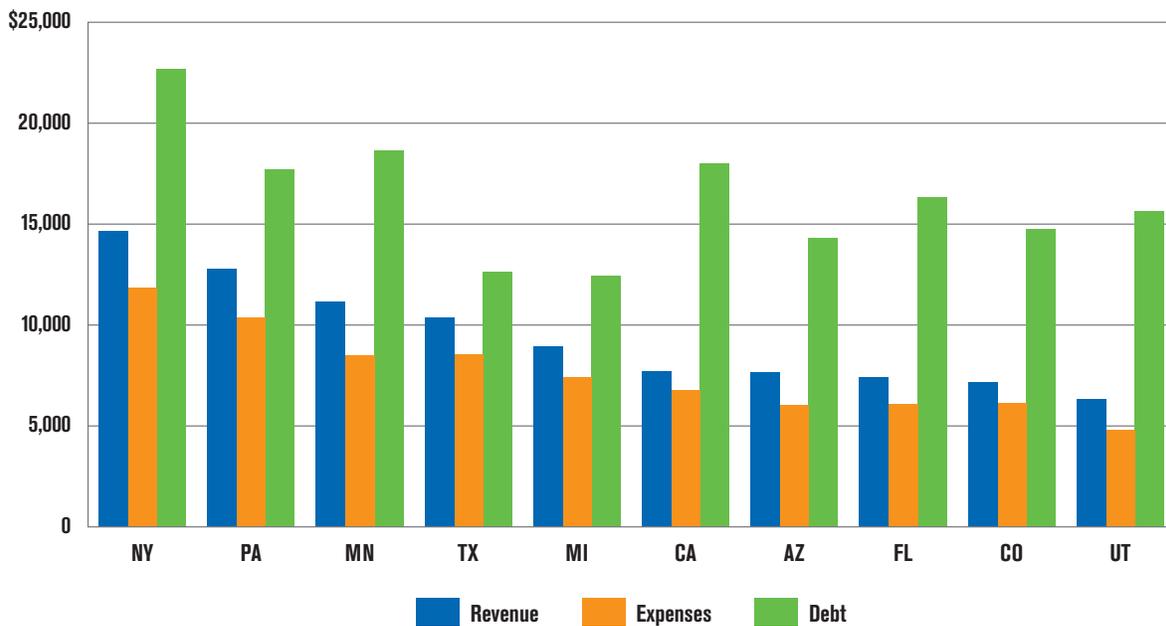


Per Student Data

Debt per student varied widely by state, as illustrated below. Generally, states with significantly higher median revenue and expense per student had higher median debt per student. For example, New York was the only state with median per student debt above \$20,000, and it also had the highest per student revenue and expense medians, \$14,662 and \$11,853, respectively. Minnesota and Pennsylvania, two other states with significantly higher per student revenue and expense medians, had the second and fourth highest debt per student, respectively. There is less of

a relationship between these metrics for states falling into the per student revenue range of \$8,000 or below. California, with the fifth lowest median revenue per student, \$7,693, had the third highest debt per student, \$18,026. Similarly, Utah, which had the lowest median revenue per student, \$6,353, had the sixth highest debt per student, \$15,626. Clearly, other factors, including real estate expense in different markets and higher construction costs on a per student basis for smaller schools, as well as borrowing costs themselves, come into play.

PER STUDENT MEDIANS BY STATE



ANALYSIS BY UNDERLYING RATING CATEGORY

We also dissected the universe of charter school borrowers by the current underlying ratings on their offerings in order to analyze differences in medians between schools with investment grade and non-investment grade ratings. The 20 schools that had credit-enhanced bond ratings, but no underlying rating, are not included in this analysis or in the medians provided in the accompanying table. This analysis pertains to the 123 schools with underlying ratings, which have \$2.61 billion in outstanding debt. Included are 102 schools with \$2.12 billion in outstanding debt that have investment grade ratings in the triple-B category and 21 schools with \$492 million in outstanding debt that have non-investment grade ratings of double-B or below.

The 102 schools with investment grade bond ratings include 70 schools with “BBB-/Baa3” ratings, 25 schools with “BBB/Baa2” ratings and seven schools with “BBB+” ratings. The 21 schools with non-investment bond ratings include 13 with “BB+” ratings, four with “BB” ratings, one with a “BB-” rating, one with a “B+” rating and two with ratings in the triple-C category.

Although the focus of this section is on the charter school sector's financial position – and our analysis divides the overall portfolio by rating categories – it is important to note that a school's fiscal health is not the sole credit factor rating agencies consider. While a charter school's financial position is a critical rating factor, there are several additional qualitative factors that are also considered, including management, governance, demand and academic quality as well as the debt's legal provisions and structure. In addition, while each rating agency has unique rating criteria for charter schools as well as distinct rating definitions, we have treated S&P's and Fitch's “BBB” ratings in the same category as Moody's “Baa.” All ratings employed in our research were as of May 19, 2012.

Operating Performance

There were material differences in the FY11 financial metrics for schools with bonds currently rated either investment grade or below investment grade. Perhaps most interestingly, the non-investment grade schools tended to be larger. Median enrollment for these schools in FY11 was 1,120 students, 50% higher than the 754 median for investment grade schools.

Reflecting these higher enrollments, median revenue and expenses were roughly 45% higher for schools with non-investment grade ratings. Median revenue was \$9.6 million for these 21 schools compared to \$6.6 million for the 102 schools with investment grade ratings, and median expense was \$7.5 million compared to \$5.7 million. The difference in median net income was far less pronounced at 10%, with a non-investment grade median of \$1.4 million and an investment grade median of \$1.2 million.

MEDIANS BY UNDERLYING RATING CATEGORY

Financial Metric	All Ratings	Investment Grade	Non-Investment Grade
Number of Schools	123	102	21
Total Debt Outstanding	\$2,606,792,812	\$2,115,178,947	\$491,613,865
Enrollment	824	754	1,120
Bonds Outstanding	\$11,143,503	\$10,212,500	\$15,630,000
Debt Outstanding	\$11,515,000	\$10,887,500	\$16,360,000
Bond DSCR	1.67x	1.67x	1.56x
All Debt DSCR	1.65x	1.67x	1.45x
Bond MADS Coverage	1.51x	1.53x	1.24x
Debt Burden - All Debt	10.2%	10.4%	9.5%
Debt Burden - MADS	11.6%	11.4%	14.0%
Total Revenue	\$7,388,642	\$6,596,197	\$9,570,996
Total Expenses	\$5,802,223	\$5,676,954	\$7,531,222
Net Income	\$1,255,527	\$1,248,589	\$1,372,397
Actual Debt Service	\$732,813	\$688,480	\$1,031,504
Total Unrestricted Cash & Investments	\$1,324,263	\$1,383,757	\$728,005
DCOH - Unrestricted	64	72	42
DCOH - All	109	112	94
Total Unrestricted Cash & Equivalents as % of Debt Outstanding	11.7%	12.6%	5.8%
Net Assets	\$1,737,123	\$2,016,875	\$803,880
% Change in Net Assets	12.2%	13.3%	5.3%
Net Debt to Net Available Income	8.2x	7.8x	9.1x
Revenue per Student	\$8,382	\$8,186	\$8,503
Expense per Student	\$7,106	\$7,104	\$7,229
Debt Service per Student	\$875	\$873	\$875
Debt per Student	\$14,382	\$14,079	\$16,337

Median net assets for investment grade schools were higher despite their smaller size, partially reflecting the fact that these schools tend to be older and have had more time to accumulate surpluses. Median net assets for investment grade schools was just over \$2 million, more than double the \$800,000 median for non-investment grade schools. The superior financial performance of the investment grade schools is further illustrated by the large disparity in the percentage change in net assets between FY10 and FY11, with investment grade schools having a median of 13.3% compared to 5.3% for non-investment grade schools.

Bonds & Debt Outstanding

The larger school size of the non-investment grade schools is also reflected in larger borrowings. Median bonds outstanding and debt outstanding were 50% higher for non-investment grade schools. The median dollar amount of bonds outstanding was \$15.6 million for these schools compared to \$10.2 million for the investment grades schools, and median debt outstanding was \$16.4 million compared to \$10.9 million.

The non-investment grade schools also had significantly higher debt per student than investment grade schools. While this metric did not vary significantly between the rated and unrated universes in the earlier analysis, a greater divergence exists between the two rating categories; non-investment grade schools had a median of \$16,337, 16% higher than the \$14,079 median for investment grade schools. There is also a large variance in the net debt to net available income metric between the ratings categories, with the non-investment grade schools at 9.1x compared to 7.8x for investment grade schools.

DSCR

Debt service coverage, both the All Debt ratio for FY11 debt service for all borrowings and the MADS ratio for bond debt, was materially higher for investment grade schools. The median All Debt ratio was 1.67x for investment grade schools and 1.45x for non-investment grade schools. The difference in MADS coverage was more pronounced, reflecting the fact that several of the 21 schools in the smaller non-investment grade universe had recent bond offerings with significant capitalized interest in FY11, which improved their All Debt coverage ratios. The median MADS ratio stood at 1.53x for investment grade schools and 1.24x for non-investment grade schools.

Debt Burden

The pattern varies somewhat in the analysis of debt burden. Because capitalized interest was netted out of FY11 debt service, the median All Debt burden was lower for non-investment grade schools, 9.5% compared to 10.4%. Based on maximum annual debt service for bond debt, however, the median ratio is considerably higher for the non-investment grade schools, 14.0% compared to 11.4%. In addition, eight, or 38%, of the schools in the non-investment grade universe had MADS debt burdens above the 15% benchmark.

Liquidity Ratios

Although investment grade schools were smaller, they had a significantly higher median for total unrestricted cash and investments, \$1.4 million compared to \$730,000 for non-investment grade schools. Reflecting this superior liquidity, the DCOH - Unrestricted median for investment grade schools was 72 days, approximately 70% higher than the 42 day median for non-investment grade schools. There was a less pronounced difference in the DCOH - All metric, although the median for investment grade schools was roughly 20% higher at 112 days compared to 94 days. The median for cash and investments as a percentage of debt outstanding for investment grade schools was more than double that of non-investment grade schools, 12.6% compared to 5.8%.

COMPARISON ANALYSIS

COMPARISON OF PRO FORMA PROJECTIONS & ACTUALS FOR FY11, 85 ISSUES (\$ in Millions)

Year	Median			Average		
	Pro Formas	FY11 Actuals	% Difference	Pro Formas	FY11 Actuals	% Difference
Enrollment	675	680	0.7%	1,421	1,726	21.5%
Total Revenue	\$4.688	\$5.096	8.7%	\$12.352	\$16.031	29.8%
Total Expenses	\$3.758	\$4.238	12.8%	\$9.685	\$13.575	40.2%
Net Income	\$1.092	\$1.057	-3.2%	\$2.667	\$2.456	-7.9%
Debt Service	\$0.700	\$0.708	1.1%	\$1.609	\$1.761	9.5%
DSCR	1.48	1.39	-6.1%	1.74	1.88	8.0%
Debt Burden	13.4%	12.7%	-5.2%	13.3%	12.7%	-4.5%

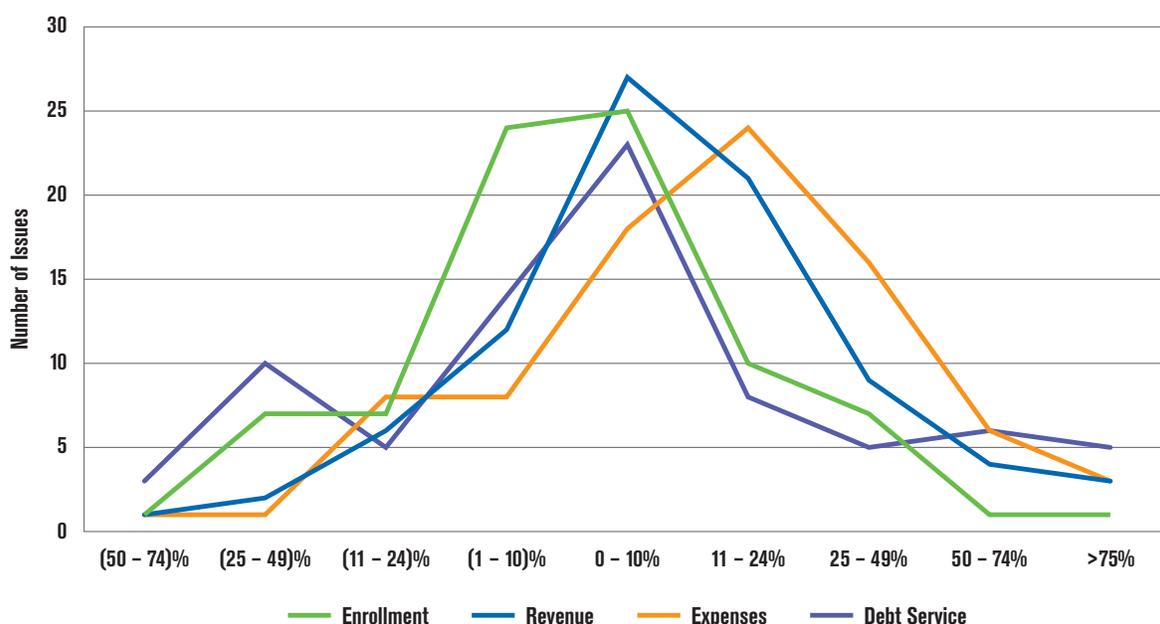
OVERVIEW

As discussed in the disclosure analysis, underwriters analyze pro forma budgets in terms of the reasonableness of their underlying assumptions and employ them as a basis for debt coverage and debt burden calculations. In light of their importance, we compared a subset of 85 offerings for which we had both projected and actual FY11 data available in order to assess pro forma accuracy. For this smaller subset, we compared pro forma projections with FY11 actuals for certain key pro forma budget items and metrics. The table above compares medians and averages for the pro forma projections with those based on actual performance. Many of the actual medians were in line with expectations, with all but the expense median falling within 10% of projections. Averages were not as well-aligned, particularly for the operating budget items, primarily due to a few large charter management organizations with actual growth significantly higher than projected.

PRO FORMA BUDGET ITEMS

While this comparison of medians and averages provides a high-level overview, we also compared each of the 85 projections with actual performance for four primary operating budget items normally included in pro formas: enrollment, revenue, expenses and debt service. We chose not to attempt to compare individual net income projections with actuals since so many countervailing factors come into play in those figures, making the results difficult to interpret. For the four budget items, we calculated the percentage difference between actual figures and pro forma projections for each of the 85 issues and then tallied the number of offerings falling into various percentage ranges. For example, if enrollment for FY11 was projected to total 100 students and actual enrollment was 130, the percentage difference would be 30% and that data point would be found in the positive 25-49% range together with other offerings whose actual performance exceeded projections by a similar magnitude.

PERCENTAGE DIFFERENCE BETWEEN PRO FORMA PROJECTIONS & ACTUALS FOR FY11



Several points emerge from this analysis. Most obviously, since enrollment drives the other items, all four tend to deviate from projections by similar magnitudes, with higher enrollment than projected also leading to higher revenue and expenses than projected. The ten offerings in which actuals exceed projections by 50% or more were generally for large charter networks with growth that exceeded earlier predictions. The larger negative differentials were primarily for smaller schools that projected enrollment growth which did not materialize, rather than an actual drop in enrollment for these schools. In addition, the bell shape of the distribution curve is apparent. Depending on the budget item, between 30% and 60% of the issues fall within plus or minus ten percent of projections and roughly 60% to 80% of the issues fall within 25% of projections. If expenses and debt service are combined, actual deviations from projections almost exactly mirror the deviation distribution for revenues.

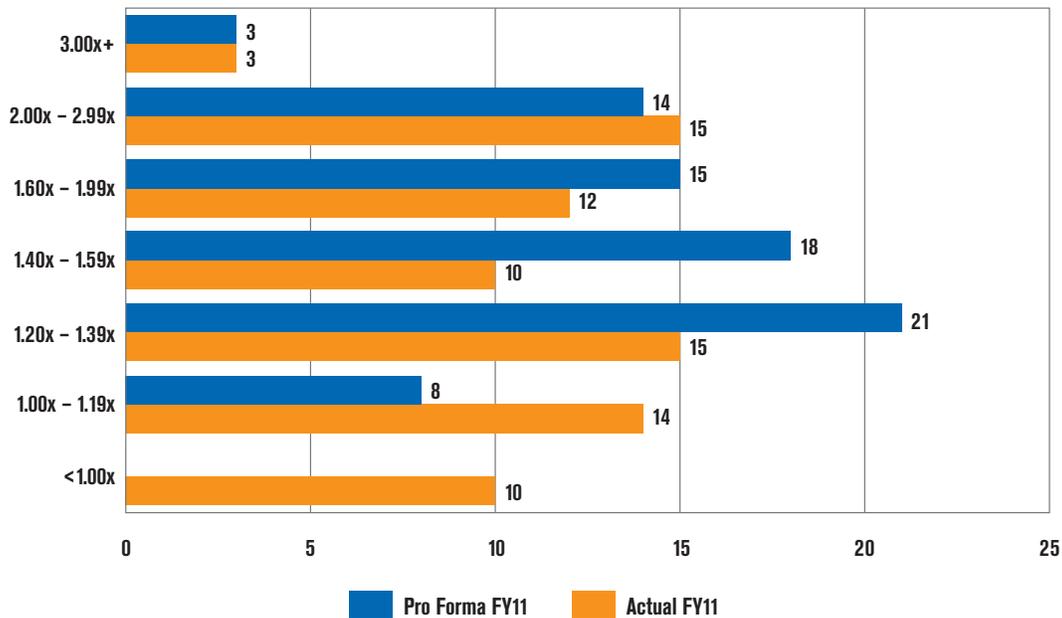
DEBT RATIOS

While a school's ability to accurately predict its future enrollment and budget is important, the two ratios of greatest significance from an underwriting perspective are the debt service coverage ratio and the debt burden ratio. The graph below depicts the number of issues with projected and actual debt service coverage within certain ranges, ranging from less

than 1.00x to 3.00x or above. There were roughly the same number of issues with projected and actual coverage in the higher ranges of 1.60x and above. Thirty-two issues projected coverage in these higher ranges, and 30 issues had actual coverage of 1.60x or above. However, the number of issues with actual coverage in the 1.20x-1.39x and 1.40x-1.59x ranges was significantly less than projected, and the number of issues with actual coverage in the lowest two categories, 1.00x-1.19x and less than 1.00x, was significantly more than projected.

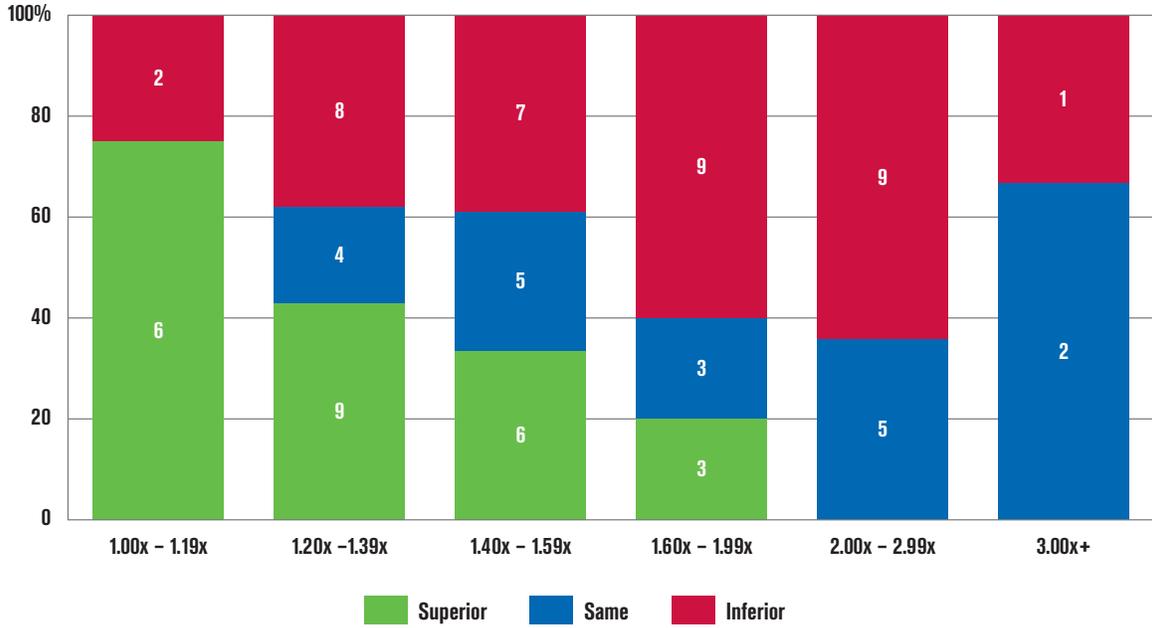
Within each range, some projections had superior actual performance, some had inferior performance and some stayed within the same general range. The graph on the next page illustrates the percentage of issues by initial projection range that improved to a higher coverage range, decreased to a lower range or stayed within the same range. As depicted, those issues in the lower projected coverage ranges tended to have more positive changes in actual coverage, with six of the eight issues in the lowest projection range at issuance, 1.00x-1.19x, having superior actual performance. Conversely, those issues in the higher projected coverage ranges tended to have more negative changes in actual coverage, with nine of the 14 issues in the 2.00x-2.99x range having inferior performance and nine of the 15 issues in the 1.60x-1.99x range having inferior actual performance.

PROJECTED & ACTUAL FY11 DSCR
Number of Issues



CHANGES IN PROJECTED DEBT SERVICE COVERAGE

Number of Issues

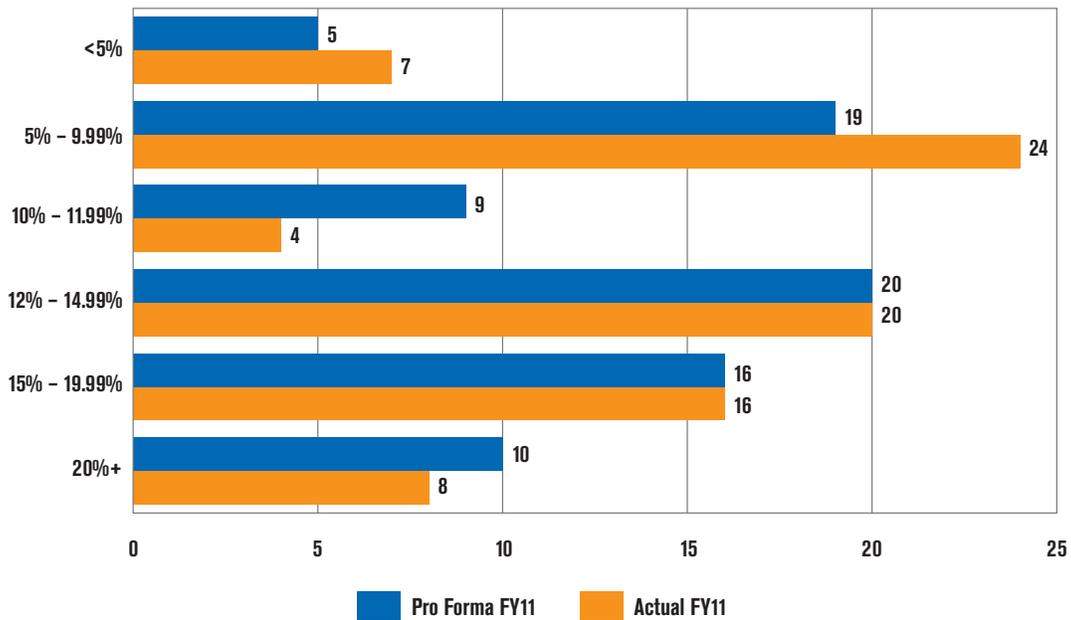


A similar analysis is performed for the debt burden ratio. The graph below depicts the number of issues with projected and actual debt burdens within certain ranges, ranging from less than 5% to 20% or more. There was greater similarity in the number of projected and actual issues within

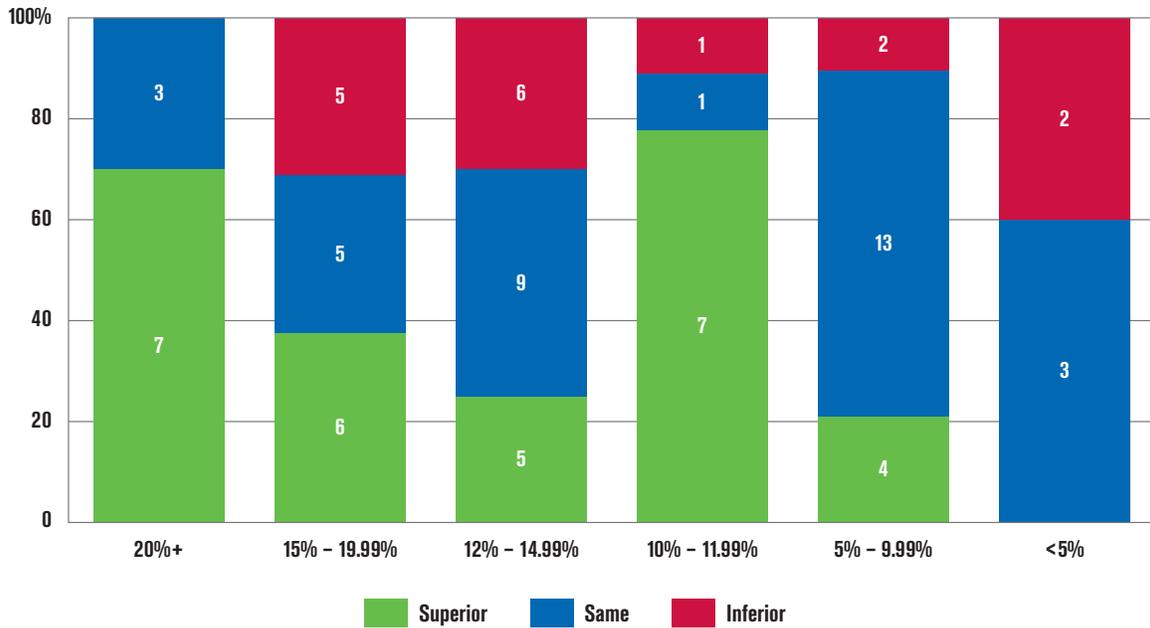
individual ranges for debt burden than there was for debt service coverage. In the aggregate, these smaller deviations were favorable. Fewer schools than projected had actual debt burdens in excess of 20% and more schools than projected had debt burdens under 10%.

PROJECTED & ACTUAL FY11 DEBT BURDEN

Number of Issues



CHANGES IN PROJECTED DEBT BURDEN
Number of Issues



As with the debt service coverage ratio, some offerings had superior actual performance, some had inferior performance and some stayed within the same general debt burden range as projected. However, in the case of debt burden, superior is defined as a decrease in range and inferior is defined as an increase in range. The graph above illustrates the percentage of issues by initial projection range that had superior, inferior or the same actual burden. The two ranges with the greatest change between projections and actual performance were the 20%+ and the 10%-11.9% ranges. In the case of the 20%+ range, seven of the ten issues had superior actual performance, with their actual burden falling primarily into the immediately lower range. In the case of the 10%-11.9% range, seven of nine issues had superior performance with actual burdens falling into the immediately lower range and one had inferior performance with an actual burden falling into the immediately higher range.

Because the pro forma analysis gathered data from Year 1 and the Latest Year of the pro forma budgets, there was a limited data set of 85 projections for FY11, and roughly half of these were Year 1 projections. As such, we would expect greater accuracy due to their shorter time horizon. In order to assess whether this data set skewed the findings, we performed a similar analysis for a smaller universe consisting only of pro formas in which FY11 was the Latest Year of the projections. We found that the results did not significantly change. The bell curve shape of the four budget items – enrollment, revenue, expenses and debt service – was maintained, although there were slightly lower percentages falling within the 10% and 25% variance ranges. The debt service coverage and debt burden findings were similar in terms of the distribution of actuals compared to projections within the different ranges.

REPAYMENT PERFORMANCE

DEFAULT RATES

As the tax-exempt charter school bond sector is well into its second decade with approximately 600 transactions issued to date, there is significant repayment performance available to analyze and from which to derive conclusions. Of the 583 tax-exempt bond issuances totaling \$6.44 billion that have financed charter school facilities through May 31, 2012, 22 transactions, or 3.8% of the portfolio, have experienced a monetary default in which investors did not receive full and timely debt service payments. In terms of the dollar amount of debt originated, \$173 million of bonds have defaulted, representing an overall default rate of 2.7%.

It is important to note that we have defined a default as any transaction whose borrower, as of May 31, 2012, was unable to meet the principal and interest payments to investors that were agreed to at the time of bond issuance. Therefore, if a school has renegotiated its debt service terms with bondholders through a forbearance agreement, we have labeled it a default. A technical default, on the other hand, would not be considered a default for our analytical purposes as the reason for the technical default may be unrelated to repayment ability, such as failure to file timely disclosure information. Other technical defaults, such as revocation or non-renewal of a charter, may signal an eventual default, but they are not captured as a monetary default unless and until there is a missed payment to bondholders.

In terms of default rates, there is a clear distinction between transactions that were assigned a rating, either investment grade or non-investment grade, at issuance and those that accessed the market on an unrated basis. None of the 22 defaulted bond issues was assigned an investment grade rating at issuance, and only one, a 2000 Michigan offering, had a non-investment grade rating of "Ba1" from Moody's. This single default for rated issues represents a default rate of 0.3% in terms of the number of issues and 0.1% in terms of par originated.

For the unrated universe of charter school bonds, a more complicated story emerges. The 21 defaults for unrated issues represent a significantly higher default rate of 7.4% in terms of the number of issues and 8.3% of par originated. However, as will be discussed, adoption of best practices in disclosure and underwriting could reduce this percentage considerably and prevent schools that are not in a strong enough academic or financial position from borrowing through the tax-exempt market.

DEFAULTS BY ISSUANCE YEAR

As illustrated by the graph on the following page, none of the charter school bonds originated in the sector's first year, 1998, defaulted. Between 1999 and 2007, on average, two charter school bonds originated annually subsequently defaulted, with 2006 issuance having the highest number of defaulted transactions, five, as well as the highest par amount of defaulted debt, \$52 million. These five 2006 defaulted issues represent approximately 9% of both the number and par amount of debt originated in that year. Only 1999 and 2001 had higher default rates in terms of the number of issues. There were no defaults as of May 31, 2012 for charter school bond issuance post-2007.

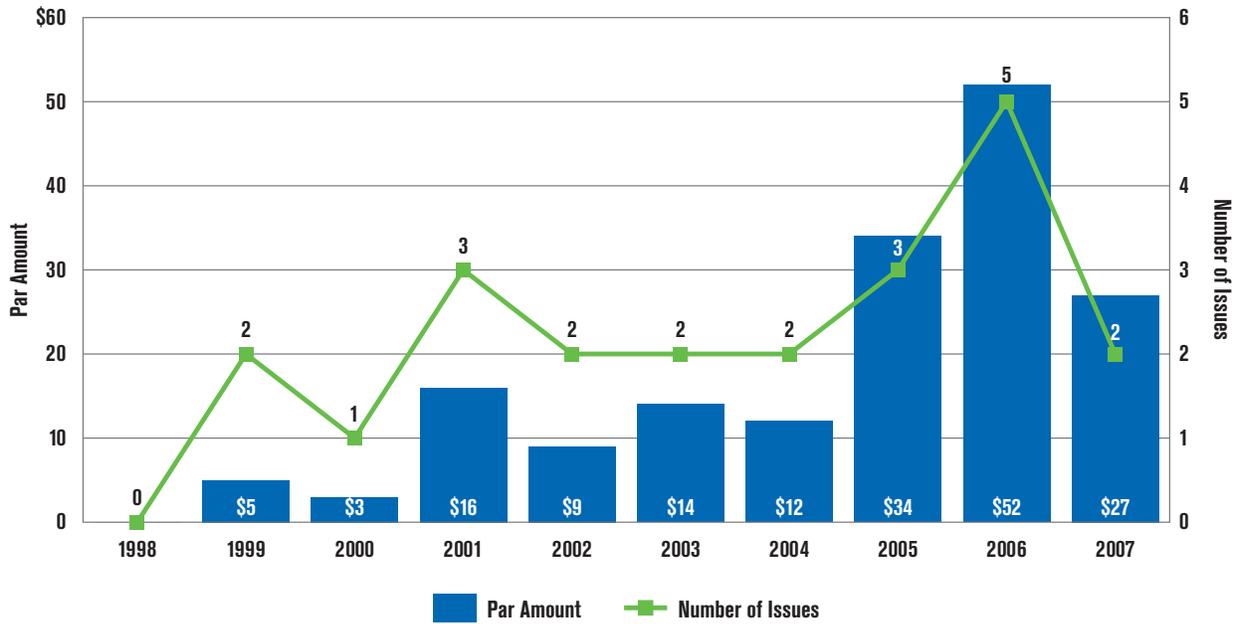
CHARTER SCHOOL BOND DEFAULT RATES

Rating Category ¹	Number of Issues			Par in Millions		
	Defaults	Total ²	Rate	Defaults	Total	Rate
Investment Grade Rating	0	257	0.0%	\$0.0	\$3,697.9	0.0%
Non-Investment Grade Rating	1	44	2.3%	\$2.6	\$684.9	0.4%
Rated Issues	1	301	0.3%	\$2.6	\$4,382.8	0.1%
Unrated Issues	21	284	7.4%	\$170.1	\$2,058.6	8.3%
Total	22	583	3.8%	\$172.6	\$6,441.4	2.7%

¹ Rating at issuance.

² Two issues had rated and unrated series.

DEFAULTED CHARTER SCHOOL BONDS BY YEAR OF ISSUANCE (\$ in Millions)



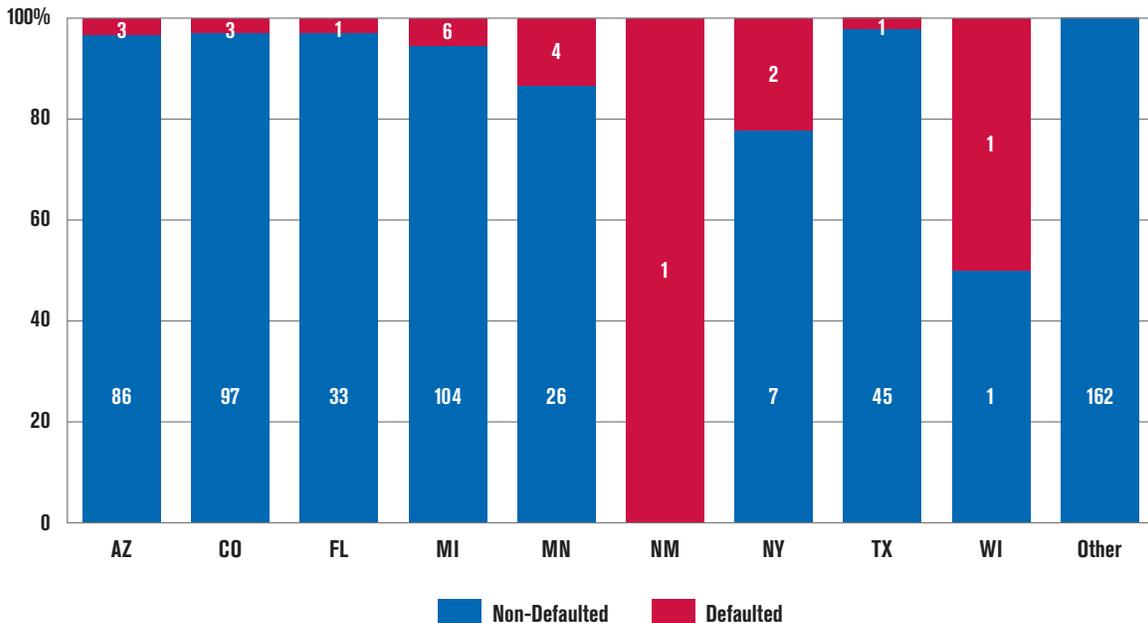
DEFAULTS BY STATE

Charter school bonds have been issued in 29 states and the District of Columbia. The volume of issuance varies greatly among these 30 jurisdictions, with four states – Arizona, Colorado, Michigan and Texas – accounting for 52% of the 583 bond issuances and 59% of the \$6.44 billion of originated debt. We analyzed the location of the schools associated with defaulted bonds to determine if any states had significantly higher default rates.

Nine of the 30 jurisdictions have experienced at least one charter school default. Of the nine states, four had a single default: Florida, New Mexico,

Texas and Wisconsin. However, this single default represents widely differing percentages of total issuance for each state. In the case of New Mexico, the defaulted issue was the only charter school bond issue in the state. Similarly, in Wisconsin, one of only two charter schools that have issued tax-exempt bonds defaulted. In contrast, both Florida and Texas have had significant charter school bond issuance, and the single defaulted transaction in each state represents a much smaller portion of the total. Florida's 34 charter school bond issues totaled \$663 million, with the defaulting issue representing 3% of both the number and par amount of

DEFAULTED ISSUES AS PERCENTAGE OF TOTAL BY STATE



issuance. Texas' 46 transactions totaled \$865 million, with the defaulting issue representing 2% of the number of issues and less than 1% of par.

Of the remaining five states with defaults, the two states with the fewest issuances have the highest default rates. New York's two defaults represent a default rate of 22% based on the number of transactions and almost 20% based on par issued. Minnesota's four defaulting bonds, with a par amount of \$23 million, represent 13% of the number of issues and 10% of the par originated. Arizona, Colorado and Michigan, states with significantly greater charter school bond issuance, had default rates ranging between 3% to 6% of the number of issues and 3% to 4% of par originated. There were no defaults on the 162 charter school bond issuances totaling \$2.04 billion in the remaining 21 jurisdictions, including states with fairly significant issuance, such as Utah, Pennsylvania, California and Illinois.

CREDIT CHARACTERISTICS

For the defaulted transactions, each of the 22 schools had its own unique circumstances, and we include greater detail for each in Appendix E. However, a comparison of the credit characteristics at issuance for the 22 defaulted issues with those of the approximately 400 outstanding issues included in the "Credit Characteristics at Issuance" analysis highlights possible credit weaknesses that contributed to subsequent default.

The picture of the defaulted schools that emerges from the comparison below is one of generally younger, smaller schools that borrowed at a relatively high cost of funds. Median age at issuance for the defaulted schools was 4.6 years compared to 6.3 years for the outstanding issuances. Median enrollment at issuance was 247 students compared to 554 for outstanding issuances. The defaulted schools also borrowed at a higher cost of funds, 8% compared to 7%, and had higher debt burdens, particularly in the early years before stabilization of enrollment and

State intercept mechanisms are a charter school bond security feature available in certain jurisdictions whereby the state sends a portion of the charter school's per pupil revenue – usually equal to periodic debt service or a percentage of the school's revenue – directly to the bond trustee rather than the school. These intercepts can be beneficial to investors from a cash flow perspective as they ensure that debt service is paid prior to other expenses, and they are particularly useful when per pupil revenue due from school districts is slowed or interrupted. However, they do not mitigate the fundamental risks associated with charter school bonds as the mechanism is only available if the school is open and due state funds. Approximately half of the 22 defaulted transactions included an intercept mechanism as part of the bond structure.

associated revenues. The defaulted schools were all stand-alone schools that had a lower percentage of waitlisted students, as indicated by a median waitlist of 28% compared to 37% for the outstanding issues.

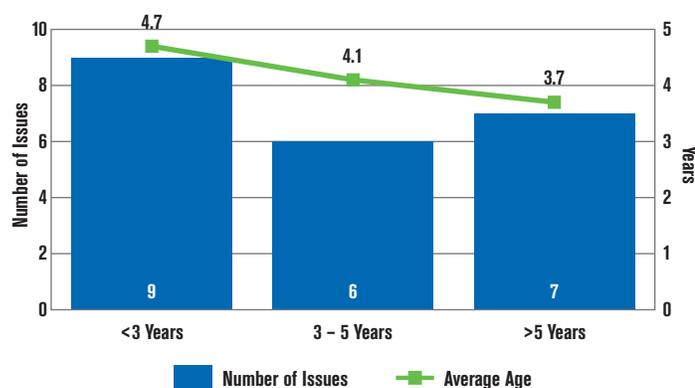
TIME BETWEEN ISSUANCE & DEFAULT

We analyzed the time lapse between the date of issuance and the default date for the 22 transactions to discern other potential factors contributing to default. While this time period ranges from six months to 12 years, the median is 3.9 years. Surprisingly, nine defaults, or 41% of the total, occurred within three years of issuance and another six, or 27%, occurred in the fourth or fifth year after issuance. In total 15, or 68%, of the defaults occurred within five years of issuance, with only seven, or the remaining 32%, occurring past the five-year outstanding mark.

CREDIT CHARACTERISTICS AT ISSUANCE, DEFAULTED & OUTSTANDING BOND ISSUES

Variable	Median		Average	
	Defaulted	Outstanding	Defaulted	Outstanding
Par Millions	\$6.868	\$8.465	\$7.846	\$11.988
All-In Cost	7.8%	6.9%	7.9%	7.0%
School Age	4.6	6.3	4.2	6.7
Enrollment	247	554	313	907
Waitlist	28%	37%	54%	68%
DSCR Year 1	1.55	1.51	1.69	1.84
DSCR Latest Year	1.53	1.53	1.82	1.69
Debt Burden Year 1	14.2%	12.5%	13.8%	12.5%
Debt Burden Latest Year	14.2%	13.4%	13.7%	13.5%

TIME BETWEEN ISSUANCE & DEFAULT MEDIAN AGES OF SCHOOLS



Interestingly, the time lapse between issuance and default appears inversely related to the age and size of the defaulting schools at issuance. Within the defaulted universe, the nine schools which defaulted earliest had the highest median age at issuance, 4.7 years, and the seven schools which defaulted latest had the lowest median age, 3.7 years. The schools which defaulted earliest also had the highest median enrollment at issuance, 358, with the median decreasing to 289 students for the schools defaulting between three and five years after issuance, and decreasing further to 276 students for the schools that defaulted after the five-year mark.

The high percentage of charter school offerings which defaulted so shortly after issuance suggests that some underwriting information was either missing or misunderstood. Underscoring this point further is the fact that 19 of the 22 defaulted offerings benefited from capitalized interest for at least six months, further reducing the time period between commencement of debt service payment from pledged revenues and the time of default.

DISCLOSURE COMPARISON

We compared disclosure levels for the 22 defaulted issues with that of the roughly 400 outstanding transactions included in the “Best Practices in Disclosure” analysis. The accompanying table details these levels in terms of the percentage of issues containing different items.

As can be seen, disclosure levels for the defaulted issues were similar to those of the outstanding issues in terms of inclusion of financial statements, school age, enrollment and pro forma budgets. However, disclosure for academic quality indicators, both in terms of academic performance data and waitlist information, was inferior. Only 55% of the defaulted issues contained data on academic performance compared to 84% of the outstanding issues, contributing to a significantly lower average academic metric of 2.36 for the defaulted issues compared to 3.53 for the outstanding issues. Similarly, only 32% of the defaulted offering documents contained information on waitlist compared to 59% of outstanding issues.

DISCLOSURE AT ISSUANCE DEFAULTED & OUTSTANDING BOND ISSUES

Item	Defaulted	Outstanding
Financial Statements	86%	95%
School Age	100%	98%
Enrollment	100%	100%
Waitlist Information	32%	59%
Pro Formas	77%	82%
Academic Data	55%	84%
Average Academic Metric	2.36	3.53

CHARTER STATUS & REASONS FOR DEFAULT

Finally, we examined charter renewal history at the time of issuance for the 22 defaulting schools. The chart on the next page details charter terms at issuance, ranging between one year and 30 years, for the 22 defaulting schools. It also includes the median age at issuance for the schools with the same charter term and the number of schools that received charter renewal prior to issuance as well as the percentage of schools citing different primary default causes.

Historically, underwriters and investors have relied on charter renewal as an indicator of academic quality and overall school health. However, as discussed in the disclosure analysis, renewal is not a consistent indicator for the sector as a whole due to variability in the term of initial charter authorizations. Eleven of the 22 schools were operating under charters of more than five years at the time of bond issuance. Three of these schools had received charter renewal prior to issuance and were operating under renewed 30-year charter terms. However, the remaining eight, or 36% of total defaults, were operating under an initial charter with a term ranging between eight and 15 years. Use of renewal as an indicator for quality was not possible in these eight cases.

Beyond this initial term variability, renewal was not a reliable indicator for the defaulted issues. Ten, or 45%, of the defaulting schools had obtained one or more charter renewals from their authorizers prior to bond issuance. Half of these reauthorized schools had only three years of operating history at the time of renewal; however, the other half had at least five years of history at the time. In these ten cases, either because of insufficient operating history or the authorizer’s failure to accurately assess the school’s academic and financial track record, renewal was not a reliable indicator for quality or the school’s ability to continue meeting its debt service obligations.

CHARTER TERM & RENEWAL HISTORY

Term at Issuance	# of Schools	Median Age	# of Schools Renewed	Primary Default Reason Cited		
				Academic	Enrollment	Other
One Year	1	5.1	1	0%	100%	0%
Three Years	4	4.1	3	50%	25%	25%
Five Years	6	4.0	3	100%	0%	0%
Eight Years	1	2.3	0	0%	0%	100%
Ten Years	2	4.5	0	50%	50%	0%
Fifteen Years	5	5.4	0	80%	20%	0%
Thirty Years	3	6.6	3	100%	0%	0%
All	22	4.6	10	73%	18%	9%

Regardless of charter renewal history, sub-par academic quality was the primary cause of default. Sixteen, or 73%, of the 22 defaults were linked directly to poor academic performance, including failure to make AYP for at least the year in which the default occurred. Another four defaults, or 18%, cited declining enrollment as the primary reason, with the school's academic reputation possibly a contributing factor in the declines. In virtually all of these cases, poor academic performance was accompanied by declining revenues and financial difficulties. The remaining two defaults, or 9%, represent unique situations. In one, the defaulting school essentially co-leased incubator space to another school which eventually relocated and a replacement tenant was not immediately found, creating financial hardship. Despite these cash flow difficulties, the school is now current on its debt service payments. In the other, the school failed to obtain authorizer approval for the initial bond issuance, and the bonds were unwound and partially refunded.

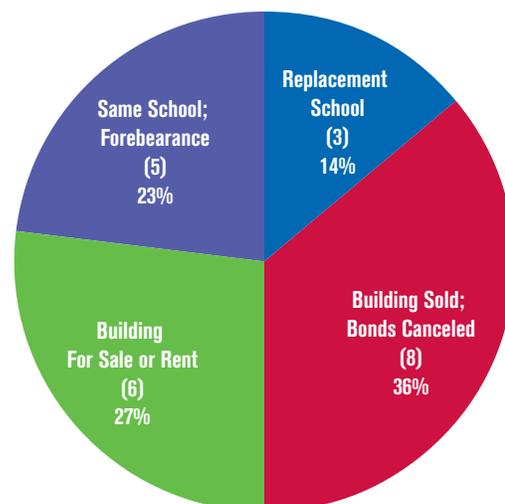
RECOVERY

Generally, recovery to bondholders as a percentage of bonds outstanding continues to be relatively low. Eight school facilities have been foreclosed on and sold, with ultimate bondholder recovery in six of the cases ranging from a low of 18% to a high of 70%, with a weighted average of 55%. In the remaining two cases, the bonds were cancelled but actual recovery percentages were not available.

Final payment resolution is still pending on another six transactions as the trustee is awaiting sale or rental of the mortgaged property in order to forward net proceeds to investors. In three other cases, the original schools that accessed the bond market have closed; however, the facilities that were financed – and represent the collateral for bondholders – are now occupied by substitute charter schools that have taken on the debt service obligations in the form of rent to the trustee.

In the final five cases, bondholders have entered into forbearance agreements in which they have altered the school's repayment schedule in the hopes that the school's cash flows will improve to the point where principal and interest payments can resume in full. In one of these forbearance cases, while the agreement is effective until June 30, 2013, the school is now current on its debt service payments. As of August 23, 2012, the only remaining default on this issue was the school's failure to replenish the debt service reserve fund.

STATUS OF DEFAULTED TRANSACTIONS Number of Issues



NON-MONETARY DEFAULTS & OTHER TROUBLED CREDITS

In addition to the 22 charter school bond transactions that have defaulted, we identified seven other transactions in which schools experienced difficulties, but there was no payment loss to bondholders. Five of these schools were forced to close; however, in each case, another charter school moved into the facility and assumed the debt service payments. In the two other cases, schools failed to make full and timely principal and interest payments, but there was no loss to bondholders because of credit enhancement built into the issue structure.

We categorized several additional transactions as “troubled,” i.e., the school was either financially strained or in jeopardy of losing its charter. The most common reason for this categorization was that auditors included “going concern” language in the school’s financials. Other sources of stress included: the school was on probation with its authorizer; outstanding lawsuits existed with undetermined ramifications; or the school was in arrears with non-bond debt service. In some cases, schools will be able to get back on a more positive academic and/or financial track. In other cases, there may be real potential for missed bond payments in the near- to mid-term future. Included in these “troubled” credits are three high-profile transactions, which are detailed below. One of the cases, involving Chester Community Charter School (CCCS), was recently resolved in a manner favorable to CCCS and, therefore, it is expected that CCCS will continue to meet its debt service obligations.

Aspire Public Schools

A lawsuit brought by the California School Boards Association and the California Teachers Association against Aspire Public Schools (Aspire) challenged the legality of the Statewide Benefit Charter granted to Aspire by the State Board of Education. The court sided with the plaintiffs and has given Aspire until June 2013 to gain charter authorization from local school districts; otherwise, it will be forced to close six schools, five of which were financed by a \$93.3 million 2010 bond issue that funded facilities for nine Aspire schools. Aspire has stated that it is confident of its ability to gain local charter approval.

Fulton Science Academy

Just seven weeks after Fulton Science Academy (FSA) issued \$18.9 million in Series 2011 revenue bonds, the local school district denied its charter renewal application. A subsequent request for a state-authorized charter was also denied. FSA is still open and operating; however, it became a private, independent school on July 1, 2012. FSA has stated that it has the ability to repay the outstanding bonds (two-thirds of which are still held by the trustee in the construction fund); however, due to the absence of a valid charter, the bonds are in technical default.

Chester Community Charter School

Pennsylvania’s largest charter school, Chester Community Charter School (CCCS), struggled financially despite its sound academic history and high student demand. The source of this strain was the dire financial condition of the Chester Upland School District (CUSD), which had failed to make payments of approximately \$7.5 million to CCCS. While CCCS appealed to the Commonwealth to change the flow of funds of education dollars to bypass the local school district and allow for direct state funding, the courts denied the request and instead ordered the Secretary of Education to handle the case administratively. Ultimately, CUSD and the Commonwealth entered into an agreement which allowed CUSD to pay its vendors and forward all outstanding payments to CCCS. CCCS serves more than 3,000 students, approximately 60% of the public school population in the City of Chester, and has \$57.4 million of outstanding bonds.

REVIEW

In reviewing the 22 defaulted bond issues, it is clear that the defaulting schools generally had below-average credit characteristics for certain underwriting criteria when compared to the entire universe of charter schools that have accessed the municipal market. Defaulted schools tended to be smaller, younger and have shorter waitlists than the performing schools. Equally important, they had higher borrowing costs and higher debt burdens, which placed added strain on their budgets.

However, as detailed in the credit analysis discussion, bigger does not necessarily mean better and unrated does not necessarily imply credit weakness. One quarter of schools with smaller enrollments between 250 and 499 students at issuance were assigned investment grade ratings for their offerings. They represented solid credits because of other factors despite their size. In fact, many of the smaller, investment grade schools were established stand-alone schools that chose to remain small, successfully managing both their academic programs and budgets. Similarly, some of the larger, older schools chose to issue on an unrated basis, and they are not necessarily weaker credits because their debt is unrated.

The fact that roughly 70% of the schools defaulted within five years of issuance implies that some key piece of relevant information was either missing or misunderstood during underwriting. A comparison of disclosure levels for the defaulted and outstanding issues shows that academic disclosure was inferior in the case of the defaulted issues. In fact, almost half of the offering documents for defaulted transactions contained no information on academic performance.

Academic performance is a fundamental factor in charter school underwriting. It drives enrollment, financial strength and charter renewal. It is impossible to assess credit strength or risk without a measure for, and disclosure of, this key factor. Our research into the defaulted issuances revealed that 73% of the defaults were directly linked to subpar academics, and another 18% may have been indirectly linked as declining enrollment was cited as a primary cause.

Charter renewal was not a consistent or reliable indicator of academic quality or repayment ability in the 22 defaulted transactions. Eight of the defaulted schools were operating under initial charters of eight years or longer at the time of default and another ten of the schools had received charter renewal prior to issuance. Disclosure of academic data in a more standardized form, including multiple years of a school's disaggregated performance on state standardized tests with comparison to district or state scores is critical. Inclusion of interim authorizer reviews of school academic performance, for authorizers which produce such evaluations, would also be extremely valuable, particularly in jurisdictions with longer initial charter terms. More standardized academic disclosure will enable underwriters and investors to directly evaluate academics as a key underwriting component of charter school bond offerings and result in superior repayment performance for the sector as a whole.

ISSUANCE AND PRICING UPDATE

OVERVIEW

Volume 1 of Charter School Bond Issuance provided origination, cost and pricing data for tax-exempt charter school bond offerings through year-end 2010. We provide here updated data for issuance in 2011 and the first five months of 2012. We occasionally include cumulative information for the sector's 15-year history as part of the analysis which follows; however, we primarily provide updates to the information contained in Volume 1 in order to avoid repetition.

During this 17-month period, there were 75 tax-exempt charter school bond transactions totaling \$1.14 billion. All but one \$6.6 million transaction were issued on a fixed-rate basis. In 2011, 51 tax-exempt charter school bond transactions, totaling just over \$800 million and averaging \$15.7 million, were issued. As of May 31, 2012, an additional 24 transactions, totaling \$340 million and averaging \$14.2 million, were issued. While this issuance volume continues to rebound from the low levels of activity in 2008 and 2009, it represents a decline from 2010 volume, with 2011 activity experiencing a 31% reduction in the number of issues and a 16% reduction in the par amount issued from the prior year. Given activity thus far in 2012, origination should approximate 2011 levels of roughly \$800 million.

The trend toward larger bond issuances and larger average issue sizes continued, however, with three recent charter school issuances having par amounts above \$50 million and an additional seven having par amounts greater than \$25 million. The table below summarizes annual issuance for 2011 and 2012 together with several cost and pricing variables. The analysis is further segregated into rated and unrated categories in order to highlight differences stemming from this factor.

In 2011 and 2012, charter schools continued to pay relatively high interest rates on their tax-exempt borrowings. Over the 17-month period, the average fixed-rate bond yield on the term bond with the longest maturity, which averaged 28.7 years, was 7.23%. For rated transactions, with an average term of almost 30 years, the average was 7.15%. For unrated transactions, which had a shorter average term of 25.6 years, the average was 7.46%.

This cost of capital is measured by the spread to MMD, the interest rate differential measured in basis points between highly rated, triple-A municipal bonds and lower rated bonds. Spreads had previously peaked in 2009, narrowing somewhat in 2010; however, spreads widened to sector highs over the past 17 months. Rated and unrated charter bond issues priced an average of 319 basis points and 408 basis points above MMD, respectively, resulting in a combined average of 341 basis points for the sector as a whole for this time period. The positive news is that spreads for rated transactions narrowed slightly between 2011 and 2012. Unrated transactions, however, faced an even wider spread, with an average of 428 basis points for eight transactions originated during the first five months of 2012, as illustrated by the graph on the next page.

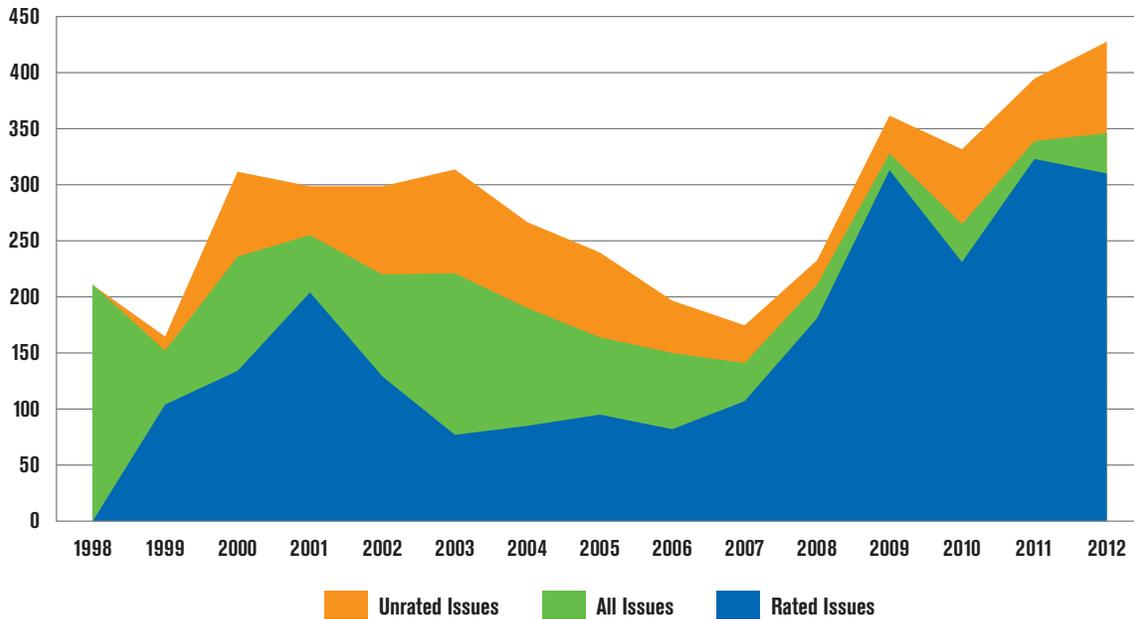
In addition to the interest a charter school pays for its borrowing, charter schools must bear certain costs in order to access the municipal market, including legal fees, trustee fees, rating fees and underwriter fees – the fee paid to the underwriter to structure, price and market bonds to investors. Average costs of issuance hovered in the 6.5% to 7% range between 1999 and 2006 and fell to the 5% to 6% range between 2007 and 2010. These expenses continued to decline for charter schools in 2011 and 2012; costs

AVERAGE ANNUAL COST & PRICING VARIABLES, 2011 & 2012

Year	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+ (bps)	Term (Years)
2011	51	\$800.2	7.91%	4.40%	1.83%	7.47%	7.54%	339	29.1
Rated	39	\$654.4	7.81%	4.28%	1.78%	7.40%	7.47%	323	29.5
Unrated	12	\$145.8	8.34%	4.83%	1.98%	7.72%	7.79%	395	27.8
2012¹	24	\$340.3	6.94%	5.23%	1.77%	6.55%	6.57%	346	27.7
Rated	16	\$260.8	6.77%	5.43%	1.65%	6.32%	6.35%	310	30.4
Unrated	8	\$79.5	7.34%	4.85%	2.02%	7.01%	7.01%	428	22.2
All	75	\$1,140.5	7.60%	4.67%	1.81%	7.17%	7.23%	341	28.7
Rated	55	\$915.2	7.51%	4.60%	1.74%	7.09%	7.15%	319	29.8
Unrated	20	\$225.3	7.90%	4.84%	2.00%	7.42%	7.46%	408	25.6

¹ Through May 31, 2012.

AVERAGE ANNUAL SPREAD TO MMD, 1998–2012
(Basis Points)

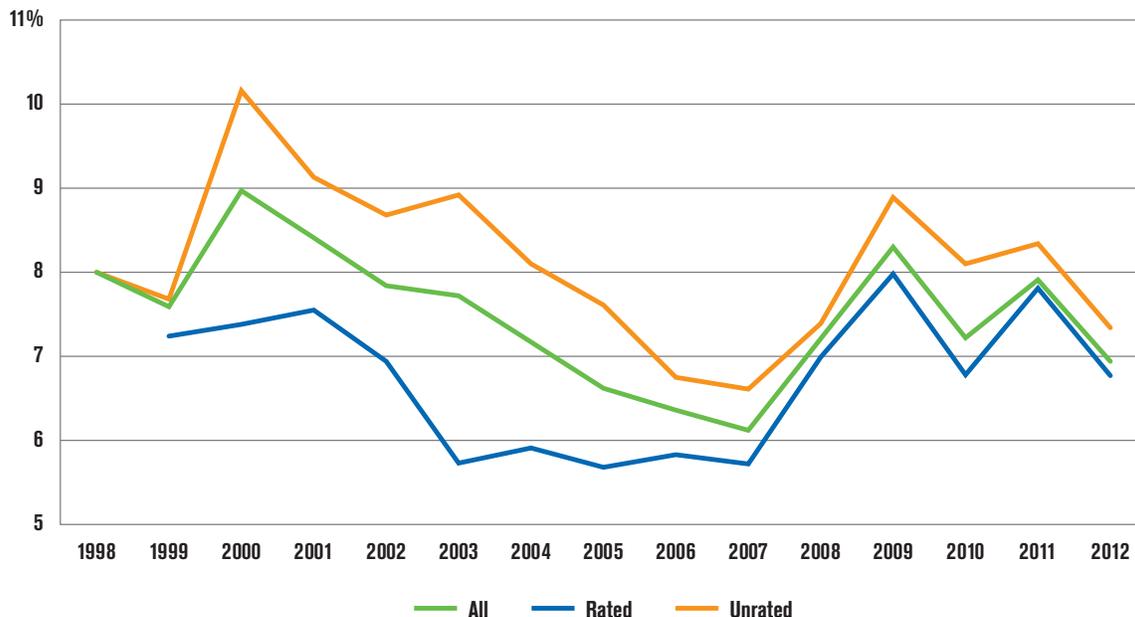


of issuance averaged 4.67% of the par amount of offerings, including an average underwriter’s discount of 1.81%. These costs are close to historic lows for the sector, with only 2008 issuances having lower average expenses as a percentage of par.

Overall borrowing costs, or All-In Costs, take both interest expense and issuance expense into account. The All-In Cost for fixed-rate charter school bonds averaged 7.60% for the 17-month period. For rated transactions, the average All-In Cost was 7.51%, and for unrated transactions it was 7.90%. While borrowing costs remained historically high in 2011, they declined in the first five months of 2012 primarily due to a significant reduction in the

Municipal Market Data Index. The 30-year triple-A MMD averaged 4.23% in 2011, but fell to an average of 3.27% over the first five months of 2012. As a result, average All-In Costs for rated charter school transactions declined from 7.81% in 2011 to 6.77% in 2012, and average All-In Costs for unrated transactions declined from 8.34% in 2011 to 7.34% in 2012, despite higher spreads to MMD. Rates decreased significantly in the second quarter of 2012, with three charter schools borrowing under 5.5% and an additional six schools borrowing at less than 6.5%. To put recent borrowing costs in perspective, the graph below shows average annual borrowing costs for rated, unrated and all charter school transactions over the sector’s 15-year history.

AVERAGE ANNUAL ALL-IN COST, 1998–2012



RATING

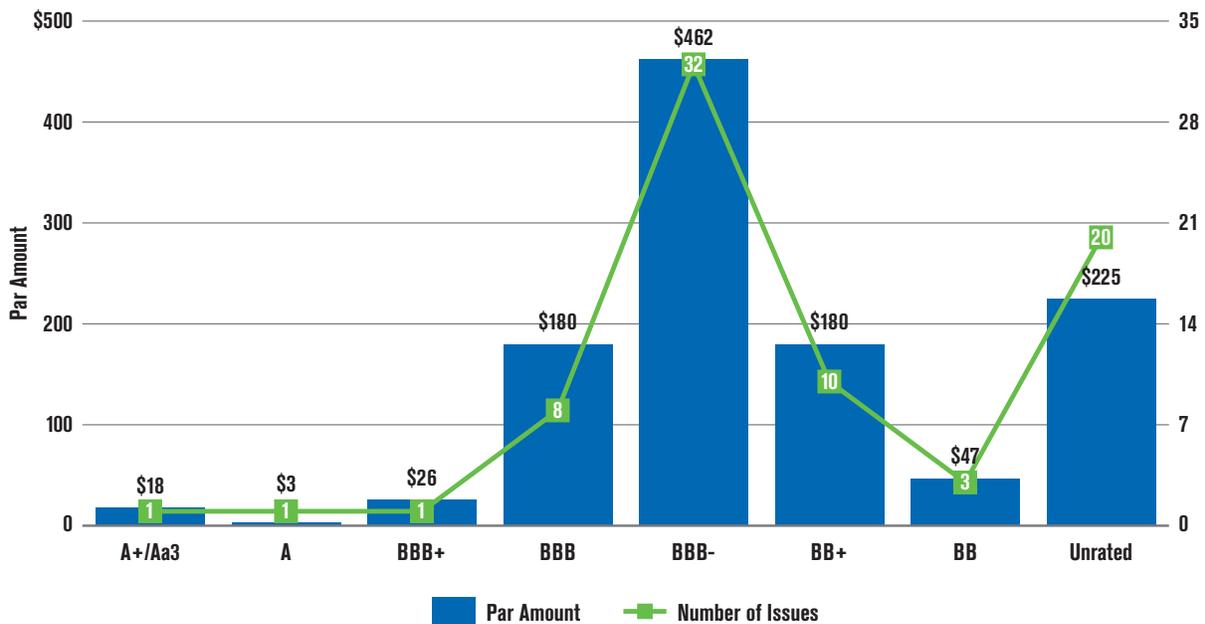
The trend toward rated issuance continued over the 17-month period, with rated offerings representing a sector high of 73% of the number of issues and 80% of the par amount issued. Of the 75 issues, 55 were issued with ratings and 20 were unrated. The rated issues had a total par amount of \$915 million and an average issue size of \$16.6 million. The unrated issues had a total par amount of \$225 million and an average issue size of \$11.3 million.

As shown in the chart below, approximately three-quarters of rated charter school bond issuance, 41 offerings, were assigned ratings in the triple-B category, and one-quarter, 13 offerings, were assigned below-investment grade ratings in the double-B category. Two offerings benefited from credit enhancement that resulted in ratings of “A” or higher. The City of Cape Coral in Florida issued \$17.7 million in special obligation revenue bonds to support the City’s charter schools. These bonds are secured by the City’s

annual appropriation of non-ad valorem revenues and were rated “A+” by S&P and “Aa3” by Moody’s. The other enhanced “A” rating was for one series of a Colorado charter school bond offering that benefited from the State’s moral obligation pledge.

As expected, All-In Costs are lower for the more highly rated issuances, with a low of 5.64% for the City of Cape Coral’s revenue bonds. For “BBB-/Baa3” rated issues, the largest category, the average All-In Cost was 7.67%. For the next largest rating category, “BB+/Ba1,” the average was 8.04%. All-In Costs for unrated debt averaged 7.90%. In several cases, a small number of issuances or market timing skewed the averages for individual rating categories. For example, the average for the three “BB/Ba2” bond issues is lower than the average for each of the two higher rating categories because two of the three “BB/Ba2” issues were originated in May 2012, when rates had declined.

CHARTER SCHOOL BOND ISSUANCE BY RATING¹, 2011 & 2012
(\$ in Millions)



¹ One bond issue had two series with different ratings.

AVERAGE COST AND PRICING VARIABLES BY RATING, 2011 & 2012

Rating	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+ (bps)	Term (Years)
A+/Aa3	1	\$17.7	5.64%	1.11%	0.53%	6.00%	6.12%	142	29.3
A/A2	1	\$2.5	6.75%	3.75%	1.50%	6.50%	6.50%	170	31.9
BBB+/Baa1	1	\$26.5	6.12%	2.82%	1.15%	5.75%	6.00%	221	29.7
BBB/Baa2	8	\$179.7	6.68%	3.62%	1.53%	6.35%	6.44%	258	29.7
BBB-/Baa3	32	\$462.0	7.67%	5.05%	1.82%	7.21%	7.26%	333	29.5
BB+/Ba1	10	\$180.2	8.04%	4.77%	1.84%	7.59%	7.61%	350	30.3
BB/Ba2	3	\$46.6	7.58%	3.93%	1.83%	7.17%	7.29%	381	30.0
Rated¹	55	\$915.2	7.51%	4.60%	1.74%	7.09%	7.15%	319	29.8
Unrated	20	\$225.3	7.90%	4.84%	2.00%	7.42%	7.46%	408	25.6
All	75	\$1,140.5	7.60%	4.67%	1.81%	7.17%	7.23%	341	28.7

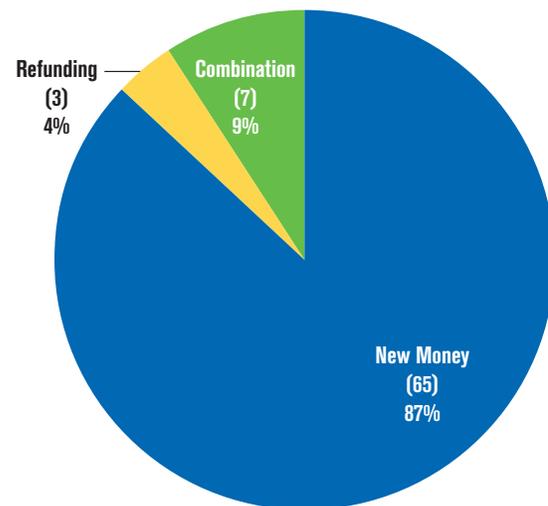
¹ One offering had two series with different ratings. Series A had an "A" rating based on Colorado's moral obligation pledge and Series B had a "BBB-" rating based on the school's credit. COI and UD are pro-rated for these two series based on their par amounts and used to calculate the All-In Cost for each series in the table above.

USE OF PROCEEDS

Of the 75 bond offerings that have been issued by, or on behalf of, charter schools in 2011 and the first five months of 2012, 87% were for new money purposes, 4% were refundings of prior bond issues and 9% were combination new money and refunding issues.

All-In Costs were lowest for the three refunding issues, 6.91%, despite higher average costs of issuance. These issues had the shortest average term, and two of the three were issued in 2012 when rates had declined. New money issues averaged All-In Costs of 7.63%, and the seven combination issues averaged All-In Costs of 7.60%.

NUMBER OF ISSUES BY USE OF PROCEEDS 2011 & 2012



AVERAGE COST AND PRICING VARIABLES BY USE OF PROCEEDS, 2011 & 2012

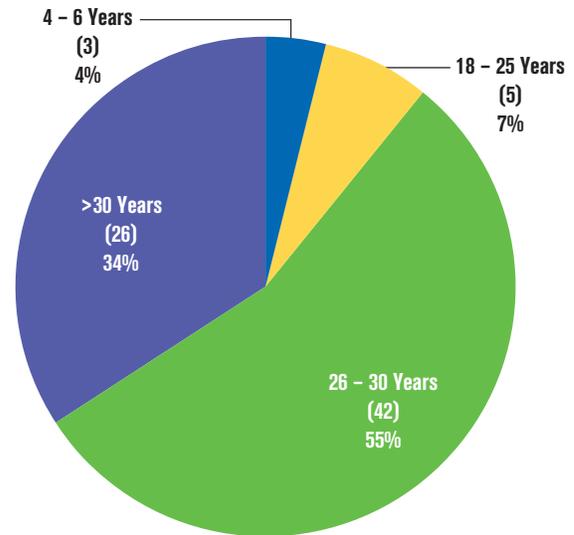
Term	# of Issues	Par Millions	All-In Cost	COI %	UD %	Coupon	Yield	MMD+ (bps)	Term (Years)
New Money	65	\$1,046.1	7.63%	4.65%	1.78%	7.21%	7.27%	338	29.4
Refunding	3	\$10.4	6.91%	5.67%	1.96%	6.33%	6.40%	304	20.8
Combination	7	\$84.0	7.60%	4.34%	2.06%	7.19%	7.22%	382	25.2
All	75	\$1,140.5	7.60%	4.67%	1.81%	7.17%	7.23%	341	28.7

BOND TERM

In keeping with the sector's history, the vast majority of charter school bond offerings during this period, 89%, were long-term issuances of 26 years or longer. Another 7% had terms of between 18 and 25 years, and 4% had terms of between four and six years. Surprisingly, two of these offerings with short terms were new money issues and one was a combination issue.

The table below summarizes average cost and pricing variables by maturity range. As expected, offerings with longer terms have higher interest rates and All-In Costs. Average All-In Costs ranged from a low of 6.26% for the three offerings in the 4-6 Year range to a high of 7.83% for the 42 issues in the 26-30 Year range. The 26 offerings with terms of more than 30 years had a lower average All-In Cost, 7.49%, than issues in the 26-30 Year range due to the fact that a significantly higher percentage were issued in 2012 when rates had fallen.

NUMBER OF ISSUES BY BOND TERM
2011 & 2012



AVERAGE COST AND PRICING VARIABLES BY BOND TERM, 2011 & 2012

Term	# of Issues	Par Millions	All-In Cost	COI %	UD %	Coupon	Yield	MMD+ (bps)	Term (Years)
4 - 6 Years	3	\$28.7	6.26%	2.36%	1.12%	5.60%	5.60%	471	4.4
18 - 25 Years	5	\$25.2	7.05%	4.34%	1.78%	6.63%	6.66%	313	21.0
26 - 30 Years	42	\$666.6	7.83%	4.74%	1.81%	7.38%	7.45%	343	29.7
>30 Years	26	\$420.1	7.49%	4.87%	1.89%	7.13%	7.17%	333	31.4
All¹	75	\$1,140.5	7.60%	4.67%	1.81%	7.17%	7.23%	341	28.7

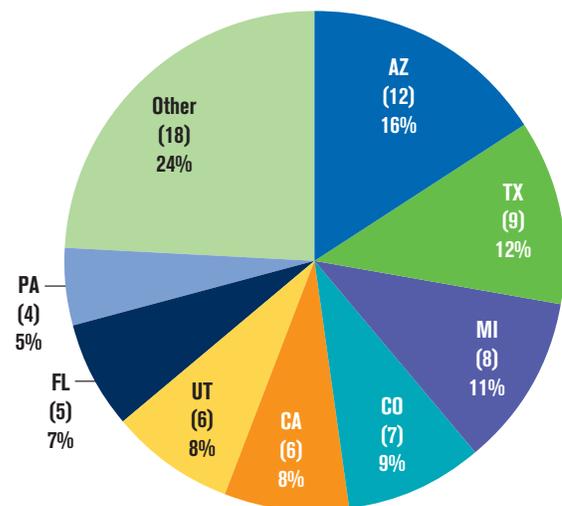
¹ One bond offering had two series with different terms.

STATE

Of the 19 jurisdictions with charter school bond issuance in 2011 and 2012, Arizona, Texas, Michigan and Colorado accounted for 36 transactions, or almost half of all issuance during this period. Four other states each with four or more charter school bond offerings – California, Utah, Florida and Pennsylvania – accounted for 21 issuances, or 28% of the total. An additional 11 states accounted for the remaining 18 charter school bond issuances, or 24% of the total.

The table on the next page lists the number and par amount of issuances in all 19 states that had charter school bond offerings over the 17-month period, together with cost and pricing data. While Arizona had the most offerings, Texas had the largest par amount of charter school debt, driven

NUMBER OF ISSUES BY STATE
2011 & 2012



by a high average issue size of almost \$30 million. Five of Texas' nine charter school issues were for large charter management organizations that issued debt with par amounts above \$25 million. As was the case prior to 2011, Colorado schools had among the lowest cost of funds, although only one series of the seven offerings benefited from the State's moral obligation pledge. Of the states with four or more issues, Michigan charter schools had the highest borrowing costs, averaging 8.03% for eight offerings issued during the 17-month period. This relatively high cost appears to be due to market timing since six of the eight were issued on a rated basis in 2011.

Several issuances were classified by school location rather than issuer jurisdiction in the accompanying table. Four charter schools in Colorado, Georgia and North Carolina issued through a new multi-state conduit issuer, the Public Finance Authority; one New York charter school issued through the Phoenix Industrial Development Authority; and one Ohio borrower issued through the Pima County Industrial Development Authority.

AVERAGE COST AND PRICING VARIABLES BY STATE, 2011 & 2012

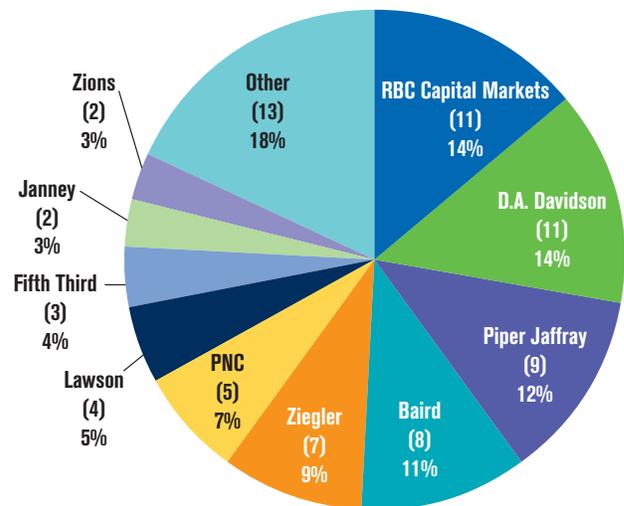
State	# of Issues	Par Millions	All-In Cost	GOI	UD	Coupon	Yield	MMD+ (bps)	Term (Years)
AZ	12	\$121.3	7.77%	5.94%	2.08%	7.37%	7.38%	367	30.5
TX	9	\$269.0	7.06%	4.00%	1.59%	6.65%	6.75%	287	30.6
MI	8	\$74.0	8.03%	4.85%	2.19%	7.56%	7.60%	367	26.5
CO	7	\$53.6	6.75%	3.20%	1.46%	6.30%	6.31%	300	18.4
CA	6	\$83.8	7.83%	5.81%	2.08%	7.23%	7.29%	354	31.8
UT	6	\$57.9	7.87%	3.90%	1.56%	7.63%	7.63%	361	29.7
FL	5	\$154.5	7.74%	5.74%	1.90%	7.15%	7.23%	332	29.9
PA	4	\$60.0	7.34%	3.45%	1.63%	7.13%	7.19%	349	30.0
GA	3	\$43.6	7.64%	3.95%	1.73%	7.33%	7.45%	333	29.7
NY	3	\$33.2	8.51%	5.50%	1.73%	7.75%	7.92%	356	30.0
IL	2	\$43.9	8.07%	3.28%	1.35%	7.81%	7.81%	394	29.9
LA	2	\$36.2	7.83%	3.80%	2.00%	7.38%	7.52%	355	29.9
MN	2	\$21.0	7.74%	4.77%	2.13%	7.31%	7.33%	364	31.4
OH	1	\$33.1	8.36%	3.58%	1.45%	8.13%	8.25%	457	29.8
DC	1	\$27.2	8.10%	3.25%	1.25%	7.88%	8.00%	307	29.7
NJ	1	\$11.9	6.42%	4.59%	1.53%	6.10%	6.10%	268	32.2
NC	1	\$10.0	7.47%	3.97%	1.75%	7.13%	7.20%	294	31.0
DE	1	\$3.9	8.22%	7.34%	2.25%	7.38%	7.47%	320	25.9
ID	1	\$2.2	6.63%	7.38%	1.66%	6.00%	6.13%	285	30.6
All	75	\$1,140.5	7.60%	4.67%	1.81%	7.17%	7.23%	341	28.7

UNDERWRITER

While 21 different firms served as lead underwriter for charter school bond offerings over the 17-month period, ten firms underwrote approximately 80% of all issuance. Four of the ten firms underwrote approximately 50% of all charter school bond issues during the period, or 39 issues totaling \$564 million.

The underwriter's discount averaged 1.81% over the period, with averages by underwriting firm ranging between 1.25% for Zions Bank, which underwrote two "BBB-" offerings in 2011 totaling \$18 million, to 2.63% for Lawson Financial, which underwrote four offerings totaling \$31 million, three of which were unrated. As expected, underwriting discounts were higher for firms which underwrote more unrated or lower-rated offerings. Six of the 20 unrated offerings were underwritten by the 11 firms constituting the "Other" category, which had the fourth highest average underwriter's discount of 1.88%.

**NUMBER OF ISSUES BY UNDERWRITER
2011 & 2012**



AVERAGE COST AND PRICING VARIABLES BY UNDERWRITER, 2011 & 2012

Underwriter	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+ (bps)	Term (Years)
RBC Capital Markets	11	\$173.6	7.47%	4.36%	1.71%	7.14%	7.20%	346	31.4
D.A. Davidson	11	\$98.8	7.19%	3.45%	1.60%	6.83%	6.84%	332	22.2
Piper Jaffray	9	\$96.8	8.25%	4.62%	2.18%	7.71%	7.81%	366	29.6
Baird	8	\$194.8	7.28%	4.75%	1.71%	6.85%	6.90%	298	30.8
Ziegler	7	\$217.3	7.62%	3.64%	1.75%	7.17%	7.28%	365	30.1
PNC	5	\$92.5	7.23%	3.16%	1.41%	7.05%	7.12%	309	29.7
Lawson	4	\$30.9	Na	9.41%	2.63%	7.16%	7.17%	344	30.0
Fifth Third	3	\$13.8	7.76%	5.20%	2.16%	7.29%	7.29%	363	22.5
Janney	2	\$21.3	7.24%	3.33%	1.50%	7.13%	7.20%	327	30.0
Zions	2	\$18.1	7.75%	3.09%	1.25%	7.63%	7.63%	335	28.8
Other	13	\$182.5	7.94%	6.02%	1.88%	7.32%	7.37%	348	30.0
All	75	\$1,140.5	7.60%	4.67%	1.81%	7.17%	7.23%	341	28.7

FUTURE OF THE SECTOR

- Continued growth of charter schools, creating greater demand for facility financing.
- More states will enact charter school statutes.
- Continued public acceptance of charter schools as viable alternatives to traditional public schools.
- Large, non-profit charter networks will continue to expand and capitalize on their successful education models; percentage of stand-alone schools likely to decrease.
- Some of the large and successful networks will become regular and frequent municipal market borrowers, eventually becoming well known "muni names."
- Overall default rate will decrease although there is a likelihood of additional defaults.
- More jurisdictions will approve eligibility of charter schools in state-sponsored enhancement programs as a cost effective way to reduce aggregate public outlays for public school facilities in a difficult fiscal environment.

CONCLUSION

Throughout Volume 2 of *A Complete History*, we have provided comprehensive analyses of the charter school bond sector, including a review of disclosure practices, credit characteristics at issuance, the current financial strength of bond-financed charter schools as reflected in audited financial statements for FY11 and the repayment performance of the rated and unrated portfolios.

Based on analysis of FY11 audited financial statements for 298 schools representing 79% of outstanding issuance, we have found that the overall financial condition of the charter school sector is sound. This conclusion is evidenced by debt service coverage and debt burden ratios superior to general market expectations, with a higher than expected median debt service coverage ratio of 1.41x and a lower than expected median debt burden of 12.7%. Moreover, schools had a surprisingly strong, 10.9%, median increase in net assets in FY11 despite cutbacks and freezes in per pupil funding in many jurisdictions. Measured by other key financial metrics, an overwhelmingly high percentage of schools were found to have satisfactory ratios. Median days cash on hand was 58, median net debt to net available income was 8.6x and median unrestricted cash as a percentage of debt outstanding was 9.0x. Across metrics, the medians and the individual charter school data behind them suggest healthy fiscal conditions.

However, because there is lack of consensus among market participants as to the fundamental drivers of credit strength in the charter sector, charter schools continue to be viewed as risky investments. This perception has caused charter school borrowers to pay significantly higher rates than similarly rated bonds in other sectors of the municipal market, with average charter school spreads to the triple-A MMD widening to a sector high of 341 basis points over the past 17 months. This notion of credit risk is fueled at times by high-profile defaults or potential defaults, which seem to imply that charter schools can lose their students and charters with little or no notice. This simply is not the case. Like any other borrower, charter schools do not transform from being a strong credit to a weak one from one day to the next.

A majority of the 22 schools which have defaulted on their bonds thus far in the sector's history suffered from subpar academics, not some unlikely risk factor. Academic performance was the primary cause of 73% of defaults and possibly a contributing factor in another 18%. Given that almost half of the defaulted offering statements did not include academic disclosure, it is not surprising that weak academic performance has been the main driver of sector defaults.

It is time to place increased emphasis on academic performance as a fundamental credit factor in charter school underwriting. Academic quality speaks to a school's long-term ability to attract and retain students and the per-pupil funding that accompanies them. It is also the best predictor of charter renewal. It is difficult for an authorizer to close a high-quality charter school even if the relationship between the school and its authorizer is strained or contentious.

Underwriters and other market participants who are well-versed in charter school fundamentals can distinguish between strong credits and weak ones. Market participants need to reach consensus on standardized elements of academic performance data that should be provided in every charter school offering document, together with other key disclosure items, as well as the underwriting criteria employed to evaluate them. The extensive data, analyses and best practice recommendations contained in this report are meant to serve as a foundation for changes that, if implemented on a widespread basis, would result not only in lower borrowing costs for charter schools, but also an improvement in the overall, long-term repayment performance of the charter school sector.

Increased emphasis on academic quality will likely change the universe of charter schools that are able to access the municipal market. A focus on enrollment size and school age without a meaningful measure for, and disclosure of, academic performance has enabled certain charter schools to access the market that may not be able to in a new paradigm. Such an emphasis on academics will, however, enable more high-quality charter schools to access the tax-exempt market for their facility financing needs and ultimately help the sector achieve scale.

APPENDIX A: LONG-TERM BOND RATING SCALES

Rating Description	Fitch Ratings	Moody's Investor Services	Standard & Poor's
INVESTMENT GRADE			
Highest Quality Minimal Risk	AAA	Aaa	AAA
High Quality Very Low Risk	AA +	Aa1	AA +
	AA	Aa2	AA
	AA -	Aa3	AA -
Upper Medium Grade Quality Low Risk	A +	A1	A +
	A	A2	A
	A -	A3	A -
Lower Medium Grade Quality Some Speculative Characteristics	BBB +	Baa1	BBB +
	BBB	Baa2	BBB
	BBB -	Baa3	BBB -
NON-INVESTMENT GRADE			
Speculative Substantial Risk	BB +	Ba1	BB +
	BB	Ba2	BB
	BB -	Ba3	BB -
Highly Speculative High Risk	B +	B1	B +
	B	B2	B
	B -	B3	B -
Substantial Risks In Poor Standing	CCC +	Caa1	CCC +
	CCC	Caa2	CCC
	CCC -	Caa3	CCC -
	CC	Ca	CC
	C	C	C
In Default	DDD		
	DD	-	D
	D		

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
1	6/10/2010	AK	Benton County School of the Arts	Benton County Public Facilities Board	7.580	Out	Unenhanced	S&P	-	BBB	-	BBB	Ziegler	✓	✓	✓	✓
2	12/2/2010 ²	AK	Pulaski Charter School d/b/a Academics Plus Charter School	Arkansas Development Finance Authority	3.795	Out	ADFA Guaranty	S&P	A	-	A	-	Crew	✓	✓	✓	
	12/2/2010 ²	AK	Pulaski Charter School d/b/a Academics Plus Charter School	Arkansas Development Finance Authority	2.570	Out	Unenhanced	NR	-	-	-	-	Crew				
3	3/1/2000	AZ	Maricopa County IDA Pool (Westwind, Omega, Tempe Prep, Foothills, American Heritage, Arizona Montessori, Challenge)	Maricopa County Industrial Development Authority	28.965	Out	Unenhanced	Moody's	-	Baa3	-	B1	Dain Rauscher	✓			
4	9/28/2000	AZ	Horizon Community Learning Center	Maricopa County Industrial Development Authority	29.590	Mat/Ref	ACA Financial	Fitch S&P	A A	-	-	-	Westhoff, Cone & Holmstedt				
5	5/1/2001	AZ	Pima County IDA Pool (Series A&B) (Young Scholars Academy, International Studies Academy, Kingman Academy Learning)	Pima County Industrial Development Authority	15.395	Out	Unenhanced	Moody's	-	Baa3	-	Baa3	Dain Rauscher	✓			
6	8/1/2001	AZ	Advanced Education Services d/b/a Solon Senior Academy	Pima County Industrial Development Authority	2.780	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
7	8/17/2001	AZ	Life School College Preparatory	Pima County Industrial Development Authority	12.000	Default	Unenhanced	NR	-	-	-	-	Wedbush Morgan				
8	12/1/2001	AZ	Pima County IDA Pool (Series C&D) (Hearn, Dobson, Paramount Education Studies, Academy with Community Partners-Arizona, Stepping Stones Academy)	Pima County Industrial Development Authority	18.725	Out	Unenhanced	Moody's	-	Baa3	-	Baa3	RBC Dain Rauscher	✓			
9	7/3/2002	AZ	Pima County IDA Pool (Series E&F) (Ball-Dobson, New School for Arts, Valley Academy)	Pima County Industrial Development Authority	9.555	Out	Unenhanced	Moody's	-	Baa3	-	Baa3	RBC Dain Rauscher	✓			
10	9/11/2002	AZ	Happy Valley School	Pima County Industrial Development Authority	5.161	Out	Unenhanced	NR	-	-	-	-	RBC Dain Rauscher	✓	✓	✓	✓
11	12/20/2002	AZ	Pima County IDA Pool (Series G&H) (Benchmark, New School for Arts)	Pima County Industrial Development Authority	4.625	Out	Unenhanced	Moody's	-	Baa3	-	Baa3	RBC Dain Rauscher	✓			
12	5/1/2003	AZ	Bell Canyon & West Gilbert Schools	Pima County Industrial Development Authority	11.235	Out	ACA Financial	S&P	A	-	-	-	Banc of America Securities	✓			✓
13	5/1/2003	AZ	Milestones Charter School	Pima County Industrial Development Authority	4.680	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
14	6/26/2003	AZ	Paradise Education Center	Pima County Industrial Development Authority	12.945	Out	Unenhanced	S&P	-	BBB-	-	BBB-	A.G. Edwards	✓	✓	✓	✓
15	8/1/2003	AZ	Desert Heights Charter School	Pima County Industrial Development Authority	5.825	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
16	8/1/2003	AZ	The Excalibur Charter School	Pima County Industrial Development Authority	4.690	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
17	8/26/2003	AZ	Phoenix Advantage Charter School	Pima County Industrial Development Authority	10.970	Out	ACA Financial	S&P	A	-	-	-	Westhoff, Cone & Holmstedt	✓	✓	✓	✓
18	1/1/2004	AZ	Keystone Montessori Charter School	Phoenix Industrial Development Authority	5.842	Out	Unenhanced	NR	-	-	-	-	Wells Fargo	✓	✓	✓	✓
19	2/1/2004	AZ	Desert Technology Schools	Pima County Industrial Development Authority	3.585	Default	Unenhanced	NR	-	-	-	-	Dougherty				
20	2/1/2004	AZ	Skyline Technical High School	Pima County Industrial Development Authority	6.290	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
21	3/4/2004	AZ	Noah Webster Basic School	Pima County Industrial Development Authority	12.495	Out	Unenhanced	S&P	-	BBB-	-	BBB-	A.G. Edwards	✓	✓	✓	✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
22	3/9/2004	AZ	Pima County IDA Pool (Series I&J) (Academy of Tucson, Carden Elementary Charter School)	Pima County Industrial Development Authority	6.735	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	RBC Dain Rauscher				
23	4/8/2004	AZ	Pima County IDA Pool (Series K&L) (Kingman Academy of Learning)	Pima County Industrial Development Authority	5.620	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	RBC Dain Rauscher				
24	5/18/2004	AZ	BASIS Schools	Pima County Industrial Development Authority	1.885	Mat/Ref	Unenhanced	NR	-	-	-	-	RBC Dain Rauscher				
25	5/20/2004	AZ	Heritage Elementary School	Pima County Industrial Development Authority	5.985	Mat/Ref	Unenhanced	NR	-	-	-	-	RBC Dain Rauscher				
26	7/8/2004	AZ	Pointe Educational Services	Pima County Industrial Development Authority	9.750	Mat/Ref	Unenhanced	NR	-	-	-	-	RBC Dain Rauscher				
27	10/7/2004	AZ	Arizona Agribusiness and Equine Center	Tucson Industrial Development Authority	8.710	Out	Unenhanced	S&P	-	BBB-	-	BB+	A.G. Edwards	✓	✓	✓	✓
28	1/21/2005	AZ	La Paloma Academy	Pima County Industrial Development Authority	13.180	Out	Unenhanced	NR	-	-	-	-	RBC Dain Rauscher	✓	✓	✓	✓
29	2/17/2005	AZ	Khalsa Family Services	Pima County Industrial Development Authority	3.170	Out	Unenhanced	NR	-	-	-	-	RBC Dain Rauscher	✓	✓	✓	✓
30	3/1/2005	AZ	Milestones Charter School	Pima County Industrial Development Authority	3.700	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
31	3/9/2005	AZ	Horizon Community Learning Center	Pima County Industrial Development Authority	32.845	Out	Unenhanced	S&P	-	BBB-	-	BBB	Westhoff, Cone & Holmstedt	✓	✓	✓	✓
32	6/16/2005	AZ	Pima County IDA Pool (Series M&N) (Academy of Tucson)	Pima County Industrial Development Authority	2.280	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	RBC Dain Rauscher				
33	9/1/2005	AZ	Premier Charter High School, Air Academy Charter High School	Pima County Industrial Development Authority	10.895	Default	Unenhanced	NR	-	-	-	-	Dougherty				
34	10/20/2005	AZ	Pointe Educational Services	Pima County Industrial Development Authority	15.580	Out	Unenhanced	NR	-	-	-	-	RBC Dain Rauscher	✓	✓	✓	✓
35	4/1/2006	AZ	Arts Academy (PLC Schools)	Pima County Industrial Development Authority	12.325	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
36	4/25/2006	AZ	Southgate Academy	Pima County Industrial Development Authority	10.895	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
37	5/10/2006	AZ	BASIS Schools (Tucson)	Pima County Industrial Development Authority	5.155	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
38	5/17/2006	AZ	Villa Montessori	Phoenix Industrial Development Authority	5.430	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
39	5/23/2006	AZ	Paradise Education Center	Pima County Industrial Development Authority	5.515	Out	Unenhanced	S&P	-	BB+	-	BBB-	A.G. Edwards	✓	✓	✓	✓
40	6/1/2006	AZ	Choice Education and Development Corporation	Pima County Industrial Development Authority	28.600	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
41	8/29/2006	AZ	Franklin Phonetic Primary School	Pima County Industrial Development Authority	3.900	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
42	8/31/2006	AZ	Harvest Preparatory Academy	Pima County Industrial Development Authority	8.700	Mat/Ref	JPMorgan Chase Bank	S&P	AA-/A-1+	-	-	-	Ziegler				
43	9/6/2006	AZ	Carpe Diem Collegiate High School	Pima County Industrial Development Authority	3.640	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
44	11/21/2006	AZ	Success School, Superior School	Pima County Industrial Development Authority	7.215	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓			✓
45	11/29/2006	AZ	Espiritu Schools	Phoenix Industrial Development Authority	7.855	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
46	12/1/2006	AZ	ACCLAIM Charter School	Pima County Industrial Development Authority	7.680	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
47	12/13/2006	AZ	Sonoran Science Academy of Tucson	Pima County Industrial Development Authority	10.605	Out	Unenhanced	NR	-	-	-	-	Wells Fargo	✓	✓	✓	✓

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Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe				
								Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F	
48	1/18/2007	AZ	Pima County IDA Pool (Series O&P) (Kingman Academy of Learning)	Pima County Industrial Development Authority	14.995	Out	Unenhanced	Moody's	-	Baa3	-	Baa3	RBC Capital Markets	✓			✓
49	2/26/2007	AZ	BASIS Schools (Tucson & Scottsdale)	Pima County Industrial Development Authority	9.000	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
50	3/21/2007	AZ	Tucson Country Day School	Pima County Industrial Development Authority	6.220	Out	Unenhanced	S&P	-	BBB-	-	BBB-	A.G. Edwards	✓	✓	✓	✓
51	5/31/2007	AZ	Heritage Elementary School	Pima County Industrial Development Authority	17.000	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
52	7/12/2007	AZ	Center for Academic Success	Pima County Industrial Development Authority	9.000	Out	Unenhanced	S&P	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	✓
53	10/4/2007	AZ	Bennett Academy (21st Century)	Benson Industrial Development Authority	3.550	Out	ACA Financial	S&P	A	-	-	-	Cohen				
54	10/10/2007	AZ	The Edge School	Pima County Industrial Development Authority	4.630	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
55	10/25/2007	AZ	American Charter Schools Foundation	Pima County Industrial Development Authority	82.185	Out	Unenhanced	Fitch	-	BBB	-	BBB	RBC Capital Markets	✓	✓	✓	✓
56	1/17/2008	AZ	Griffin Foundation d/b/a Children Reaching for the Sky	Pima County Industrial Development Authority	6.850	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
57	2/1/2008	AZ	Success School, Superior School	Pima County Industrial Development Authority	4.785	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓			✓
58	3/27/2008	AZ	Valley Academy	Pima County Industrial Development Authority	5.860	Out	Unenhanced	Moody's	-	Baa3	-	Baa3	RBC Capital Markets	✓	✓	✓	✓
59	10/31/2008	AZ	Arizona School for the Arts	Phoenix Industrial Development Authority	10.500	Out	Unenhanced	NR	-	-	-	-	Wedbush Morgan	✓	✓	✓	✓
60	6/5/2009	AZ	Arizona Academy of Leadership	Pima County Industrial Development Authority	3.600	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
61	8/10/2009	AZ	Berean Academy	Pima County Industrial Development Authority	7.630	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
62	8/31/2009	AZ	Legacy Traditional Charter School	Pima County Industrial Development Authority	16.040	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
63	12/23/2009	AZ	Career Success Schools	City of Phoenix Industrial Development Authority	11.225	Out	Unenhanced	S&P	-	BBB-	-	BB+	Ziegler	✓	✓	✓	✓
64	3/5/2010	AZ	EAGLE College Prep	Phoenix Industrial Development Authority	7.010	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
65	3/18/2010	AZ	BASIS Schools (Oro Valley)	Florence Industrial Development Authority	5.450	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
66	4/6/2010	AZ	Flagstaff Arts and Leadership Academy	Pima County Industrial Development Authority	4.125	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
67	4/13/2010	AZ	Cambridge Academy-East	Pima County Industrial Development Authority	8.445	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	D.A. Davidson	✓	✓	✓	✓
68	4/20/2010	AZ	Caurus Academy (Arizona Montessori School of Anthem)	Pima County Industrial Development Authority	4.380	Out	Unenhanced	NR	-	-	-	-	Lawson Financial	✓	✓	✓	✓
69	5/12/2010	AZ	Odyssey Preparatory Academy	Pima County Industrial Development Authority	7.700	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
70	5/13/2010	AZ	Academy of Tucson	Pima County Industrial Development Authority	9.385	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
71	5/26/2010	AZ	Montessori Academy	Pima County Industrial Development Authority	5.725	Out	Unenhanced	NR	-	-	-	-	Lawson Financial	✓	✓	✓	✓
72	6/30/2010	AZ	Destiny Community School	Pima County Industrial Development Authority	4.000	Out	Unenhanced	NR	-	-	-	-	Lawson Financial	✓	✓	✓	✓
73	10/20/2010	AZ	Paradise Education Center	Pima County Industrial Development Authority	12.800	Out	Unenhanced	S&P	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	✓
74	11/1/2010	AZ	Riverbend Prep (West Valley Arts and Technology Academy)	Pima County Industrial Development Authority	4.200	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓

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	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
75	11/10/2010	AZ	Sequoia Pathway Academy	Pima County Industrial Development Authority	13.450	Out	Unenhanced	NR	-	-	-	-	Lawson Financial	✓	✓	✓	✓
76	11/17/2010	AZ	BASIS Schools (Chandler)	Florence Industrial Development Authority	6.645	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	
77	11/17/2010	AZ	BASIS Schools (Peoria)	Florence Industrial Development Authority	6.665	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	
78	12/7/2010	AZ	Scottsdale Preparatory Academy	Florence Industrial Development Authority	11.630	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
79	12/16/2010	AZ	BASIS Schools (Flagstaff)	Florence Industrial Development Authority	6.995	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	
80	2/17/2011	AZ	Arizona Agribusiness and Equine Center	Yavapai County Industrial Development Authority	14.605	Out	Unenhanced	S&P	-	BB+	-	BB+	Baird	✓	✓	✓	✓
81	4/6/2011	AZ	Park View School	Pima County Industrial Development Authority	6.625	Out	Unenhanced	NR	-	-	-	-	Lawson Financial	✓	✓	✓	✓
82	5/6/2011	AZ	Arizona School for the Arts	Phoenix Industrial Development Authority	8.750	Out	Unenhanced	NR	-	-	-	-	Stifel Nicolaus	✓	✓	✓	✓
83	9/8/2011	AZ	Fountain Hills Charter School	Pima County Industrial Development Authority	2.800	Out	Unenhanced	NR	-	-	-	-	Lawson Financial	✓	✓	✓	
84	11/8/2011	AZ	BASIS Schools (Phoenix)	Florence Industrial Development Authority	7.955	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	
85	11/8/2011	AZ	Harvest Preparatory Academy	Pima County Industrial Development Authority	10.500	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Lawson Financial	✓	✓	✓	
86	1/5/2012 ²	AZ	American Leadership Academy	Pima County Industrial Development Authority	10.975	Out	Unenhanced	NR	-	-	-	-	Lawson Financial	✓	✓	✓	
	1/5/2012 ²	AZ	American Leadership Academy	Pima County Industrial Development Authority	0.454	Out	Unenhanced	NR	-	-	-	-	Na				
87	1/25/2012	AZ	Great Hearts Academies - Veritas Prep	Phoenix Industrial Development Authority	16.425	Out	Unenhanced	Fitch	-	BBB	-	BBB	RBC Capital Markets	✓	✓	✓	
88	2/7/2012	AZ	Carden Traditional Schools	Pima County Industrial Development Authority	16.500	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	Ziegler	✓	✓	✓	
89	2/24/2012	AZ	Painted Rock Academy	Phoenix Industrial Development Authority	10.000	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	
90	3/2/2012	AZ	Basis Tucson North	Pima County Industrial Development Authority	10.000	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓	✓	✓	✓
91	4/2/2012	AZ	P.L.C. Charter Schools	Pima County Industrial Development Authority	5.730	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	
92	5/15/2001	CA	Aspire Public Schools (Oakland, Lodi)	California Statewide Communities Development Authority	17.560	Mat/Ref	Unenhanced	NR	-	-	-	-	Prager, McCarthy & Sealy				
93	11/7/2001	CA	Escondido Charter High School	California Statewide Communities Development Authority	8.600	Mat/Ref	Unenhanced	NR	-	-	-	-	Prager, McCarthy & Sealy				
94	12/5/2002	CA	Aspire Public Schools (Lodi)	California Statewide Communities Development Authority	11.945	Mat/Ref	Unenhanced	NR	-	-	-	-	Prager, McCarthy & Sealy				
95	6/21/2006	CA	Escondido High School, Heritage Charter School	California Municipal Finance Authority	25.500	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Ziegler	✓			✓
96	5/23/2007	CA	Aspire and Huntington Park Alliance	California Statewide Communities Development Authority	15.750	Out	Unenhanced	NR	-	-	-	-	RBC Capital Markets	✓			
97	4/29/2008	CA	High Tech High (Chula Vista and Media Arts)	California Municipal Finance Authority	23.515	Out	Unenhanced	Fitch	-	BB+	-	BB+	RBC Capital Markets	✓	✓		✓
98	8/14/2008	CA	Orange County Educational Arts Academy	California Municipal Finance Authority	10.515	Out	Unenhanced	NR	-	-	-	-	Wachovia	✓	✓	✓	✓
99	5/13/2009	CA	King Chavez Academies	California Municipal Finance Authority	8.895	Out	Unenhanced	S&P	-	BBB-	-	BB+	Baird				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
100	4/1/2010	CA	Aspire Public Schools	California Statewide Communities Development Authority	93.295	Out	Third-party Guaranty	Fitch	-	BBB	-	BBB	RBC Capital Markets	✓	✓	✓	✓
101	9/22/2010	CA	Literacy First Charter School	California Municipal Finance Authority	3.725	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Ziegler	✓	✓	✓	✓
102	6/22/2011	CA	The Rocklin Academy	California Statewide Communities Development Authority	10.400	Out	Unenhanced	S&P	-	BB+	-	BB+	Piper Jaffray	✓	✓	✓	✓
103	7/20/2011	CA	Animo Inglewood Charter High School (Green Dot)	California Statewide Communities Development Authority	8.260	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	Baird	✓	✓	✓	
104	8/25/2011	CA	Alliance for College-Ready Public Schools	California Statewide Communities Development Authority	22.565	Out	Unenhanced	Fitch	-	BBB	-	BBB	RBC Capital Markets	✓	✓	✓	
105	9/8/2011	CA	Rocketship Four - Mosaic Elementary School	California Statewide Communities Development Authority	10.115	Out	Unenhanced	NR	-	-	-	-	De La Rosa	✓	✓	✓	
106	2/13/2012	CA	Alliance for College-Ready Public Schools	California Statewide Communities Development Authority	8.455	Out	Unenhanced	S&P	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	
107	5/31/2012	CA	Santa Rosa Academy	California Municipal Finance Authority	24.035	Out	Unenhanced	S&P	-	BB	-	BB	Ziegler	✓	✓	✓	
108	7/8/1999	CO	Liberty Common School	Colorado Educational and Cultural Facilities Authority	3.666	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
109	8/5/1999	CO	DCS Montessori School	Colorado Educational and Cultural Facilities Authority	7.235	Mat/Ref	Unenhanced	NR	-	-	-	-	Bigelow				
110	9/29/1999	CO	The Renaissance School	Colorado Educational and Cultural Facilities Authority	3.690	Mat/Ref	Unenhanced	S&P	-	BBB-	-	-	Kirkpatrick Pettis				
111	10/1/1999	CO	Jefferson Academy	Colorado Educational and Cultural Facilities Authority	2.600	Mat/Ref	Unenhanced	S&P	-	BBB-	-	-	Western Municipal Securities				
112	11/3/1999	CO	Core Knowledge Charter School	Colorado Educational and Cultural Facilities Authority	3.330	Mat/Ref	Unenhanced	S&P	-	BBB	-	-	Kirkpatrick Pettis				
113	2/15/2000	CO	Crown Pointe Academy of Westminster	Colorado Educational and Cultural Facilities Authority	0.965	Mat/Ref	Unenhanced	NR	-	-	-	-	Bigelow				
114	6/8/2000	CO	Compass Montessori Charter School	Colorado Educational and Cultural Facilities Authority	2.015	Mat/Ref	Unenhanced	NR	-	-	-	-	Bigelow				
115	6/29/2000	CO	Charter School, Elbert County	Colorado Educational and Cultural Facilities Authority	0.695	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
116	10/1/2000	CO	Bromley East Charter School	Colorado Educational and Cultural Facilities Authority	12.955	Mat/Ref	Unenhanced	Fitch Moody's	-	BBB-Baa3	-	-	Kirkpatrick Pettis				
117	11/1/2000	CO	Academy Charter School	Colorado Educational and Cultural Facilities Authority	7.560	Mat/Ref	Unenhanced	S&P	-	BBB	-	-	Hanifen & Imhoff				
118	11/1/2000	CO	Jefferson Academy	Colorado Educational and Cultural Facilities Authority	0.565	Mat/Ref	Unenhanced	NR	-	-	-	-	Western Municipal Securities				
119	11/28/2000	CO	The Classical Academy	Colorado Educational and Cultural Facilities Authority	19.600	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	Kirkpatrick Pettis				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
120	12/12/2000	CO	Elbert County Charter School - Legacy Academy	Colorado Educational and Cultural Facilities Authority	1.005	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
121	3/13/2001	CO	Lincoln Academy Charter School	Colorado Educational and Cultural Facilities Authority	2.430	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
122	6/7/2001	CO	Cherry Creek Academy	Colorado Educational and Cultural Facilities Authority	4.155	Mat/Ref	Unenhanced	Moody's	-	Baa2	-	-	Kirkpatrick Pettis				
123	8/15/2001	CO	Peak to Peak Charter School	Colorado Educational and Cultural Facilities Authority	18.800	Mat/Ref	Unenhanced	Moody's	-	Ba2	-	-	Kirkpatrick Pettis				
124	9/15/2001	CO	University Lab School	Colorado Educational and Cultural Facilities Authority	17.630	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	Kirkpatrick Pettis				
125	10/1/2001	CO	Frontier Academy	Colorado Educational and Cultural Facilities Authority	15.830	Mat/Ref	Unenhanced	Moody's	-	Ba1	-	-	Kirkpatrick Pettis				
126	12/1/2001	CO	Pinnacle Charter School	Colorado Educational and Cultural Facilities Authority	12.355	Mat/Ref	Unenhanced	Moody's S&P	-	Baa3 BBB	-	-	Stifel Nicolaus				
127	1/15/2002	CO	Collegiate Academy of Colorado	Colorado Educational and Cultural Facilities Authority	6.780	Mat/Ref	Unenhanced	Moody's	-	Ba1	-	-	Stifel Nicolaus				
128	1/15/2002	CO	Littleton Academy Charter School	Colorado Educational and Cultural Facilities Authority	4.450	Mat/Ref	Unenhanced	S&P	-	BBB	-	-	Kirkpatrick Pettis				
129	3/1/2002	CO	Compass Montessori Secondary School	Colorado Educational and Cultural Facilities Authority	5.645	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
130	3/1/2002	CO	Platte River Academy	Colorado Educational and Cultural Facilities Authority	6.875	Mat/Ref	Unenhanced	Fitch Moody's	-	BB+ Ba1	-	-	Kirkpatrick Pettis				
131	3/15/2002	CO	DCS Montessori Charter School	Colorado Educational and Cultural Facilities Authority	9.795	Out	Unenhanced	S&P	-	BBB	-	BBB	Kirkpatrick Pettis	✓	✓	✓	✓
132	5/1/2002	CO	Montessori Peaks Academy	Colorado Educational and Cultural Facilities Authority	5.860	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
133	10/1/2002	CO	Belle Creek Charter School	Colorado Educational and Cultural Facilities Authority	8.630	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
134	11/1/2002	CO	Stargate Charter School	Colorado Educational and Cultural Facilities Authority	6.795	Mat/Ref	Unenhanced	S&P	-	BBB-	-	-	Kirkpatrick Pettis				
135	5/22/2003 ¹	CO	Cheyenne Mountain Charter Academy	Colorado Educational and Cultural Facilities Authority	2.215	Mat/Ref	Unenhanced	S&P	-	BBB-	-	-	A.G. Edwards				
	5/22/2003 ¹	CO	Jefferson Academy	Colorado Educational and Cultural Facilities Authority	3.310	Mat/Ref	Unenhanced	S&P	-	BBB-	-	-	A.G. Edwards				
136	10/1/2003	CO	Pinnacle Charter School	Colorado Educational and Cultural Facilities Authority	22.305	Out	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB	A - A	- - BBB	Kirkpatrick Pettis	✓	✓		✓
137	10/1/2003	CO	The Classical Academy	Colorado Educational and Cultural Facilities Authority	39.595	Out	Syncora (XL)/ Moral Obligation	Moody's S&P	Aaa AAA	- BBB	- A	- BBB	Kirkpatrick Pettis	✓	✓		✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
138	10/22/2003	CO	Pioneer Charter School (now Eagle Ridge)	Colorado Educational and Cultural Facilities Authority	4.990	Out	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis	✓	✓		
139	11/1/2003	CO	Leadership Preparatory Academy	Colorado Educational and Cultural Facilities Authority	2.120	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
140	12/1/2003	CO	Excel Academy Charter School	Colorado Educational and Cultural Facilities Authority	6.830	Mat/Ref	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
141	12/3/2003	CO	Denver Arts & Technology Academy (now Cesar Chavez Academy Denver)	Colorado Educational and Cultural Facilities Authority	8.415	Default	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis				
142	12/15/2003	CO	Liberty Common School	Colorado Educational and Cultural Facilities Authority	7.190	Out	Syncora (XL)/Moral Obligation	Moody's S&P	Aaa AAA	- BBB-	- A	- BBB-	Kirkpatrick Pettis	✓	✓		✓
143	1/30/2004	CO	Challenge to Excellence Charter School	Colorado Educational and Cultural Facilities Authority	6.950	Mat/Ref	Zions First National	Moody's	A2/VMIG 1	-	-	-	Stifel Nicolaus				
144	4/1/2004	CO	Core Knowledge Charter School - Parker	Colorado Educational and Cultural Facilities Authority	4.805	Out	Syncora (XL)/Moral Obligation	Moody's S&P	Aaa AAA	- BBB	- A	-	Kirkpatrick Pettis	✓	✓		✓
145	4/15/2004	CO	Peak to Peak Charter School	Colorado Educational and Cultural Facilities Authority	23.300	Out	Syncora (XL)/Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB	- - A	- - BBB+	Kirkpatrick Pettis	✓	✓		✓
146	5/1/2004	CO	The Academy of Charter Schools	Colorado Educational and Cultural Facilities Authority	20.765	Out	Syncora (XL)/Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	- -	Kirkpatrick Pettis	✓	✓		✓
147	5/15/2004	CO	Collegiate Academy of Colorado	Colorado Educational and Cultural Facilities Authority	8.195	Out	Syncora (XL)/Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	- - BBB-	Stifel Nicolaus	✓	✓		✓
148	8/1/2004	CO	University Lab School	Colorado Educational and Cultural Facilities Authority	20.525	Out	Syncora (XL)/Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- Baa3 BBB-	- - A	- Baa3 -	Kirkpatrick Pettis	✓	✓		✓
149	9/2/2004	CO	James Irwin Charter High School, James Irwin Charter Middle School	Colorado Educational and Cultural Facilities Authority	9.700	Mat/Ref	Zions First National	Moody's	A2/VMIG 1	-	-	-	A.G. Edwards				
150	9/15/2004	CO	Aurora Academy	Colorado Educational and Cultural Facilities Authority	7.275	Out	Syncora (XL)/Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	- - BBB-	Kirkpatrick Pettis	✓	✓		✓
151	10/1/2004	CO	Denver School of Science and Technology	Colorado Educational and Cultural Facilities Authority	1.500	Out	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis	✓	✓		✓
152	11/1/2004	CO	Elbert County Charter School - Legacy Academy	Colorado Educational and Cultural Facilities Authority	6.015	Out	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis	✓	✓		✓
153	11/10/2004	CO	Platte River Academy	Colorado Educational and Cultural Facilities Authority	8.025	Out	Syncora (XL)/Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	- - BBB	A.G. Edwards	✓	✓	✓	✓
154	5/15/2005	CO	Woodrow Wilson Academy	Colorado Educational and Cultural Facilities Authority	6.275	Out	Syncora (XL)/Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	- - BBB	Kirkpatrick Pettis, D.A. Davidson	✓	✓		✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
155	6/1/2005	CO	Bromley East Charter School	Colorado Educational and Cultural Facilities Authority	14.370	Out	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	BBB- - BBB-	- - A	-	Kirkpatrick Pettis, D.A. Davidson	✓	✓	✓	
156	6/7/2005	CO	Lincoln Academy Charter School	Colorado Educational and Cultural Facilities Authority	2.470	Out	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	- - BBB-	Wells Fargo	✓	✓	✓	
157	8/15/2005	CO	Knowledge Quest Academy	Colorado Educational and Cultural Facilities Authority	5.840	Out	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis, D.A. Davidson	✓	✓	✓	
158	8/30/2005	CO	Excel Academy Charter School	Colorado Educational and Cultural Facilities Authority	7.610	Out	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	-	Kirkpatrick Pettis, D.A. Davidson	✓	✓	✓	✓
159	8/30/2005	CO	Ridgeview Classical Schools	Colorado Educational and Cultural Facilities Authority	8.185	Out	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	- - BBB-	- - A	-	Kirkpatrick Pettis, D.A. Davidson	✓	✓	✓	
160	5/23/2006	CO	Northern Colorado Academy of Arts and Knowledge (T.R. Paul Academy)	Colorado Educational and Cultural Facilities Authority	5.965	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson				✓
161	6/23/2006	CO	Banning Lewis Ranch Academy	Colorado Educational and Cultural Facilities Authority	8.000	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
162	9/12/2006	CO	Academy Charter School	Colorado Educational and Cultural Facilities Authority	7.985	Out	Moral Obligation	S&P	A	BBB	A	BBB	A.G. Edwards	✓	✓	✓	✓
163	9/27/2006	CO	Cheyenne Mountain Charter Academy	Colorado Educational and Cultural Facilities Authority	11.670	Out	CIFG NA/ Moral Obligation	S&P	AAA	BBB-	AA-	BBB-	A.G. Edwards	✓	✓	✓	✓
164	10/4/2006	CO	Frontier Academy	Colorado Educational and Cultural Facilities Authority	17.750	Out	CIFG NA/ Moral Obligation	Moody's S&P	Aaa AAA	- BBB-	Aa3 AA-	- BBB-	Wells Fargo	✓	✓	✓	
165	11/28/2006	CO	Stargate Charter School	Colorado Educational and Cultural Facilities Authority	9.805	Out	CIFG NA/ Moral Obligation	Moody's S&P	Aaa AAA	- BBB-	- AA-	- BBB-	D.A. Davidson	✓	✓	✓	
166	12/7/2006	CO	Montessori Peaks Academy	Colorado Educational and Cultural Facilities Authority	7.575	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
167	12/11/2006	CO	Brighton Charter School	Colorado Educational and Cultural Facilities Authority	10.195	Default	Unenhanced	NR	-	-	-	-	D.A. Davidson				
168	12/19/2006	CO	Littleton Academy Charter School	Colorado Educational and Cultural Facilities Authority	5.235	Out	CIFG NA/ Moral Obligation	S&P	AAA	BBB	AA-	BBB	Stifel Nicolaus	✓	✓	✓	
169	12/20/2006	CO	Carbon Valley Academy	Colorado Educational and Cultural Facilities Authority	5.305	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	
170	12/20/2006	CO	Compass Montessori Secondary School - Golden	Colorado Educational and Cultural Facilities Authority	6.380	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	
171	3/28/2007	CO	Union Colony Charter School	Colorado Educational and Cultural Facilities Authority	4.815	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	
172	4/18/2007	CO	Challenges, Choices and Images Literacy and Technology Center	Colorado Educational and Cultural Facilities Authority	18.430	Default	Unenhanced	NR	-	-	-	-	D.A. Davidson				

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ID	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
173	4/24/2007	CO	Cesar Chavez Academy	Colorado Educational and Cultural Facilities Authority	15.570	Out	CIFG NA/ Moral Obligation	S&P	AAA	BBB-	AA-	-	D.A. Davidson	✓	✓	✓	✓
174	6/14/2007	CO	Belle Creek Charter School	Colorado Educational and Cultural Facilities Authority	9.300	Out	CIFG NA/ Moral Obligation	S&P	AAA	-	AA-	-	A.G. Edwards	✓	✓	✓	✓
175	7/2/2007	CO	James Irwin Educational Foundation	Colorado Educational and Cultural Facilities Authority	20.900	Out	CIFG NA/ Moral Obligation	S&P	AAA	-	AA-	-	A.G. Edwards	✓	✓	✓	✓
176	7/5/2007	CO	Windsor Charter Academy	Colorado Educational and Cultural Facilities Authority	6.905	Out	Unenhanced	S&P	-	BB+	-	BBB-	D.A. Davidson	✓	✓	✓	✓
177	7/31/2007	CO	James Madison Charter Academy	Colorado Educational and Cultural Facilities Authority	2.040	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson				✓
178	7/31/2007	CO	Northeast Academy Charter School	Colorado Educational and Cultural Facilities Authority	5.210	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
179	8/23/2007	CO	Challenge to Excellence Charter School	Colorado Educational and Cultural Facilities Authority	7.545	Out	CIFG NA/ Moral Obligation	Moody's S&P	Aaa AAA	-	- AA-	-	Stifel Nicolaus	✓	✓	✓	✓
180	9/28/2007	CO	Monument Academy Charter School	Colorado Educational and Cultural Facilities Authority	12.270	Out	Unenhanced	S&P	-	BB	-	BBB-	D.A. Davidson	✓	✓	✓	✓
181	12/27/2007	CO	Cheyenne Mountain Charter Academy	Colorado Educational and Cultural Facilities Authority	10.605	Out	Moral Obligation	S&P	A	BBB-	A	BBB-	Wachovia	✓	✓	✓	✓
182	1/25/2008	CO	Pikes Peak School of Expeditionary Learning	Colorado Educational and Cultural Facilities Authority	6.500	Out	Unenhanced	NR	-	-	-	-	Gates Capital				✓
183	2/20/2008	CO	Community Leadership Academy	Colorado Educational and Cultural Facilities Authority	8.810	Out	Unenhanced	NR	-	-	-	-	Wachovia	✓	✓	✓	✓
184	4/8/2008	CO	New Vision Charter School	Colorado Educational and Cultural Facilities Authority	4.810	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
185	8/18/2008	CO	Flagstaff Academy	Colorado Educational and Cultural Facilities Authority	13.505	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
186	8/26/2008	CO	The Academy of Charter Schools	Colorado Educational and Cultural Facilities Authority	6.145	Out	Moral Obligation	S&P	A	BBB-	A	-	D.A. Davidson	✓	✓	✓	✓
187	9/24/2008	CO	Monument Academy	Colorado Educational and Cultural Facilities Authority	1.610	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
188	10/30/2008	CO	The Classical Academy	Colorado Educational and Cultural Facilities Authority	14.025	Out	Moral Obligation	S&P	A	BBB	A	BBB	D.A. Davidson	✓	✓	✓	✓
189	11/13/2008	CO	North Star Academy	Colorado Educational and Cultural Facilities Authority	10.975	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
190	11/18/2008	CO	Twin Peaks Charter Academy	Colorado Educational and Cultural Facilities Authority	14.235	Out	Moral Obligation	S&P	A	BBB-	A	BBB-	D.A. Davidson	✓	✓	✓	✓
191	12/2/2008	CO	American Academy	Colorado Educational and Cultural Facilities Authority	17.030	Out	Moral Obligation	Fitch S&P	- A	BBB+ -	A A	-	D.A. Davidson	✓	✓	✓	✓

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	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
192	10/1/2009	CO	Crowne Point Academy of Westminster	Colorado Educational and Cultural Facilities Authority	7.755	Out	Moral Obligation	Fitch	A	BBB+	A	-	D.A. Davidson	✓	✓	✓	✓
193	1/13/2010	CO	Pinnacle Charter School	Colorado Educational and Cultural Facilities Authority	12.985	Out	Moral Obligation	Fitch	A	-	A	-	D.A. Davidson	✓	✓	✓	✓
194	2/25/2010	CO	Colorado Springs Charter Academy	Colorado Educational and Cultural Facilities Authority	7.355	Out	Moral Obligation	S&P	A	BBB-	A	BBB-	Gates Capital	✓	✓	✓	✓
195	2/25/2010	CO	High Point Academy	Colorado Educational and Cultural Facilities Authority	11.930	Out	Moral Obligation	S&P	A	-	A	-	D.A. Davidson	✓	✓	✓	✓
196	7/7/2010	CO	Free Horizon Montessori School	Colorado Educational and Cultural Facilities Authority	6.550	Out	Moral Obligation	S&P	A	-	A	-	D.A. Davidson	✓	✓	✓	✓
197	10/22/2010	CO	Core Knowledge Charter School - Parker	Colorado Educational and Cultural Facilities Authority	2.435	Out	Moral Obligation	S&P	A	BBB-	A	BBB-	D.A. Davidson	✓	✓	✓	✓
198	11/19/2010	CO	Caprock Academy	Colorado Educational and Cultural Facilities Authority	9.865	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
199	11/23/2010	CO	The Academy of Charter Schools	Colorado Educational and Cultural Facilities Authority	10.060	Out	Moral Obligation	Fitch S&P	- A	BBB- -	- A	BBB- -	D.A. Davidson	✓	✓	✓	✓
200	12/16/2010	CO	Rocky Mountain Academy of Evergreen	Colorado Educational and Cultural Facilities Authority	5.085	Out	Moral Obligation	S&P	A	BBB-	A	BBB-	Stern, Agee & Leach	✓	✓	✓	✓
201	1/11/2011 ³	CO	Highline Academy Charter School	Public Finance Authority	8.375	Out	Unenhanced	S&P	-	BBB-	-	BBB-	D.A. Davidson	✓	✓	✓	✓
202	1/24/2011 ³	CO	Global Village Academy	Public Finance Authority	8.365	Out	Unenhanced	S&P	-	BB+	-	-	D.A. Davidson	✓	✓	✓	✓
203	4/8/2011 ²	CO	Twin Peaks Charter Academy	Colorado Educational and Cultural Facilities Authority	2.515	Out	Moral Obligation	S&P	A	BBB-	A	BBB-	D.A. Davidson	✓	✓	✓	✓
	4/8/2011 ²	CO	Twin Peaks Charter Academy	Colorado Educational and Cultural Facilities Authority	2.260	Out	Unenhanced	S&P	-	BBB-	-	BBB-	D.A. Davidson				✓
204	12/29/2011	CO	Liberty Common Middle High School	Colorado Educational and Cultural Facilities Authority	5.500	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
205	2/29/2012	CO	Union Colony Charter School	Colorado Educational and Cultural Facilities Authority	7.260	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
206	3/30/2012	CO	Cherry Creek Academy	Colorado Educational and Cultural Facilities Authority	3.460	Out	Unenhanced	Moody's	-	Baa2	-	Baa2	D.A. Davidson	✓	✓	✓	✓
207	4/12/2012	CO	Jefferson Academy	Colorado Educational and Cultural Facilities Authority	15.900	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
208	5/30/2002	DC	Integrated Design Electronics Academy Public Charter School	District of Columbia	2.600	Mat/Ref	Allfirst Bank	Moody's	A1/VMIG 1	-	-	-	Allfirst Bank				
209	12/16/2002	DC	Arts & Technology Academy	District of Columbia	3.900	Mat/Ref	Allfirst Bank	Moody's	A1/VMIG 1	-	-	-	Allfirst Bank				
210	11/1/2003	DC	Friendship Public Charter School	District of Columbia	44.880	Out	ACA Financial	S&P	A	BBB	-	BBB	Citigroup	✓	✓	✓	✓
211	11/18/2004	DC	Howard Road Academy Public Charter School	District of Columbia	6.295	Out	Bank of America	Moody's	Aa1/ VMIG 1	-	A2/ VMIG 1	-	Bank of America Securities				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

ID	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
212	6/7/2005	DC	St. Coletta Special Education Public Charter School	District of Columbia	16.600	Out	Bank of America	Moody's	Aa1/VMIG 1	-	A2/VMIG 1	-	Banc of America				
213	6/15/2005	DC	D.C. Preparatory Academy	District of Columbia	5.500	Out	Manufacturers and Traders Trust	S&P	A/A-1	-	A/A-1	-	Manufacturers and Traders Trust				✓
214	12/28/2006	DC	Friendship Public Charter School	District of Columbia	15.000	Out	ACA Financial	S&P	A	BBB	-	BBB	Citigroup	✓	✓	✓	✓
215	5/24/2007	DC	Community Academy Public Charter School	District of Columbia	25.000	Out	ACA Financial	S&P	A	BB+	-	BBB-	Cornerstone Capital				✓
216	6/26/2007	DC	D.C. Preparatory Academy	District of Columbia	9.580	Out	Manufacturers and Traders Trust	S&P	A/A-1	-	A/A-1	-	Manufacturers and Traders Trust				✓
217	5/15/2008	DC	KIPP DC	District of Columbia	28.225	Out	Manufacturers and Traders Trust	S&P	A/A-1	-	A/A-1	-	Manufacturers and Traders Trust				✓
218	6/1/2010	DC	Arts & Technology Academy	Na	7.200	Out	Unenhanced	NR	-	-	-	-	Allfirst				
219	3/2/2011	DC	Cesar Chavez Public Charter Schools	District of Columbia	27.210	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓	✓	✓
220	11/8/2002	DE	Charter School, Inc.	Kent County	4.385	Mat/Ref	Unenhanced	Moody's	Aa3/VMIG1	-	-	-	Na				
221	10/31/2006	DE	Newark Charter School	New Castle County	14.905	Out	Unenhanced	S&P	-	BBB-	-	BBB	A.G. Edwards	✓	✓	✓	✓
222	8/27/2008 ³	DE	Delaware Military Academy	Pima County Industrial Development Authority	12.200	Out	PNC Bank	S&P	AA/A-1+	-	A/A-1	-	PNC				✓
223	12/18/2008	DE	Providence Creek Academy Charter School	Kent County	13.150	Out	PNC Bank	Moody's	Aa3/VMIG 1	-	A2/VMIG 1	-	PNC				
224	8/31/2010	DE	Delaware College Preparatory Academy	City of Wilmington	3.610	Out	Unenhanced	NR	-	-	-	-	Gates Capital	✓	✓	✓	✓
225	5/26/2011	DE	Charter School, Inc. d/b/a Campus Community School	Kent County, Delaware	3.930	Out	Unenhanced	S&P	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	✓
226	2/1/2000	FL	Four Corners Charter School	Osceola County School Board	17.080	Mat/Ref	National (MBIA)	Fitch Moody's	AAA Aaa	-	-	-	Paine Webber				
227	8/15/2000	FL	Florida State University Schools	City of Tallahassee	23.330	Mat/Ref	National (MBIA)	Moody's	Aaa	-	-	-	Salomon Smith Barney				
228	5/3/2001	FL	Museum of Science and Industry Foundation, Back to Basics Charter School	Hillsborough County	1.770	Mat/Ref	Bank of America	Fitch	AA/F1+	-	-	-	Banc of America Securities				
229	11/1/2001	FL	P.M. Wells Charter Academy	Osceola County Industrial Development Authority	9.425	Out	National (MBIA)	Fitch Moody's S&P	AAA Aaa AAA	-	-	Baa2 BBB	Prager, McCarthy & Sealy	✓	✓		✓
230	11/15/2001	FL	Pembroke Pines Charter Schools	City of Pembroke Pines	31.910	Mat/Ref	National (MBIA)	Fitch Moody's	AAA Aaa	-	-	-	William R. Hough				
231	2/1/2002	FL	Canoe Creek Charter School	Osceola County Industrial Development Authority	9.860	Out	National (MBIA)	Fitch Moody's S&P	AAA Aaa AAA	-	-	Baa2 BBB	Prager, McCarthy & Sealy	✓	✓		
232	3/15/2002	FL	Pembroke Pines Charter Schools	City of Pembroke Pines	20.060	Mat/Ref	National (MBIA)	Fitch Moody's	AAA Aaa	-	-	-	William R. Hough				
233	12/10/2002	FL	Oakland Avenue Charter School	Town of Oakland	8.125	Out	Unenhanced	NR	-	-	-	-	Commerce Capital				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
234	10/29/2003	FL	Oakland Charter School	Town of Oakland	0.455	Mat/Ref	Unenhanced	NR	-	-	-	-	Commerce Capital				
235	4/15/2004	FL	Bellalago Charter School	Bellalago Educational Facilities Benefit District	14.345	Out	Unenhanced	NR	-	-	-	-	Prager & Sealy				✓
236	7/26/2004	FL	Bay Haven Charter Academy	Bay County	11.600	Mat/Ref	Columbus Bank & Trust	S&P	A+ /A-1	-	-	-	Merchant Capital				
237	10/1/2004	FL	Bellalago Charter School	Bellalago Educational Facilities Benefit District	13.720	Out	Unenhanced	NR	-	-	-	-	Prager & Sealy				✓
238	2/17/2005	FL	Sarasota Military Academy	Sarasota County	2.000	Out	Wachovia Bank	NR	-	-	-	-	Wachovia				
239	4/19/2005	FL	Four Corners Charter School	Osceola County School Board	12.095	Out	National (MBIA)/ School District Pledge	Fitch Moody's S&P	AAA Aaa AAA	-	-	A3 BBB	Citigroup				✓
240	12/14/2005	FL	G Star School of the Arts	Palm Beach County	4.955	Out	Unenhanced	S&P	-	BB	-	BB	Kirkpatrick Pettis, D.A. Davidson				✓
241	4/3/2006	FL	Palm Bay Community Charter School - Patriot	Palm Bay City	21.100	Default	Unenhanced	NR	-	-	-	-	Gates Capital				
242	9/28/2006	FL	Palm Bay Academy Charter School	Florida Development Finance Corporation	5.920	Out	Unenhanced	S&P	-	BB-	-	-	D.A. Davidson	✓	✓	✓	✓
243	1/31/2007	FL	Treasure Coast University Charter School	St. Lucie County School Board	21.865	Out	National (MBIA)/ School District Pledge	Moody's	Aaa	-	Aa3	-	Prager, Sealy				
244	4/3/2007	FL	Lee Charter Foundation (Gateway Charter School)	Lee County Industrial Development Authority	82.165	Out	Unenhanced	S&P	-	BB	-	BB+	Wachovia	✓	✓	✓	✓
245	5/25/2007	FL	Terrace Community Middle School	Hillsborough County Industrial Development Authority	6.215	Out	Unenhanced	S&P	-	BBB-	-	BBB-	D.A. Davidson	✓	✓	✓	✓
246	8/30/2007	FL	Learning Gate Community School	Florida Development Finance Corporation	7.475	Out	Unenhanced	S&P	-	BBB-	-	BBB-	D.A. Davidson	✓	✓	✓	✓
247	9/27/2007	FL	Palm Bay Academy Charter School	Florida Development Finance Corporation	6.260	Out	Unenhanced	S&P	-	BB-	-	-	D.A. Davidson	✓	✓	✓	✓
248	3/25/2008	FL	Pembroke Pines Charter Schools	City of Pembroke Pines	64.095	Mat/Ref	Royal Bank of Canada/ Assured Guaranty	Fitch Moody's	AAA Aaa	-	-	-	RBC Capital Markets				
249	9/30/2008	FL	Sculptor Charter School	Florida Development Finance Corporation	4.960	Out	Unenhanced	S&P	-	BBB-	-	BBB-	D.A. Davidson	✓	✓	✓	✓
250	6/28/2010	FL	Sarasota School of Arts and Sciences	Sarasota County	11.040	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓	✓	✓
251	9/14/2010	FL	Bay Haven Charter Academy	Bay County	11.755	Out	Unenhanced	S&P	-	BBB	-	BBB	Merchant Capital	✓	✓	✓	
252	10/20/2010	FL	Renaissance Charter School	Florida Development Finance Corporation	68.200	Out	Unenhanced	Fitch	-	BBB	-	BBB	Ziegler	✓	✓	✓	✓
253	10/28/2010	FL	Miami Community Charter School	Capital Trust Agency	7.700	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓			
254	12/10/2010	FL	Choices in Learning Charter School	Seminole County Industrial Development Authority	9.900	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓	✓	✓
255	3/17/2011	FL	City's Charter Schools	City of Cape Coral	17.690	Out	City Pledge	Moody's Fitch	Aa3 A+	-	Aa3 A+	-	PNC				
256	6/30/2011	FL	Renaissance Charter School	Florida Development Finance Corporation	89.235	Out	Unenhanced	Fitch	-	BB+	-	BB+	Ziegler	✓	✓	✓	

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
257	10/13/2011	FL	Pinellas Preparatory Academy	Pinellas County Educational Facilities Authority	8.880	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	PNC	✓	✓	✓	
258	11/30/2011	FL	Bay Area Charter Foundation	Florida Development Finance Corporation	37.990	Out	Unenhanced	NR	-	-	-	-	Ziegler	✓	✓	✓	
259	2/16/2012	FL	Sculptor Charter School	Florida Development Finance Corporation	0.720	Out	Unenhanced	S&P	-	BBB-	-	BBB-	FMSbonds	✓	✓	✓	
260	3/19/2009	GA	Lake Oconee Academy	Greene County Development Authority	17.205	Out	Assured Guaranty/ School District Pledge	Moody's S&P	Aa2 AAA	-	Aa2 AA-	-	Morgan Keegan				
261	5/10/2011 ³	GA	Kennesaw Charter School	Public Finance Authority	17.450	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
262	8/30/2011	GA	DeKalb Academy of Technology & the Environment	Joint Development Authority of DeKalb, Newton and Gwinnett Counties	7.215	Out	Unenhanced	S&P	-	BBB-	-	BBB-	D.A. Davidson	✓	✓	✓	
263	11/3/2011	GA	Fulton Science Academy	Alpharetta Development Authority	18.930	Out	Unenhanced	Fitch	-	BBB	-	CC	Merchant Capital	✓			
264	6/1/2002	ID	Nampa Classical Academy	Idaho Housing & Finance Association	2.485	Mat/Ref	Wells Fargo Bank	Moody's	Aa1	-	-	-	Wells Fargo				
265	8/1/2005	ID	Pocatello Community Charter School	Idaho Housing & Finance Association	2.480	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓	✓	✓
266	3/8/2007	ID	Hidden Springs Charter School	Idaho Housing & Finance Association	5.805	Mat/Ref	Bank of America	Moody's	Aa1/VMIG 1	-	-	-	Banc of America				
267	2/26/2008	ID	Idaho Arts Charter School	Idaho Housing & Finance Association	7.320	Out	Unenhanced	S&P	-	BB+	-	BBB-	Wachovia	✓	✓	✓	✓
268	5/29/2008	ID	Liberty Charter School	Idaho Housing & Finance Association	4.005	Out	Unenhanced	S&P	-	BBB	-	BBB	Wachovia	✓	✓	✓	✓
269	7/23/2008	ID	Victory Charter School	Idaho Housing & Finance Association	3.965	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Wachovia	✓	✓	✓	✓
270	3/10/2009	ID	North Star Charter School	Idaho Housing & Finance Association	11.775	Out	Unenhanced	S&P	-	BB	-	BB	Baird	✓	✓	✓	
271	7/8/2009	ID	Victory Charter School	Idaho Housing & Finance Association	0.855	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Baird	✓	✓	✓	✓
272	9/21/2010	ID	Compass Public Charter School	Idaho Housing & Finance Association	5.155	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Baird	✓	✓	✓	✓
273	5/2/2012	ID	Idaho Arts Charter School	Idaho Housing & Finance Association	2.175	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Baird	✓	✓	✓	✓
274	6/24/1999	IL	Noble Street Charter School	City of Chicago	2.500	Mat/Ref	First National Bank of Chicago	NR	-	-	-	-	Banc One				
275	6/1/2002	IL	Chicago Charter School Foundation (Chicago International Charter School Basil)	Illinois Development Finance Authority	16.050	Mat/Ref	Unenhanced	S&P	-	BBB	-	-	Kirkpatrick Pettis				
276	7/17/2003	IL	Perspectives Charter School	Illinois Finance Authority	5.500	Out	Harris NA	Moody's	Aa3/ VMIG 1	-	A1/ VMIG 1	-	Loop Capital				
277	9/16/2003	IL	Learn Charter School	Illinois Development Finance Authority	5.000	Mat/Ref	Harris NA	Moody's	Aa3/ VMIG 1	-	-	-	Harris Trust				
278	8/30/2006 ¹	IL	Noble Network of Charter Schools	Illinois Finance Authority	11.525	Out	ACA Financial	S&P	A	-	-	-	RBC Capital Markets	✓	✓	✓	
	8/30/2006 ¹	IL	UNO Charter School Network	Illinois Finance Authority	7.220	Mat/Ref	ACA Financial	S&P	A	-	-	-	RBC Capital Markets				
279	1/23/2007	IL	Cambridge Lakes Learning Center (Cambridge Lakes Charter School)	Pingree Grove Village	10.565	Out	Unenhanced	NR	-	-	-	-	William Blair	✓	✓	✓	

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280	2/8/2007	IL	Chicago Charter School Foundation (Chicago International Charter School Northtown Academy)	Illinois Finance Authority	49.475	Out	Unenhanced	S&P	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
281	5/31/2007	IL	Noble Network of Charter Schools (Golder College Prep)	Illinois Finance Authority	13.885	Out	ACA Financial	S&P	A	-	-	-	RBC Capital Markets	✓	✓		✓
282	7/18/2007	IL	UNO Charter School Network (Officer Donald J. Marquez Charter School)	Illinois Finance Authority	16.000	Mat/Ref	ACA Financial	S&P	A	-	-	-	RBC Capital Markets				
283	9/18/2008	IL	Prairie Crossing Charter School	Illinois Finance Authority	9.440	Mat/Ref	Marshall & Ilsley	Moody's	Aa3/VMIG 1	-	-	-	BMO Capital Markets GKST				
284	4/1/2009	IL	Namaste Charter School	Illinois Finance Authority	4.000	Out	Unenhanced	NR	-	-	-	-	MB Financial Bank				✓
285	7/13/2011	IL	Cambridge Lakes Learning Center	Pingree Grove Village	6.400	Out	Unenhanced	NR	-	-	-	-	William Blair	✓	✓	✓	✓
286	10/26/2011	IL	UNO Charter School Network	Illinois Finance Authority	37.505	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Baird	✓	✓	✓	
287	2/11/2009	IN	Lighthouse Academies (Monument, Gary, West Gary)	Indiana Finance Authority	15.435	Out	Harris NA	S&P	A+/A-1	-	A+/A-1	-	BMO Capital Markets GKST				
288	7/1/2009	IN	Irvington Community School	Indiana Finance Authority	8.145	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Baird	✓	✓	✓	✓
289	12/22/2009	IN	Thea Bowman Leadership Academy	Indiana Finance Authority	19.355	Out	Additional Reserves	S&P	-	BBB-	-	BB+	RBC Capital Markets	✓	✓	✓	
290	6/21/2011	LA	Belle Chasse Academy	Louisiana Public Facilities Authority	20.725	Out	Unenhanced	Fitch	-	BBB	-	BBB	Ziegler	✓	✓	✓	✓
291	12/15/2011	LA	Lake Charles Charter Academy	Louisiana Public Facilities Authority	15.515	Out	Unenhanced	NR	-	-	-	-	Ziegler	✓	✓	✓	
292	6/23/1999	MA	Boston Renaissance Charter Public School	Massachusetts Development Finance Agency	20.275	Mat/Ref	BankBoston	NR	-	-	-	-	Tucker Anthony				
293	8/29/2001	MA	Boston Renaissance Charter School	Massachusetts Development Finance Agency	24.700	Mat/Ref	Fleet Bank	NR	-	-	-	-	Tucker Anthony				
294	12/30/2003	MA	Neighborhood House Charter School	Massachusetts Development Finance Agency	7.100	Out	Fleet Bank	S&P	A+/A-1	-	A/A-1	-	RBC Dain Rauscher				
295	3/17/2005	MA	Mystic Valley Regional Charter School	Massachusetts Development Finance Agency	3.310	Mat/Ref	Sovereign Bank	S&P	AA+/A-1+	-	-	-	RBC Dain Rauscher				
296	7/12/2006	MA	Academy of the Pacific Rim	Massachusetts Development Finance Agency	11.775	Out	ACA Financial	S&P	A	-	-	-	Dougherty	✓	✓	✓	✓
297	6/19/2008	MA	Abby Kelley Foster Charter Public School	Massachusetts Development Finance Agency	35.000	Out	TD Banknorth	Moody's	Aa2/VMIG 1	-	Aa2/VMIG 1	-	RBC Capital Markets				
298	6/30/2009	MA	SABIS International Charter School	Massachusetts Development Finance Agency	33.755	Out	Unenhanced	S&P	-	BBB	-	BBB	PNC	✓	✓		✓
299	3/15/2010	MA	Lowell Middlesex Academy Charter School	Massachusetts Development Finance Agency	2.610	Out	Unenhanced	NR	-	-	-	-	Na				
300	9/23/2010	MA	Dorchester Collegiate Academy Charter School	Massachusetts Development Finance Agency	1.080	Out	Unenhanced	NR	-	-	-	-	Boston Private Bank				
301	11/30/2010	MA	Foxborough Regional Charter School	Massachusetts Development Finance Agency	26.600	Out	Unenhanced	S&P	-	BBB	-	BBB	Morgan Keegan	✓	✓		✓
302	3/16/2010	MD	Patterson Park Public Charter School	Maryland Health & Higher Educational Facilities Authority	13.665	Out	Unenhanced	Fitch S&P	-	BBB	-	BBB BBB-	RBC Capital Markets	✓	✓	✓	✓
303	8/1/2010	MD	Baltimore Leadership School for Young Women	Na	4.000	Out	Unenhanced	NR	-	-	-	-	Manufacturers and Traders Trust Company				
304	9/1/1998	MI	Concord Academy, Petosky	Concord Academy, Petosky	1.335	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
305	9/1/1998	MI	Summit Academy	Summit Academy	4.110	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
306	10/1/1998	MI	Concord Academy, Boyne	Concord Academy, Boyne	2.175	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
307	2/1/1999	MI	Traverse Bay Community School	Traverse Bay Community School	2.160	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
308	4/1/1999	MI	Countryside Charter School	Countryside Charter School	2.780	Out	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn	✓	✓	✓	✓
309	5/1/1999	MI	West Michigan Academy of Arts and Academics	West Michigan Academy of Arts and Sciences	3.165	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
310	6/1/1999	MI	Mosaica Academy of Saginaw d/b/a Saginaw Prep	Mosaica Academy of Saginaw d/b/a Saginaw Prep	4.035	Out	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn	✓	✓	✓	✓
311	6/1/1999	MI	Pansophia Academy	Pansophia Academy	2.405	Out	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn	✓	✓	✓	✓
312	8/1/1999	MI	Capitol Area Academy	Capitol Area Academy	3.280	Default	Unenhanced	NR	-	-	-	-	Miller, Johnson & Kuehn				
313	8/1/1999	MI	Island City Academy	Island City Academy	1.755	Out	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn	✓	✓	✓	✓
314	10/1/1999	MI	Center Academy	Center Academy	3.960	Out	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn	✓	✓	✓	✓
315	2/1/2000	MI	Black River Public School	Black River Public School	5.770	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	Miller Johnson & Kuehn				
316	2/1/2000	MI	Grand Blanc Academy	Grand Blanc Academy	5.605	Out	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn	✓	✓	✓	✓
317	5/1/2000	MI	The Learning Center Academy	The Learning Center Academy	1.825	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
318	6/1/2000	MI	Countryside Charter School	Countryside Charter School	1.920	Out	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn	✓	✓	✓	✓
319	6/1/2000	MI	Nataki Talibah Schoolhouse of Detroit	Nataki Talibah Schoolhouse of Detroit	5.665	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
320	6/1/2000	MI	Sankofa Shule	Sankofa Shule	2.555	Default	Unenhanced	Moody's	-	Ba1	-	-	Miller Johnson & Kuehn				
321	9/1/2000	MI	George Washington Carver Academy	George Washington Carver Academy	7.100	Out	Unenhanced	NR	-	-	-	-	Miller, Johnson & Kuehn	✓	✓	✓	✓
322	9/1/2000	MI	Plymouth Educational Center Charter School	Plymouth Educational Center Charter School	2.540	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
323	12/1/2000	MI	Concord Academy, Petosky	Concord Academy, Petosky	3.690	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
324	12/1/2000	MI	Summit Academy North	Summit Academy North	3.590	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson & Kuehn				
325	1/1/2001	MI	Summit Academy North	Summit Academy North	8.955	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	Miller Johnson Steichen Kinnard				
326	4/1/2001	MI	Marshall Academy	Marshall Academy	3.785	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
327	4/1/2001	MI	Michigan Early Elementary Center (Cole Academy)	Michigan Early Elementary Center	2.440	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓	✓	✓
328	5/16/2001 ¹	MI	Detroit Academy of Arts & Sciences	Michigan Municipal Bond Authority	30.900	Out	Unenhanced	Moody's	-	Ba1	-	Caa2	J.P. Morgan	✓	✓	✓	✓
	5/16/2001 ¹	MI	YMCA Service Learning Academy	Michigan Municipal Bond Authority	12.100	Mat/Ref	Unenhanced	Moody's	-	Ba1	-	-	J.P. Morgan				
329	6/1/2001	MI	Landmark Academy	Landmark Academy	3.465	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
330	6/1/2001	MI	Pansophia Academy	Pansophia Academy	0.685	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓		✓
331	6/1/2001	MI	Sauk Trail Academy (Hillsdale Preparatory School)	Sauk Trail Academy	2.480	Default	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
332	8/1/2001	MI	Concord Academy, Antrim	Concord Academy, Antrim	2.810	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓	✓	✓
333	9/1/2001	MI	Summit Academy North	Summit Academy North	1.050	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
334	10/1/2001	MI	Discovery Elementary School	Discovery Elementary School	1.820	Default	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
335	11/1/2001	MI	Huron Academy	Huron Academy	1.235	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓	✓	✓
336	2/1/2002	MI	New Beginnings Academy	New Beginnings Academy	2.395	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓	✓	✓
337	4/1/2002	MI	The Learning Center Academy	The Learning Center Academy	0.500	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
338	5/1/2002	MI	Benton Harbor Charter School	Benton Harbor Charter School	6.710	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓	✓	✓
339	6/1/2002	MI	Huron Academy	Huron Academy	1.720	Out	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard	✓	✓	✓	✓
340	12/1/2002	MI	Grand Traverse Academy	Grand Traverse Academy	9.110	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
341	12/1/2002	MI	Summit Academy North	Summit Academy North	2.300	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
342	2/1/2003	MI	Cesar Chavez Academy	Cesar Chavez Academy	9.875	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
343	3/1/2003	MI	Star International Academy	Star International Academy	12.375	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
344	6/1/2003	MI	Allen Academy	Allen Academy	9.500	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
345	7/1/2003	MI	Concord Academy, Boyne	Concord Academy, Boyne	0.645	Mat/Ref	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
346	10/1/2003	MI	Bay County Public School Academy	Bay County Public School Academy	3.280	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
347	12/1/2003	MI	Kalamazoo Advantage Academy	Kalamazoo Advantage Academy	5.555	Default	Unenhanced	NR	-	-	-	-	Herbert J. Sims				
348	12/10/2003	MI	West Michigan Academy of Environmental Science	Michigan Public Educational Facilities Authority	2.615	Out	Fifth Third Bank	NR	-	-	-	-	Fifth Third Securities				
349	3/1/2004	MI	Allen Academy	Allen Academy	3.500	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
350	3/1/2004	MI	Allen Academy	Allen Academy	1.915	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
351	4/1/2004	MI	Gaudior Academy	Gaudior Academy	3.075	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
352	6/1/2004	MI	Star International Academy	Star International Academy	2.540	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
353	7/1/2004	MI	William C. Abney Academy	William C. Abney Academy	3.620	Mat/Ref	Unenhanced	NR	-	-	-	-	Herbert J. Sims				
354	10/28/2004	MI	Holly Academy	Michigan Public Educational Facilities Authority	3.800	Mat/Ref	Fifth Third Bank	NR	-	-	-	-	Fifth Third Securities				
355	12/1/2004	MI	Merritt Academy	Merritt Academy	3.010	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
356	6/1/2005	MI	Cesar Chavez Academy	Cesar Chavez Academy	6.115	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
357	6/1/2005	MI	Landmark Academy	Landmark Academy	2.080	Mat/Ref	Unenhanced	NR	-	-	-	-	Herbert J. Sims				
358	8/9/2005	MI	Chandler Park Academy	Chandler Park Academy	7.420	Out	Unenhanced	S&P	-	BBB-	-	BBB	A.G. Edwards	✓	✓	✓	✓
359	8/16/2005	MI	Detroit Community High School	Detroit Community High School	11.865	Out	Unenhanced	S&P	-	BB	-	B+	A.G. Edwards	✓	✓	✓	✓
360	9/1/2005	MI	Trillium Academy	Trillium Academy	7.200	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
361	9/20/2005	MI	Summit Academy North	Summit Academy North	26.595	Out	Unenhanced	S&P	-	BB+	-	BB+	A.G. Edwards	✓	✓	✓	✓
362	10/1/2005	MI	Charyl Stockwell Academy	Charyl Stockwell Academy	12.805	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
363	10/1/2005	MI	Marshall Academy	Marshall Academy	4.230	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
364	11/1/2005	MI	Woodland Park Academy	Michigan Public Educational Facilities Authority	3.750	Out	Fifth Third Bank	NR	-	-	-	-	Fifth Third Securities				
365	12/1/2005	MI	Allen Academy	Allen Academy	2.000	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
366	12/6/2005	MI	Plymouth Educational Center Charter School	Plymouth Educational Center Charter School	13.850	Out	Unenhanced	S&P	-	BBB-	-	BBB-	A.G. Edwards	✓	✓	✓	✓
367	12/13/2005	MI	Old Redford Academy	Michigan Public Educational Facilities Authority	11.100	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Nat City	✓	✓	✓	
368	12/20/2005	MI	Summit Academy	Summit Academy	6.855	Out	Unenhanced	S&P	-	BB+	-	BB+	A.G. Edwards	✓	✓	✓	✓
369	2/1/2006	MI	Grattan Academy	Grattan Academy	3.800	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
370	2/14/2006	MI	Michigan Technical Academy	Michigan Public Educational Facilities Authority	6.950	Mat/Ref	Unenhanced	S&P	-	BB	-	-	Nat City				
371	5/1/2006	MI	Walden Green Montessori	Michigan Public Educational Facilities Authority	4.370	Out	Unenhanced	NR	-	-	-	-	Fifth Third Securities	✓	✓	✓	✓
372	6/13/2006	MI	Arts Academy in the Woods	Michigan Public Educational Facilities Authority	1.855	Out	Fifth Third Bank	NR	-	-	-	-	Fifth Third Securities				
373	7/25/2006	MI	Black River Public School	Michigan Public Educational Facilities Authority	8.885	Out	Unenhanced	NR	-	-	-	-	Fifth Third Securities	✓	✓	✓	✓
374	9/1/2006	MI	Merritt Academy	Merritt Academy	5.315	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
375	11/1/2006	MI	Dr. Charles Drew Academy	Dr. Charles Drew Academy	6.190	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
376	12/1/2006	MI	Crescent Academy	Crescent Academy	7.090	Default	Unenhanced	NR	-	-	-	-	Herbert J. Sims				
377	1/24/2007	MI	Conner Creek Academy East	Conner Creek Academy East	16.215	Out	Unenhanced	S&P	-	BB+	-	BB-	A.G. Edwards	✓	✓	✓	✓
378	3/13/2007	MI	Byron Center Charter School	Byron Center Charter School	3.145	Out	Unenhanced	NR	-	-	-	-	Lake Forest Securities	✓	✓	✓	✓
379	3/13/2007	MI	Grand Traverse Academy	Grand Traverse Academy	16.200	Out	Unenhanced	S&P	-	BBB-	-	BB+	A.G. Edwards	✓	✓	✓	✓
380	6/1/2007	MI	David Ellis Academy - West	Michigan Public Educational Facilities Authority	14.370	Out	Unenhanced	NR	-	-	-	-	Na				✓
381	6/12/2007	MI	Richfield Public School Academy	Michigan Public Educational Facilities Authority	6.435	Out	Unenhanced	S&P	-	BBB-	-	BBB-	A.G. Edwards	✓	✓	✓	✓
382	6/19/2007	MI	Crossroads Charter Academy	Crossroads Charter Academy	5.590	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Lake Forest Securities	✓	✓	✓	✓
383	6/21/2007	MI	Concord Academy, Boyne	Concord Academy, Boyne	2.800	Out	Unenhanced	NR	-	-	-	-	Gates Capital				✓
384	7/1/2007	MI	Landmark Academy	Landmark Academy	1.960	Mat/Ref	Unenhanced	NR	-	-	-	-	Herbert J. Sims				
385	8/1/2007	MI	Star International Academy	Star International Academy	5.850	Out	Unenhanced	S&P	-	BB+	-	BBB	Herbert J. Sims	✓	✓	✓	✓
386	9/27/2007	MI	Bradford Academy	Michigan Public Educational Facilities Authority	17.300	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims				✓
387	10/2/2007	MI	International Academy of Flint	International Academy of Flint	17.175	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Fifth Third Securities	✓	✓	✓	✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
388	11/1/2007	MI	Trillium Academy	Trillium Academy	5.065	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
389	11/20/2007	MI	Nataki Talibah Schoolhouse of Detroit	Michigan Public Educational Facilities Authority	6.415	Out	Unenhanced	NR	-	-	-	-	Fifth Third Securities	✓	✓	✓	✓
390	12/20/2007	MI	American Montessori Academy	Michigan Public Educational Facilities Authority	3.900	Out	Unenhanced	NR	-	-	-	-	Fifth Third Securities	✓	✓	✓	✓
391	6/19/2008	MI	Advanced Technology Academy	Advanced Technology Academy	13.455	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Wachovia	✓	✓	✓	✓
392	7/17/2008	MI	Michigan Technical Academy	Michigan Public Educational Facilities Authority	3.885	Mat/Ref	Fifth Third Bank	S&P	AA-/A-1+	BB	-	-	Fifth Third Securities				
393	7/31/2008	MI	Crescent Academy	Michigan Public Educational Facilities Authority	3.200	Out	Unenhanced	NR	-	-	-	-	Fifth Third Securities	✓	✓	✓	✓
394	8/1/2008	MI	Chandler Park Academy	Michigan Public Educational Facilities Authority	8.465	Out	Unenhanced	S&P	-	BBB	-	BBB	Fifth Third Securities	✓	✓	✓	✓
395	6/9/2009	MI	Bradford Academy	Michigan Public Educational Facilities Authority	10.720	Out	Unenhanced	S&P	-	BBB-	-	CCC+	Fifth Third Securities	✓	✓	✓	✓
396	1/21/2010	MI	Landmark Academy	Michigan Public Educational Facilities Authority	15.290	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
397	1/28/2010	MI	Madison Academy	Michigan Public Educational Facilities Authority	7.110	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
398	3/19/2010	MI	New Branches School	Michigan Public Educational Facilities Authority	2.410	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Stifel Nicolaus	✓	✓	✓	✓
399	4/27/2010	MI	Oakland International Academy	Michigan Public Educational Facilities Authority	3.005	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Stifel Nicolaus	✓	✓	✓	✓
400	4/28/2010	MI	Dr. Joseph F. Pollack Academic Center of Excellence	Michigan Public Educational Facilities Authority	8.390	Out	Unenhanced	S&P	-	BB+	-	BB+	Piper Jaffray	✓	✓	✓	✓
401	7/2/2010	MI	Madison Academy	Michigan Finance Authority	3.845	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
402	9/17/2010	MI	Will Carleton Charter School Academy	Will Carleton Charter School Academy	2.200	Out	Unenhanced	NR	-	-	-	-	Stifel Nicolaus	✓	✓	✓	✓
403	9/29/2010	MI	Hanley International Academy	Michigan Finance Authority	5.785	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
404	11/17/2010	MI	Old Redford Academy	Michigan Finance Authority	14.285	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
405	11/30/2010	MI	Universal Learning Academy	Michigan Finance Authority	10.435	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
406	4/21/2011	MI	Hope Academy	Michigan Finance Authority	8.885	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	Baird	✓	✓	✓	✓
407	4/27/2011	MI	Holly Academy	Michigan Finance Authority	5.750	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Fifth Third Securities	✓	✓	✓	✓
408	6/6/2011	MI	Summit Academy North	Summit Academy North	5.825	Out	Unenhanced	S&P	-	BB+	-	BB+	Piper Jaffray	✓	✓	✓	✓
409	8/9/2011	MI	Voyageur Academy	Michigan Finance Authority	17.935	Out	Unenhanced	S&P	-	BB	-	BB	Piper Jaffray	✓	✓	✓	✓
410	11/22/2011	MI	Creative Montessori Academy	Michigan Finance Authority	4.995	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Fifth Third Securities	✓	✓	✓	✓
411	12/13/2011	MI	Detroit Service Learning Academy	Michigan Finance Authority	11.425	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
412	1/19/2012	MI	Michigan Technical Academy	Michigan Finance Authority	16.130	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
413	4/30/2012	MI	Concord Academy - Petoskey	Michigan Finance Authority	3.040	Out	Unenhanced	NR	-	-	-	-	Fifth Third	✓	✓	✓	✓
414	12/29/1998	MN	Community of Peace Academy	St. Paul Housing & Redevelopment Authority	3.570	Mat/Ref	Unenhanced	NR	-	-	-	-	Na				
415	6/3/1999	MN	Higher Ground Academy	St. Paul Housing & Redevelopment Authority	6.400	Mat/Ref	Unenhanced	NR	-	-	-	-	John G. Kinnard				
416	6/15/1999	MN	Acorn Dual Language Community Academy (now Achieve Language)	St. Paul Housing & Redevelopment Authority	2.000	Mat/Ref	Unenhanced	NR	-	-	-	-	John G. Kinnard				
417	12/1/1999	MN	Bluffview Montessori School	Winona Port Authority	3.500	Mat/Ref	Unenhanced	NR	-	-	-	-	John G. Kinnard				
418	12/1/1999	MN	Village School of Northfield	City of Northfield	1.320	Default	Unenhanced	NR	-	-	-	-	John G. Kinnard				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

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								Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F	
419	1/1/2000	MN	New Spirit Schools	St. Paul Housing & Redevelopment Authority	6.500	Mat/Ref	Unenhanced	NR	-	-	-	-	John G. Kinnard				
420	3/1/2000	MN	Minnesota Business Academy	St. Paul Housing & Redevelopment Authority	8.275	Mat/Ref	Unenhanced	NR	-	-	-	-	John G. Kinnard				
421	6/1/2000	MN	El Colegio Charter School	City of Minneapolis	2.515	Mat/Ref	Unenhanced	NR	-	-	-	-	John G. Kinnard				
422	5/1/2001	MN	Community of Peace Academy	St. Paul Housing & Redevelopment Authority	11.045	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	Miller Johnson Steichen Kinnard				
423	6/1/2002	MN	Math & Science Academy	City of Woodbury	4.530	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
424	11/1/2002	MN	New Spirit Schools (St. Paul City School)	St. Paul Housing & Redevelopment Authority	6.895	Out	Unenhanced	Na	-	-	-	-	Dougherty	✓	✓	✓	✓
425	11/1/2003	MN	Achieve Language Academy	St. Paul Housing & Redevelopment Authority	6.840	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
426	3/1/2004	MN	PACT Charter School	City of Ramsey	11.575	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
427	5/1/2004	MN	Hope Community Academy	St. Paul Housing & Redevelopment Authority	6.600	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
428	6/1/2004	MN	Higher Ground Academy	St. Paul Housing & Redevelopment Authority	8.135	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
429	12/1/2004	MN	Agricultural and Food Sciences Academy	City of Vadnais Heights	8.900	Default	Unenhanced	NR	-	-	-	-	Dougherty				
430	7/1/2005	MN	Minnesota Business Academy	St. Paul Housing & Redevelopment Authority	6.580	Default	Unenhanced	NR	-	-	-	-	Dougherty				
431	10/1/2005	MN	Hope Community Academy	St. Paul Housing & Redevelopment Authority	5.750	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
432	1/25/2006	MN	Seed Daycare (Harvest Preparatory Charter School, Hmong Academy)	City of Minneapolis	7.000	Default	US Bank	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
433	5/1/2006	MN	Lakes International Language Academy	Pine City	8.200	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
434	9/1/2006	MN	Hmong College Prep Academy	St. Paul Housing & Redevelopment Authority	8.975	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
435	11/28/2006	MN	Community of Peace Academy	St. Paul Housing & Redevelopment Authority	17.245	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Dougherty	✓	✓	✓	✓
436	11/1/2007	MN	Kaleidoscope Charter School	City of Falcon Heights	8.610	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
437	11/15/2007	MN	Bluffview Montessori School	Winona Port Authority	5.055	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
438	8/1/2008	MN	St. Croix Preparatory Academy	Baytown Township	21.725	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
439	3/1/2009	MN	Prairie Seeds Academy	City of Brooklyn Park	15.770	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
440	7/1/2009	MN	Higher Ground Academy	St. Paul Housing & Redevelopment Authority	4.300	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓	✓	✓	✓
441	11/10/2010	MN	Duluth Edison Charter Schools	Duluth Housing & Redevelopment Authority	18.400	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Dougherty	✓	✓	✓	✓
442	10/18/2011	MN	Nova Classical Academy	St. Paul Housing & Redevelopment Authority	17.540	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
443	12/29/2011	MN	World Learner School	City of Chaska	3.415	Out	Unenhanced	S&P	-	BB+	-	BB+	Dougherty	✓	✓	✓	✓
444	11/15/2002	MO	St. Louis Charter School	Missouri Health & Educational Facilities Authority	6.130	Out	ACA Financial	Fitch S&P	A A	BB	-	BBB-	Morgan Keegan	✓	✓	✓	✓
445	1/30/2003	MO	Academie Lafayette	Missouri Health & Educational Facilities Authority	2.550	Out	Bank of America	Moody's	Aa1/VMIG 1	-	A2/VMIG 1	-	Banc of America Securities				
446	8/1/2006	MO	Allen Village School	Kansas City Industrial Development Authority	4.770	Out	Unenhanced	NR	-	-	-	-	Na				✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe				
								Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F	
447	1/1/2007	MO	Derrick Thomas Academy Charter School	Kansas City Industrial Development Authority	10.615	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
448	2/14/2007	MO	Confluence Academy	St. Louis Industrial Development Authority	23.705	Out	Unenhanced	NR	-	-	-	-	Stifel Nicolaus	✓	✓	✓	✓
449	7/18/2007	NC	Magellan Charter School	North Carolina Capital Facilities Finance Agency	5.000	Mat/Ref	Wachovia Bank	S&P	AA/A-1+	-	-	-	Wachovia				
450	8/17/2007	NC	Woods Charter School	Virginia Small Business Financing Authority	9.870	Out	Unenhanced	NR	-	-	-	-	Na				✓
451	8/23/2007	NC	Union Academy	North Carolina Capital Facilities Finance Agency	6.175	Mat/Ref	Wachovia Bank	S&P	AA/A-1+	-	-	-	Ziegler				
452	5/16/2008	NC	Lake Norman Charter School	North Carolina Capital Facilities Finance Agency	20.000	Out	Wachovia Bank	S&P	AA/A-1	-	AA-/A-1+	-	Wachovia				
453	3/18/2010	NC	Sterling Montessori Academy & Charter School	North Carolina Capital Facilities Finance Agency	10.610	Out	Branch Banking and Trust Co.	Moody's	Aa2/VMIG 1	-	A1 VMIG 1	-	Zions First National Bank				
454	6/21/2011 ³	NC	Thomas Jefferson Classical Academy	Public Finance Authority	9.990	Out	Unenhanced	S&P	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	✓
455	10/2/2003	NJ	Leap Academy University Charter School	Delaware River Port Authority	8.500	Out	Rutgers University	Moody's	Aa3	-	Aa2	-	Wachovia				✓
456	10/30/2007	NJ	Teaneck Community Charter School	Bergen County Improvement Authority	9.900	Out	Unenhanced	NR	-	-	-	-	Gates Capital	✓	✓	✓	✓
457	12/24/2009	NJ	Greater Brunswick Regional Charter School	New Jersey Redevelopment Authority	6.550	Out	Unenhanced	NR	-	-	-	-	Sun National Trust				
458	5/20/2010	NJ	Central Jersey Arts Charter School	New Jersey Redevelopment Authority	8.200	Out	Unenhanced	NR	-	-	-	-	Powell Capital	✓	✓	✓	
459	4/12/2012	NJ	Paterson Charter School for Science and Technology	New Jersey Economic Development Authority	11.945	Out	Unenhanced	S&P	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	
460	1/15/2006	NM	Academy for Technology and the Classics	Santa Fe County	6.735	Default	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis, D.A. Davidson				
461 ³	6/20/2008	NV	Coral Academy of Science	Pima County Industrial Development Authority	7.690	Out	Unenhanced	NR	-	-	-	-	Wells Fargo	✓	✓	✓	✓
462	1/1/2002	NY	Central New York Charter School for Math and Science	Onondaga County Industrial Development Agency	6.600	Default	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
463	5/1/2005	NY	New Covenant Charter School	Albany Industrial Development Agency	16.605	Default	Unenhanced	NR	-	-	-	-	Herbert J. Sims				
464	6/1/2005	NY	Charter School for Applied Technologies	Erie County Industrial Development Agency	21.940	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
465	3/30/2007	NY	Brighter Choice Charter Schools	Albany Industrial Development Agency	18.490	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	First Albany	✓	✓	✓	✓
466	10/1/2007	NY	Global Concepts Charter School	Erie County Industrial Development Agency	8.275	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
467	11/19/2010	NY	Charter School of Educational Excellence	Yonkers Economic Development Corporation	12.445	Out	Unenhanced	S&P	-	BB+	-	BB	Baird	✓	✓	✓	✓
468	2/17/2011	NY	Enterprise Charter School	Buffalo and Erie County Industrial Land Development Corporation	7.345	Out	Unenhanced	Fitch	-	BBB	-	BBB	M&T Securities	✓	✓		✓
469	3/30/2011	NY	The Academy Charter School	Hempstead Local Development Corporation	10.740	Out	Unenhanced	NR	-	-	-	-	Siebert Brandford Shank	✓	✓	✓	✓
470	3/29/2012 ³	NY	Brighter Choice Charter Middle Schools	Phoenix Industrial Development Authority	15.140	Out	Unenhanced	Fitch	-	BB+	-	BB+	Jefferies	✓	✓	✓	
471	12/19/2007	OH	Toledo School for the Arts	Toledo-Lucas County Port Authority	3.750	Out	Additional Reserves	Fitch S&P	-	BBB+	-	BBB+	Baird				
472	1/1/2008 ³	OH	Constellation Schools	Pima County Industrial Development Authority	24.595	Out	Unenhanced	NR	-	-	-	-	Dougherty	✓			
473	9/8/2011 ³	OH	New Plan Learning	Pima County Industrial Development Authority	33.120	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓		
474	12/12/2007	OR	Trillium Charter School	Oregon Facilities Authority	3.395	Out	Unenhanced	NR	-	-	-	-	Wells Fargo	✓	✓	✓	✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

	Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe			
									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
475	11/9/2001	PA	MaST Community Charter School	Philadelphia Authority for Industrial Development	5.525	Mat/Ref	Unenhanced	NR	-	-	-	-	Na				
476	6/15/2002 ²	PA	Community Academy of Philadelphia	Philadelphia Authority for Industrial Development	13.795	Mat/Ref	ACA Financial	S&P	A	-	-	-	Advest				
	6/15/2002 ²	PA	Community Academy of Philadelphia	Philadelphia Authority for Industrial Development	3.250	Mat/Ref	Unenhanced	NR	-	-	-	-	Advest				
477	10/15/2004	PA	Collegium Charter School	Chester County Industrial Development Authority	16.000	Out	ACA Financial	S&P	A	BB+	-	BBB-	Dolphin & Bradbury	✓	✓		✓
478	12/30/2004	PA	Propel Schools (Homestead)	Allegheny County Industrial Development Authority	4.250	Out	Unenhanced	NR	-	-	-	-	Kirkpatrick Pettis	✓	✓		✓
479	7/21/2005	PA	Leadership Learning Partners Charter School	Philadelphia Authority for Industrial Development	10.700	Out	Unenhanced	S&P	-	BBB-	-	-	Westhoff, Cone & Holmstedt	✓	✓		
480	11/1/2005	PA	Renaissance Academy	Chester County Industrial Development Authority	9.220	Out	Unenhanced	NR	-	-	-	-	Herbert J. Sims	✓	✓	✓	✓
481	4/15/2006	PA	Richard Allen Preparatory School	Philadelphia Authority for Industrial Development	5.790	Out	Unenhanced	S&P	-	BB+	-	BBB-	Boenning & Scattergood	✓	✓		
482	12/14/2006	PA	Franklin Towne Charter High School	Philadelphia Authority for Industrial Development	11.525	Mat/Ref	Unenhanced	S&P	-	BBB	-	-	Municipal Capital Markets Group				
483	4/17/2007	PA	School Lane Charter School	Bucks County Industrial Development Authority	11.300	Out	Unenhanced	S&P	-	BBB	-	BBB	PNC	✓	✓		✓
484	7/18/2007	PA	Russell Byers Charter School	Philadelphia Authority for Industrial Development	7.810	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓		✓
485	9/5/2007	PA	First Philadelphia Charter School For Literacy	Philadelphia Authority for Industrial Development	17.000	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓		✓
486	9/27/2007	PA	Independence Charter School	Philadelphia Authority for Industrial Development	18.000	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓		✓
487	12/28/2007	PA	Avon Grove Charter School	Chester County Industrial Development Authority	20.900	Out	Unenhanced	S&P	-	BB+	-	BB+	PNC	✓	✓	✓	✓
488	2/25/2010	PA	MaST Community Charter School	Philadelphia Authority for Industrial Development	15.880	Out	Unenhanced	S&P	-	BBB+	-	BBB+	PNC	✓	✓		✓
489	8/5/2010	PA	Propel Schools (Montour, McKeesport, East)	Allegheny County Industrial Development Authority	14.140	Out	Unenhanced	S&P	-	BB+ BBB- BBB-	-	BBB- BBB- BBB-	PNC	✓	✓		
490	10/19/2010	PA	Chester Community Charter School	Delaware County Industrial Development Authority	57.395	Out	Unenhanced	Fitch	-	BBB	-	BB	D.A. Davidson	✓	✓	✓	✓
491	11/9/2010	PA	Global Leadership Academy Charter School	Philadelphia Authority for Industrial Development	13.875	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓		✓
492	5/6/2011	PA	West Philadelphia Achievement Charter Elementary School	Philadelphia Authority for Industrial Development	7.850	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Janney	✓	✓		
493	12/16/2011	PA	Mariana Bracetti Academy	Philadelphia Authority for Industrial Development	24.740	Out	Unenhanced	S&P	-	BBB-	-	BBB-	PNC	✓	✓		
494	3/15/2012	PA	New Foundations School	Philadelphia Authority for Industrial Development	14.000	Out	Unenhanced	S&P	-	BB+	-	BB+	PNC	✓	✓		
495	3/6/2012	PA	Discovery Charter School	Philadelphia Authority for Industrial Development	13.445	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Janney	✓	✓		✓
496	10/1/2004	RI	Kingston Hill Academy	Rhode Island Health & Education Building Corporation	3.050	Out	Citizens Bank of Rhode Island	S&P	AA-	-	A	-	Banc of America Securities				
497	9/20/2007	RI	CVS Highlander Charter School	Rhode Island Health & Education Building Corporation	7.000	Out	Citizens Bank	S&P	AA-/A-1+	-	A/A-1	-	Banc of America				
498	7/10/2008	SC	Brashier Charter LLC	South Carolina Jobs- Economic Development Authority	8.410	Out	SunTrust Bank	Moody's	Aa2/VMIG 1	-	A3/VMIG 2	-	SunTrust Robinson Humphrey				

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe				
								Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F	
499	1/1/2000	TX	North Hills Preparatory (Uplift)	Fate Higher Educational Facilities Corporation	6.000	Mat/Ref	Unenhanced	Moody's	-	Baa3	-	-	Coastal Securities				
500	9/1/2001	TX	Southwest Preparatory School	Danbury Higher Education Authority	2.255	Mat/Ref	Unenhanced	NR	-	-	-	-	Na				
501	2/1/2002	TX	West Houston Charter Alliance (Katy Creative Arts)	Danbury Higher Education Authority	2.830	Default	Unenhanced	NR	-	-	-	-	Miller Johnson Steichen Kinnard				
502	2/15/2002	TX	George Gerwin Academy	Danbury Higher Education Authority	5.145	Out	ACA Financial	S&P	A	-	-	-	Coastal Securities	✓	✓	✓	✓
503	6/1/2003	TX	Southwest Preparatory School	Danbury Higher Education Authority	1.675	Mat/Ref	Unenhanced	NR	-	-	-	-	Coastal Securities				
504	3/4/2004	TX	A.W. Brown Fellowship Charter School	Heart of Texas Education Finance Corporation	4.450	Mat/Ref	ACA Financial	S&P	A	-	-	-	William R. Hough				
505	10/1/2004	TX	Arlington Classics Academy	Danbury Higher Education Authority	3.460	Mat/Ref	Unenhanced	NR	-	-	-	-	Coastal Securities				
506	12/1/2004	TX	School of Excellence in Education	Texas Public Finance Authority, Charter School Finance Corporation	9.070	Out	Unenhanced	S&P	-	BB	-	BB+	Kirkpatrick Pettis	✓	✓		
507	2/17/2005	TX	A.W. Brown Fellowship Charter School	Orchard Higher Education Finance Corporation	6.250	Mat/Ref	ACA Financial	S&P	A	-	-	-	RBC Dain Rauscher				
508	10/1/2005	TX	North Hills Preparatory (Uplift)	Beasley Higher Education Finance Corporation	15.945	Out	ACA Financial	Moody's S&P	- A	Baa3 -	-	Baa3 BBB-	Coastal Securities	✓	✓	✓	✓
509	6/1/2006	TX	NYOS Charter School	Orchard Higher Education Finance Corp	5.080	Out	ACA Financial	S&P	A	-	-	-	Coastal Securities	✓	✓	✓	✓
510	7/1/2006	TX	Faith Family Academy Charter School	Cameron Education Corporation	16.640	Out	ACA Financial	S&P	A	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	✓
511	8/1/2006	TX	A.W. Brown Fellowship Charter School	Danbury Higher Education Authority	5.140	Mat/Ref	ACA Financial	S&P	A	BBB-	-	-	RBC Capital Markets				
512	8/1/2006	TX	KIPP Inc.	Texas Public Finance Authority, Charter School Finance Corporation	35.415	Out	ACA Financial	S&P	A	BBB-	-	BBB	RBC Capital Markets	✓	✓	✓	✓
513	9/1/2006	TX	Seashore Center School (Island Foundation)	Danbury Higher Education Authority	3.640	Out	Unenhanced	NR	-	-	-	-	Coastal Securities	✓	✓	✓	✓
514	10/4/2006	TX	Burnham Wood Charter School, Da Vinci School for Science and Arts	Texas Public Finance Authority, Charter School Finance Corporation	8.525	Out	Unenhanced	NR	-	-	-	-	Wells Fargo	✓	✓	✓	✓
515	11/1/2006	TX	Southwest Winners Foundation	La Vernia Higher Education Finance Corporation	9.470	Out	ACA Financial	S&P	A	-	-	-	Coastal Securities	✓	✓	✓	✓
516	12/1/2006	TX	Gateway Charter Academy	Heart of Texas Education Finance Corporation	10.385	Out	Unenhanced	NR	-	-	-	-	Coastal Securities				✓
517	5/1/2007	TX	Harmony Schools (Cosmos Foundation)	Texas Public Finance Authority, Charter School Finance Corporation	29.995	Out	Unenhanced	S&P	-	BB+	-	BBB	Coastal Securities	✓	✓	✓	✓
518	5/1/2007	TX	IDEA Public Schools (Donna, Quest, Frontier, Rio Grande Middle, Rio Grande Upper)	Texas Public Finance Authority, Charter School Finance Corporation	37.095	Out	ACA Financial	S&P	A	BBB-	-	BBB+	A.G. Edwards	✓	✓	✓	✓
519	8/1/2007	TX	Peak Preparatory (Uplift)	Texas Public Finance Authority, Charter School Finance Corporation	10.380	Out	Unenhanced	Moody's S&P	-	Baa3 BBB-	-	Baa3 BBB-	A.G. Edwards	✓	✓	✓	✓
520	1/1/2008	TX	Golden Rule Charter School	Danbury Higher Education Authority	8.100	Out	Unenhanced	S&P	-	BB+	-	BB+	RBC Capital Markets	✓	✓	✓	✓
521	2/1/2008	TX	Amigos Por Vida, Friends for Life Public Charter School	La Vernia Higher Education Finance Corporation	10.350	Out	Unenhanced	NR	-	-	-	-	Coastal Securities	✓	✓	✓	✓
522	5/1/2008	TX	Harmony Schools (Cosmos Foundation)	La Vernia Higher Education Finance Corporation	31.055	Out	Unenhanced	NR	-	-	-	-	Coastal Securities	✓	✓	✓	✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe				
								Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F	
523	2/15/2009	TX	Tejano Center Community Concerns (Raul Yzaguirre School)	Clifton Higher Education Finance Corporation	25.200	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
524	2/19/2009	TX	Winfree Academy Charter School	La Vernia Higher Education Finance Corporation	8.305	Out	Unenhanced	S&P	-	BBB-	-	BB+	RBC Capital Markets	✓	✓	✓	✓
525	8/31/2009	TX	Oak Cliff Academy, dba Trinity Basin Preparatory	Tarrant County Cultural Education Finance Corporation	5.880	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Gates Capital	✓	✓	✓	✓
526	11/19/2009	TX	KIPP Inc.	La Vernia Higher Education Finance Corporation	66.865	Out	Third-party Guaranty	Fitch S&P	-	BBB BBB	-	BBB BBB	RBC Capital Markets	✓	✓	✓	✓
527	12/10/2009	TX	IDEA Public Schools (Donna, Frontier, Quest, Mission, San Benito, San Juan, Alamo, Pharr)	City of Pharr Higher Education Finance Authority	29.625	Out	Unenhanced	S&P	-	BBB	-	BBB+	Baird	✓	✓	✓	✓
528	3/25/2010	TX	Nova Academy	Texas Public Finance Authority, Charter School Finance Corporation	6.375	Out	Unenhanced	S&P	-	BBB	-	BBB-	RBC Capital Markets	✓	✓	✓	✓
529	4/8/2010	TX	Uplift Education	Clifton Higher Education Finance Corporation	56.835	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Baird	✓	✓	✓	✓
530	5/6/2010	TX	Harmony Schools (Cosmos Foundation)	Texas Public Finance Authority, Charter School Finance Corporation	50.090	Out	Unenhanced	S&P	-	BBB	-	BBB	Morgan Keegan	✓	✓	✓	✓
531	8/4/2010	TX	Odyssey Academy	Texas Public Finance Authority, Charter School Finance Corporation	9.955	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
532	10/20/2010	TX	New Frontiers Charter School	Texas Public Finance Authority, Charter School Finance Corporation	3.620	Out	Unenhanced	S&P	-	BBB	-	BBB	Baird	✓	✓	✓	✓
533	10/22/2010	TX	Evolution Academy Charter School	Texas Public Finance Authority, Charter School Finance Corporation	4.815	Out	Unenhanced	S&P	-	BBB-	-	BB+	RBC Capital Markets	✓	✓	✓	✓
534	12/7/2010	TX	IDEA Public Schools	San Juan Higher Education Finance Authority	33.900	Out	Unenhanced	S&P	-	BBB	-	BBB+	Baird	✓	✓	✓	✓
535	12/21/2010	TX	Arlington Classics Academy	Arlington Higher Education Finance Corporation	16.405	Out	Unenhanced	S&P	-	BB+	-	BB	Piper Jaffray	✓	✓	✓	✓
536	3/2/2011	TX	Lifeschool of Dallas	La Vernia Higher Education Finance Corporation	39.260	Out	Unenhanced	S&P	-	BBB-	-	BBB-	RBC Capital Markets	✓	✓	✓	✓
537	4/28/2011	TX	Eagle Advantage Schools d/b/a Advantage Academy	Newark Cultural Education Facilities Finance Corporation	14.230	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
538	5/26/2011	TX	Harmony Schools (Cosmos Foundation)	Houston Higher Education Finance Corporation	58.930	Out	Unenhanced	S&P	-	BBB	-	BBB	Morgan Keegan	✓	✓	✓	✓
539	5/27/2011	TX	FOCUS Learning Academy	Beasley Higher Education Finance Corporation	9.460	Out	Unenhanced	Fitch	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
540	11/15/2011	TX	Orenda Education	Texas Public Finance Authority, Charter School Finance Corporation	4.055	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	
541	12/8/2011	TX	IDEA Public Schools	Clifton Higher Education Finance Corporation	26.480	Out	Unenhanced	S&P	-	BBB+	-	BBB+	Baird	✓	✓	✓	✓
542	4/3/2012	TX	Ser-Ninos	Houston Higher Education Finance Corporation	4.475	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Stifel, Nicolaus	✓	✓	✓	
543	4/19/2012	TX	Uplift Education	North Texas Education Finance Corporation	80.780	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Baird	✓	✓	✓	✓
544	5/1/2012	TX	Harmony Schools (Cosmos Foundation)	Houston Higher Education Finance Corporation	31.350	Out	Unenhanced	S&P	-	BBB	-	BBB	Raymond James/ Morgan Keegan	✓	✓	✓	✓
545	12/21/2005	UT	Ranches Academy	Utah County	1.440	Out	Unenhanced	NR	-	-	-	-	Wells Fargo				

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									Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F
546	11/8/2006	UT	American Leadership Academy	Spanish Fork City	25.170	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
547	12/21/2006	UT	Monticello Academy	West Valley City	6.500	Mat/Ref	KeyBank National	S&P	A/A1	-	-	-	KeyBanc				
548	12/21/2006	UT	Monticello Academy	West Valley City	4.500	Mat/Ref	Unenhanced	NR	-	-	-	-	KeyBanc				
549	4/12/2007	UT	Freedom Academy Foundation	Provo City	10.750	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
550	5/3/2007	UT	East Hollywood High School	West Valley City	6.225	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
551	5/3/2007	UT	Monticello Academy	West Valley City	11.000	Out	Unenhanced	NR	-	-	-	-	KeyBanc	✓	✓	✓	✓
552	5/16/2007	UT	The Walden School of Liberal Arts	Utah County	3.975	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
553	5/30/2007	UT	Lakeview Academy	Utah County	9.605	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
554	5/30/2007	UT	Renaissance Academy	Utah County	9.645	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
555	7/17/2007	UT	Lincoln Academy	Utah County	10.035	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
556	10/30/2007	UT	Ronald Wilson Reagan Academy	Utah County	11.065	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
557	11/1/2007	UT	Channing Hall	Utah State Charter School Finance Authority	9.590	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
558	11/28/2007	UT	Fast Forward High School	Utah State Charter School Finance Authority	3.127	Out	Unenhanced	NR	-	-	-	-	Na				✓
559	12/13/2007	UT	Summit Academy	Utah State Charter School Finance Authority	17.900	Out	Unenhanced	S&P	-	BBB-	-	BBB-	D.A. Davidson	✓	✓	✓	✓
560	1/24/2008	UT	Noah Webster Academy	Utah State Charter School Finance Authority	9.800	Out	Unenhanced	NR	-	-	-	-	Baird	✓	✓	✓	✓
561	7/15/2008	UT	Entheos Academy	Utah State Charter School Finance Authority	5.930	Out	Unenhanced	NR	-	-	-	-	Na				✓
562	8/19/2008	UT	Rockwell Charter High School	Utah State Charter School Finance Authority	14.100	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓
563	8/26/2008	UT	George Washington Academy	Utah State Charter School Finance Authority	9.975	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
564	11/20/2008	UT	Venture Academy	Utah State Charter School Finance Authority	7.305	Out	Unenhanced	NR	-	-	-	-	Na				✓
565	12/18/2008	UT	Legacy Preparatory Academy #1	Utah State Charter School Finance Authority	5.780	Out	Unenhanced	NR	-	-	-	-	Na				✓
566	1/30/2009	UT	Legacy Preparatory Academy #2	Utah State Charter School Finance Authority	7.800	Out	Unenhanced	NR	-	-	-	-	Na				✓
567	3/9/2009	UT	American Preparatory Academy and The School for New Americans	Utah State Charter School Finance Authority	6.900	Mat/Ref	Unenhanced	NR	-	-	-	-	DEPFA First Albany				
568	3/30/2009	UT	DaVinci Academy of Science and the Arts	Utah State Charter School Finance Authority	6.950	Mat/Ref	Unenhanced	NR	-	-	-	-	DEPFA First Albany				
569	6/3/2010	UT	Paradigm High School	Utah State Charter School Finance Authority	9.540	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
570	6/28/2010	UT	North Davis Preparatory Academy	Utah State Charter School Finance Authority	15.335	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
571	9/21/2010	UT	Navigator Pointe Academy	Utah State Charter School Finance Authority	5.360	Out	Unenhanced	S&P	-	BBB	-	BBB	Piper Jaffray	✓	✓	✓	✓
572	12/21/2010	UT	North Star Academy	Utah State Charter School Finance Authority	7.640	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Piper Jaffray	✓	✓	✓	✓
573	12/21/2010	UT	Oquirrh Mountain Charter School	Utah State Charter School Finance Authority	12.090	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
574	12/23/2010	UT	Hawthorn Academy	Utah State Charter School Finance Authority	13.495	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓
575	12/30/2010	UT	Early Light Academy	Utah State Charter School Finance Authority	13.330	Out	Unenhanced	NR	-	-	-	-	Piper Jaffray	✓	✓	✓	✓

APPENDIX B: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	\$ Par Millions	Status	Credit Enhancement	Rating Agency	Rating at Issuance		Current Rating		Lead Manager	Universe					
								Enhanced	Unenhanced	Enhanced	Unenhanced		D	C	P	F		
576	2/9/2011	UT	George Washington Academy	Utah State Charter School Finance Authority	5.890	Out	Unenhanced	S&P	-	BB+	-	BB+	Piper Jaffray	✓	✓	✓	✓	
577	5/10/2011	UT	Summit Academy High School	Utah State Charter School Finance Authority	15.930	Out	Unenhanced	NR	-	-	-	-	D.A. Davidson	✓	✓	✓	✓	
578	6/28/2011	UT	Da Vinci Academy of Science and the Arts	Utah State Charter School Finance Authority	7.770	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Zions Bank	✓	✓	✓	✓	
579	8/5/2011	UT	Karl G. Maeser Preparatory Academy	Utah State Charter School Finance Authority	10.345	Out	Unenhanced	S&P	-	BBB-	-	BBB-	Zions First National Bank	✓	✓	✓	✓	
580	3/8/2012	UT	Vista at Entrada School of Performing Arts and Technology	Utah State Charter School Finance Authority	13.310	Out	Unenhanced	S&P	-	BB+	-	BB+	Ziegler	✓	✓	✓	✓	
581	5/17/2012	UT	Salt Lake Arts Academy	Utah State Charter School Finance Authority	4.610	Out	Unenhanced	S&P	-	BB	-	BB	D.A. Davidson	✓	✓	✓	✓	
582	6/28/2005	WI	Milwaukee Academy of Science	Milwaukee City Redevelopment Authority	12.260	Out	Unenhanced	S&P	-	BB+	-	BBB-	A.G. Edwards	✓	✓	✓	✓	
583	4/24/2007	WI	Academy of Learning and Leadership	Milwaukee City Redevelopment Authority	8.650	Default	Unenhanced	NR	-	-	-	-	A.G. Edwards					
TOTAL					6,441.350													

General Methodology & Terminology

- Issues are arranged by state in chronological ascending order.
- Par amounts include both taxable and tax-exempt portions of an issuance, as applicable.
- "Status" refers to transactional status. "Out" means outstanding, "Mat/Ref" means refunded, and "Default" means defaulted. Transactions are color-coded by status, with refunded in blue and defaulted in red.
- "NR" means not rated.
- "Na" means not available.
- "Fitch" is Fitch Ratings; "Moody's" is Moody's Investors Service; "S&P" is Standard & Poor's.
- For the purposes of this study, an "enhanced" rating is a rating stemming from additional credit enhancement or some other security pledge in addition to the revenues from the charter school itself. An "unenhanced" rating is an underlying rating of the charter school rather than that of any other security which may be considered as part of the issue.
- "Current Ratings" are those as of May 19, 2012.
- National Finance Guarantee Corp. was formerly MBIA Insurance Corp. of Illinois and is listed here as "National (MBIA)."
- Syncora Guarantee Inc. was formerly XL Capital Assurance Inc. and is listed here as "Syncora (XL)."
- A check in the "D" column indicates that the offering was part of the universe of 393 offerings included in the disclosure analysis.
- A check in the "C" column indicates that the offering was part of the universe of 379 offerings included in the credit characteristics at issuance analysis.
- A check in the "P" column indicates that the offering was part of the universe of 309 offerings included in the pro forma analysis.
- A check in the "F" column indicates that the offering was part of the universe of 298 schools with 354 outstanding issuances included in the current financial metrics analysis.

Notes

- ¹ Series is part of a single issue with two series for different charter school borrowers.
- ² Series is part of a single issue that consists of two series with different ratings and/or disclosure.
- ³ Bonds issued by an out-of-state issuer.

A downloadable spreadsheet is available at <http://www.lisc.org/efc/bondhistoryv2>.

APPENDIX C: CREDIT CHARACTERISTICS AT ISSUANCE

Medians by Investment Grade Category

Category	# of Issues	Par Millions	Age		Enrollment		Waitlist		DSCR		Debt Burden	
			Median	Count	Median	Count	Median	Count	Median	Count	Median	Count
Investment Grade	155	\$2,529.9	9.0	155	713	155	52%	115	1.53	111	11.4%	111
Non-Investment Grade	39	\$632.2	7.1	39	786	39	33%	33	1.42	32	14.2%	32
Unrated	185	\$1,524.4	3.9	185	380	185	23%	76	1.52	166	13.9%	166
All	379	\$4,686.5	6.4	379	554	379	37%	224	1.53	309	13.4%	309

Issuance and Credit Characteristics by School Age

Age	# of Issues	Par Millions	Inv Grade %	Non-Inv Grade %	Unrated %	Enrollment		Waitlist		DSCR		Debt Burden	
						Median	Count	Median	Count	Median	Count	Median	Count
Pre-opening	15	\$161.1	0%	0%	100%	0	15	Na	0	1.72	13	15.2%	13
0 - 1.0	9	\$77.5	0%	0%	100%	390	9	62%	1	1.57	7	16.5%	7
1.1 - 2.0	24	\$218.0	0%	4%	96%	420	24	36%	12	1.49	23	15.6%	23
2.1 - 3.0	29	\$188.1	0%	10%	90%	377	29	23%	12	1.54	25	13.6%	25
3.1 - 4.0	36	\$476.9	28%	8%	64%	484	36	33%	21	1.57	29	14.5%	29
4.1 - 5.0	26	\$282.9	54%	12%	35%	595	26	32%	14	1.38	19	13.8%	19
5.1 - 7.5	73	\$849.1	44%	15%	41%	554	73	49%	46	1.57	55	13.9%	55
7.6 - 10.0	74	\$819.8	54%	12%	34%	626	74	36%	52	1.57	62	11.6%	62
>10.0	93	\$1,613.0	63%	10%	27%	726	93	31%	66	1.65	76	12.8%	76
All	379	\$4,686.5	41%	10%	49%	554	379	37%	224	1.53	309	13.4%	309

APPENDIX C: CREDIT CHARACTERISTICS AT ISSUANCE

Issuance and Credit Characteristics by Enrollment

Enrollment	# of Issues	Par Millions	Inv Grade %	Non-Inv Grade %	Unrated %	Age		Waitlist		DSCR		Debt Burden	
						Median	Count	Median	Count	Median	Count	Median	Count
New School	15	\$161.1	0%	0%	100%	-0.5	15	Na	0	1.72	13	13.2%	13
<250	40	\$188.7	5%	5%	90%	5.8	40	41%	13	1.60	34	13.8%	34
250 - 499	106	\$741.8	26%	8%	65%	4.9	106	37%	63	1.53	85	13.7%	85
500 - 749	95	\$872.6	54%	8%	38%	6.8	95	35%	66	1.53	79	13.5%	79
750 - 999	45	\$622.7	44%	24%	31%	7.1	45	29%	28	1.47	35	13.4%	35
1,000 - 1,499	45	\$762.3	62%	11%	27%	7.8	45	34%	29	1.48	31	12.8%	31
1,500 - 2,499	13	\$381.4	62%	23%	15%	11.2	13	35%	11	1.58	12	9.3%	12
2,500 - 4,999	12	\$595.4	83%	8%	8%	11.2	12	75%	8	1.40	12	9.7%	12
>5,000	8	\$360.6	100%	0%	0%	10.5	8	130%	6	1.68	8	12.0%	8
All	379	\$4,686.5	41%	10%	49%	6.4	379	37%	224	1.53	309	13.4%	309

Issuance and Credit Characteristics by Waitlist

Waitlist	# of Issues	Par Millions	Inv Grade %	Non-Inv Grade %	Unrated %	Age		Enrollment		DSCR		Debt Burden	
						Median	Count	Median	Count	Median	Count	Median	Count
0% - 10%	35	\$395.2	31%	14%	54%	9.3	35	552	35	1.47	29	13.7%	29
11% - 20%	35	\$414.6	51%	9%	40%	8.0	35	650	35	1.52	29	14.0%	29
21% - 30%	30	\$476.1	37%	17%	47%	6.9	30	657	30	1.38	25	15.8%	25
31% - 40%	20	\$269.8	50%	35%	15%	7.4	20	773	20	1.56	17	10.9%	17
41% - 50%	18	\$154.5	39%	17%	44%	7.8	18	411	18	1.56	15	13.2%	15
51% - 75%	22	\$334.0	55%	9%	36%	6.4	22	601	22	1.64	20	14.0%	20
76% - 100%	18	\$416.0	89%	6%	6%	6.9	18	635	18	1.39	11	13.9%	11
101% - 200%	28	\$470.5	57%	18%	25%	8.8	28	945	28	1.59	17	12.1%	17
>200%	18	\$177.2	78%	11%	11%	8.2	18	488	18	1.95	10	12.8%	10
Na	155	\$1,578.6	26%	4%	70%	5.0	155	445	155	1.53	136	13.2%	136
All	379	\$4,686.5	41%	10%	49%	6.4	379	554	379	1.53	309	13.4%	309

APPENDIX C: CREDIT CHARACTERISTICS AT ISSUANCE

Issuance and Credit Characteristics by DSCR

DSCR	# of Issues	Par Millions	Inv Grade %	Non-Inv Grade %	Unrated %	Age		Enrollment		Waitlist		Debt Burden	
						Median	Count	Median	Count	Median	Count	Median	Count
<1.00x	3	\$19.5	0%	0%	100%	4.5	3	665	3	23%	2	13.9%	3
1.00x - 1.19x	24	\$309.8	21%	13%	67%	7.6	24	587	24	18%	14	14.2%	24
1.20x - 1.39x	86	\$1,215.7	38%	13%	49%	5.8	86	577	86	30%	45	14.6%	86
1.40x - 1.59x	66	\$917.1	42%	8%	50%	7.4	66	601	66	32%	42	13.6%	66
1.60x - 1.99x	74	\$656.2	24%	11%	65%	6.5	74	440	74	34%	41	13.2%	74
2.00x - 2.99x	41	\$589.8	54%	7%	39%	6.1	41	578	41	44%	21	10.7%	41
3.00x+	15	\$157.2	33%	13%	53%	6.7	15	603	15	35%	8	9.1%	15
No Pro formas	70	\$821.2	63%	10%	27%	6.3	70	546	70	76%	51	Na	70
All	379	\$4,686.5	41%	10%	49%	6.4	379	554	379	37%	224	13.4%	379

Issuance and Credit Characteristics by Debt Burden

Debt Burden	# of Issues	Par Millions	Inv Grade %	Non-Inv Grade %	Unrated %	Age		Enrollment		Waitlist		DSCR	
						Median	Count	Median	Count	Median	Count	Median	Count
<5%	4	\$41.1	25%	50%	25%	4.4	4	991	4	34%	2	2.99	4
5% - 9.99%	60	\$783.2	60%	5%	35%	8.4	60	652	60	32%	36	1.84	60
10% - 11.99%	49	\$491.6	51%	2%	47%	7.0	49	626	49	38%	26	1.59	49
12% - 14.99%	95	\$1,300.9	28%	14%	58%	6.8	95	564	95	40%	48	1.46	95
15% - 19.99%	77	\$942.9	25%	13%	62%	5.4	77	435	77	24%	46	1.43	77
20%+	24	\$305.6	13%	13%	75%	2.1	24	584	24	38%	15	1.35	24
No Pro formas	70	\$821.2	63%	10%	27%	6.3	70	546	70	76%	51	Na	70
All	379	\$4,686.5	41%	10%	49%	6.4	379	554	379	37%	224	13.4%	379

APPENDIX C: CREDIT CHARACTERISTICS AT ISSUANCE

Issuance and Credit Characteristics by Rating

Rating	# of Issues	% of Issues	Par Millions	Age		Enrollment		Waitlist		DSCR		Debt Burden	
				Median	Count	Median	Count	Median	Count	Median	Count	Median	Count
BBB+ /Baa1	4	1%	\$67.1	10.9	4	873	4	149%	3	1.39	1	11.2%	1
BBB/Baa2	37	10%	\$1,011.2	9.7	37	1,290	37	77%	26	1.54	26	10.9%	26
BBB-/Baa3	114	30%	\$1,451.6	8.6	114	676	114	41%	86	1.54	84	11.5%	84
BB+ /Ba1	28	7%	\$440.1	6.9	28	806	28	33%	23	1.36	22	14.4%	22
BB/Ba2	9	2%	\$179.9	6.8	9	818	9	41%	8	1.78	8	13.3%	8
BB-/Ba3	2	1%	\$12.2	8.6	2	338	2	32%	2	1.51	2	16.8%	2
Unrated	185	49%	\$1,524.4	3.9	185	380	185	23%	76	1.52	166	13.9%	166
All	379	100%	\$4,686.5	6.4	379	554	379	37%	224	1.53	309	13.4%	309

A downloadable spreadsheet is available at <http://www.lisc.org/effc/bondhistoryv2>.

APPENDIX D: CURRENT FINANCIAL METRICS

Medians by Bond Rating Status

Financial Metric	All		Rated		Unrated	
	Median	Count	Median	Count	Median	Count
Total Debt Outstanding	\$4,302,174,409	298	\$2,909,504,020	143	\$1,392,670,389	155
Enrollment	646	298	798	143	501	155
Bonds Outstanding	\$8,617,500	298	\$11,143,503	143	\$7,055,000	155
Debt Outstanding	\$9,215,000	298	\$11,515,000	143	\$7,627,730	155
Bond DSCR	1.45x	235	1.63x	118	1.33x	117
All Debt DSCR	1.41x	294	1.56x	140	1.33x	154
Bond MADS Coverage	1.37x	284	1.46x	138	1.30x	146
Debt Burden - All Debt	12.7%	294	10.7%	140	13.4%	154
Debt Burden - MADS	13.0%	284	12.1%	138	13.3%	146
Total Revenue	\$5,347,856	298	\$6,847,432	143	\$4,188,241	155
Total Expenses	\$4,264,998	298	\$5,740,441	143	\$3,452,863	155
Net Income	\$975,547	298	\$1,294,236	143	\$774,811	155
Actual Debt Service	\$651,192	298	\$785,887	143	\$595,776	155
Total Unrestricted Cash & Investments	\$776,714	297	\$1,297,473	142	\$517,990	155
DCOH - Unrestricted	58	297	70	142	48	155
DCOH - All	99	298	113	143	75	155
Total Unrestricted Cash & Equivalents as % of Debt Outstanding	9.0%	297	11.9%	142	6.8%	155
Net Assets	\$861,387	297	\$1,737,123	142	\$476,997	155
% Change in Net Assets	10.9%	295	12.2%	140	8.6%	155
Net Debt to Net Available Income	8.6x	298	8.4x	143	8.7x	155
Revenue per Student	\$8,124	291	\$8,116	139	\$8,154	152
Expense per Student	\$6,875	298	\$6,934	143	\$6,789	155
Debt Service per Student	\$1,030	298	\$927	143	\$1,147	155
Debt per Student	\$14,641	298	\$14,648	143	\$14,293	155

APPENDIX D: CURRENT FINANCIAL METRICS

Medians by State

Financial Metric	Arizona		California		Colorado		Florida		Michigan		Minnesota		New York		Pennsylvania		Texas		Utah	
	Median	Count	Median	Count	Median	Count	Median	Count	Median	Count										
Debt Outstanding	\$588,096,930	52	\$214,484,955	6	\$561,688,339	54	\$262,301,928	13	\$516,228,563	56	\$156,187,152	14	\$77,875,000	6	\$183,913,813	10	\$830,234,477	24	\$291,248,645	27
Enrollment	633	52	1247	6	514	54	680	13	525	56	622	14	485	6	861	10	859	24	668	27
Bonds Outstanding	\$7,675,000	52	\$17,290,000	6	\$7,205,000	54	\$11,040,000	13	\$6,055,000	56	\$9,682,500	14	\$11,592,500	6	\$14,800,000	10	\$9,760,000	24	\$9,540,000	27
Debt Outstanding	\$7,786,340	52	\$17,428,397	6	\$7,218,230	54	\$11,152,625	13	\$6,268,077	56	\$10,129,482	14	\$11,592,500	6	\$14,800,000	10	\$10,094,610	24	\$10,047,819	27
Bond DSCR	1.23x	45	1.90x	4	1.26x	54	1.68x	13	1.48x	42	1.54x	14	4.34x	6	1.67x	9	2.31x	16	1.28x	18
Add Debt DSCR	1.21x	52	1.66x	5	1.21x	54	1.68x	13	1.43x	56	1.47x	14	4.28x	6	1.72x	10	2.06x	23	1.26x	26
Bonds MADS Coverage	1.19x	51	1.15x	6	1.20x	54	1.44x	12	1.56x	54	1.43x	14	1.83x	6	1.41x	10	1.77x	23	1.25x	26
Debt Burden - All Debt	14.4%	52	8.8%	5	14.3%	54	12.9%	13	11.4%	56	13.2%	14	6.9%	5	9.1%	10	6.8%	23	17.5%	26
Debt Burden - MADS	14.9%	51	17.5%	6	14.4%	54	13.2%	12	10.6%	54	12.5%	14	12.3%	6	9.5%	10	9.2%	23	18.9%	26
Total Revenue	\$4,650,589	52	\$9,404,340	6	\$4,034,040	54	\$5,867,304	13	\$4,992,231	56	\$6,901,495	14	\$7,647,715	6	\$11,891,167	10	\$10,007,032	24	\$4,053,477	27
Total Expenses	\$3,945,618	52	\$8,463,345	6	\$3,333,277	54	\$4,933,391	13	\$4,211,322	56	\$5,439,829	14	\$6,005,824	6	\$9,312,952	10	\$7,984,582	24	\$3,117,654	27
Net Income	\$759,878	52	\$1,306,406	6	\$708,326	54	\$1,027,999	13	\$742,346	56	\$1,404,052	14	\$1,703,411	6	\$2,150,573	10	\$1,739,192	24	\$957,289	27
Annual Debt Service	\$712,822	52	\$567,607	6	\$522,936	54	\$606,175	13	\$487,091	56	\$746,849	14	\$393,578	6	\$1,188,076	10	\$741,500	24	\$663,181	27
Total Unrestricted Cash & Investments	\$535,847	52	\$598,960	6	\$1,039,600	54	\$1,156,660	13	\$353,321	56	\$462,144	14	\$1,415,413	6	\$2,090,738	10	\$1,580,772	24	\$584,987	27
DCOH - Unrestricted	35	52	35	6	90	54	82	13	40	56	33	14	102	6	62	10	69	24	58	27
DCOH- All	57	52	78	6	158	54	122	13	71	56	57	14	205	6	125	10	97	24	114	27
Total Unrestricted Cash and Equivalents as % of Debt Outstanding	6.0%	52	7.6%	6	12.0%	54	11.4%	13	7.2%	56	4.7%	14	16.6%	6	12.1%	10	16.8%	24	6.2%	27
Net Assets	\$55,164	52	\$3,632,683	6	\$878,183	54	\$1,713,309	13	\$601,889	56	\$1,099,353	14	\$1,851,773	6	\$6,119,425	10	\$3,336,430	24	\$412,105	27
% Change in Net Assets	2.8%	52	8.6%	6	5.8%	54	6.9%	12	12.2%	56	13.8%	14	48.1%	6	6.6%	10	20.0%	24	11.4%	27
Net Debt to Net Available Income	9.0x	52	12.4x	6	10.4x	54	10.7x	13	7.9x	56	7.4x	14	6.6x	6	8.8x	10	6.1x	24	10.0x	27
Revenue per Student	\$7,657	48	\$7,693	6	\$7,168	54	\$7,425	13	\$8,948	56	\$11,144	14	\$14,662	6	\$12,799	10	\$10,382	24	\$6,353	27
Expense per Student	\$6,055	52	\$6,784	6	\$6,114	54	\$6,075	13	\$7,401	56	\$8,502	14	\$11,853	6	\$10,364	10	\$8,539	24	\$4,782	27
Debt Service per Student	\$1,173	52	\$573	6	\$1,034	54	949	13	\$1,012	56	\$1,524	14	638	6	\$1,144	10	\$756	24	\$1,124	27
Debt per Student	\$14,312	52	\$18,026	6	\$14,746	54	\$16,311	13	\$12,435	56	\$18,649	14	\$22,684	6	\$17,707	10	\$12,616	24	\$15,626	27

APPENDIX D: CURRENT FINANCIAL METRICS

Medians by Underlying Rating Category

Financial Metric	All Ratings		Investment Grade		Investment Grade	
	Median	Count	Median	Count	Median	Count
Total Debt Outstanding	\$2,606,792,812	123	\$2,115,178,947	102	\$491,613,865	21
Enrollment	824	123	754	102	1,120	21
Bonds Outstanding	\$11,143,503	123	\$10,212,500	102	\$15,630,000	21
Debt Outstanding	\$11,515,000	123	\$10,887,500	102	\$16,360,000	21
Bond DSCR	1.67x	102	1.67x	84	1.56x	18
All Debt DSCR	1.65x	120	1.67x	99	1.45x	21
Bond MADS Coverage	1.51x	120	1.53x	100	1.24x	20
Debt Burden - All Debt	10.2%	120	10.4%	99	9.5%	21
Debt Burden - MADS	11.6%	120	11.4%	100	14.0%	20
Total Revenue	\$7,388,642	123	\$6,596,197	102	\$9,570,996	21
Total Expenses	\$5,802,223	123	\$5,676,954	102	\$7,531,222	21
Net Income	\$1,255,527	123	\$1,248,589	102	\$1,372,397	21
Actual Debt Service	\$732,813	123	\$688,480	102	\$1,031,504	21
Total Unrestricted Cash & Investments	\$1,324,263	122	\$1,383,757	101	\$728,005	21
DCOH - Unrestricted	64	122	72	101	42	21
DCOH - All	109	123	112	102	94	21
Total Unrestricted Cash & Equivalents as % of Debt Outstanding	11.7%	122	12.6%	101	5.8%	21
Net Assets	\$1,737,123	122	\$2,016,875	101	\$803,880	21
% Change in Net Assets	12.2%	120	13.3%	99	5.3%	21
Net Debt to Net Available Income	8.2x	123	7.8x	102	9.1x	21
Revenue per Student	\$8,382	121	\$8,186	100	\$8,503	21
Expense per Student	\$7,106	123	\$7,104	102	\$7,229	21
Debt Service per Student	\$875	123	\$873	102	\$875	21
Debt per Student	\$14,382	123	\$14,079	102	\$16,337	21

A downloadable spreadsheet is available at <http://www.lisc.org/effc/bondhistoryv2>.

APPENDIX E: DEFAULTED CHARTER SCHOOL BONDS

	School, Issuer	Dated Date	State	\$ Par Millions	Lead Underwriter	Initial Rating	Year Opened	Default Year	Age at Issuance (Years)	Default from Issuance (Years)	Enrollment	Waitlist	All-In Cost	DSCR	Debt Burden
1	Capitol Area Academy, <i>Capitol Area Academy</i>	8/1/1999	MI	3.280	Miller, Johnson & Kuehn	NR	1999	2011	(0.1)	12.0	0	Na	7.79%	4.67	7.2%
2	Village School of Northfield, <i>City of Northfield</i>	12/1/1999	MN	1.320	John G. Kinnard	NR	1997	2007	2.3	7.5	57	14%	8.74%	1.54	19.3%
3	Sankofa Shule, <i>Sankofa Shule</i>	6/1/2000	MI	2.555	Miller Johnson & Kuehn	Ba1	1995	2007	4.8	7.1	149	Na	8.95%	1.64	13.1%
4	Sauk Trail Academy (now Hillside Prep), <i>Sauk Trail Academy</i>	6/1/2001	MI	2.480	Miller Johnson Steichen Kinnard	NR	1997	2004	3.8	2.8	132	Na	9.13%	2.90	9.2%
5	Life School College Preparatory, <i>Pima County Industrial Development Authority</i>	8/17/2001	AZ	12.000	Wedbush Morgan	NR	1999	2007	6.0	5.9	1,025	Na	8.70%	1.67	16.4%
6	Discovery Elementary School, <i>Discovery Elementary School</i>	10/1/2001	MI	1.820	Miller Johnson Steichen Kinnard	NR	1996	2009	5.1	7.7	127	Na	9.43%	1.53	14.7%
7	Central New York Charter School for Math and Science, <i>Onondaga County Industrial Development Authority</i>	1/1/2002	NY	6.600	Miller Johnson Steichen Kinnard	NR	2000	2005	1.3	3.6	490	Na	Na	1.98	12.2%
8	West Houston Charter Alliance, Inc. (Katy Creative Arts), <i>Danbury Higher Education Authority</i>	2/1/2002	TX	2.830	Miller Johnson Steichen Kinnard	NR	1996	2005	5.4	3.4	195	Na	9.20%	2.73	14.8%
9	Kalamazoo Advantage Academy, <i>Kalamazoo Advantage Academy</i>	12/1/2003	MI	5.555	Herbert J. Sims	NR	1998	2008	5.3	4.7	409	Na	8.66%	1.11	10.2%
10	Denver Arts & Technology Academy (now Cesar Chavez Academy Denver), <i>Colorado Educational and Cultural Facilities Authority</i>	12/3/2003	CO	8.415	Kirkpatrick Pettis	NR	2000	2009	3.3	5.5	347	28%	8.30%	Na	Na
11	Desert Technology Schools, <i>Pima County Industrial Development Authority</i>	2/1/2004	AZ	3.585	Dougherty	NR	1998	2008	5.4	4.2	222	Na	8.53%	2.05	14.2%
12	Agricultural and Food Sciences Academy, <i>City of Vadnais Heights</i>	12/1/2004	MN	8.900	Dougherty	NR	2002	2009	3.3	5.0	155	Na	7.25%	1.37	19.1%
13	New Covenant Charter School, <i>Albany Industrial Development Agency</i>	5/1/2005	NY	16.605	Herbert J. Sims	NR	1999	2007	5.7	1.9	783	Na	8.34%	1.50	12.5%
14	Minnesota Business Academy, <i>St. Paul Housing & Redevelopment Authority</i>	7/1/2005	MN	6.580	Dougherty	NR	2000	2006	4.8	0.8	292	Na	7.37%	1.29	15.3%
15	Premier Charter High School & Air Academy Charter High School, <i>Pima County Industrial Development Authority</i>	9/1/2005	AZ	10.895	Dougherty	NR	2001	2008	4.0	2.8	457	Na	7.75%	N/A	N/A
16	Academy for Technology and the Classics, <i>Santa Fe County</i>	1/15/2006	NM	6.735	Kirkpatrick Pettis, D.A. Davidson	NR	2001	2012	4.4	6.3	230	46%	7.00%	1.50	12.7%
17	Seed Daycare (Harvest Preparatory Charter School, Hmong Academy), <i>City of Minneapolis</i>	1/25/2006	MN	7.000	Miller Johnson Steichen Kinnard	NR	1998	2008	7.4	2.9	665	24%	7.47%	Na	Na
18	Palm Bay Community Charter School - Patriot, <i>Palm Bay City</i>	4/3/2006	FL	21.100	Gates Capital	NR	2006	2009	(0.4)	2.7	0	Na	7.72%	1.10	15.3%
19	Crescent Academy, <i>Crescent Academy</i>	12/1/2006	MI	7.090	Herbert J. Sims	NR	2004	2007	2.3	0.5	358	11%	6.46%	1.08	14.6%

APPENDIX E: DEFAULTED CHARTER SCHOOL BONDS

	School, Issuer	Dated Date	State	\$ Par Millions	Lead Underwriter	Initial Rating	Year Opened	Default Year	Age at Issuance (Years)	Default from Issuance (Years)	Enrollment	Waitlist	All-In Cost	DSCR	Debt Burden
20	Brighton Charter School, Colorado Educational and Cultural Facilities Authority	12/11/2006	CO	10.195	D.A. Davidson	NR	1998	2009	8.3	2.9	216	Na	6.23%	Na	Na
21	Challenges, Choices and Images Literacy and Technology Center, Colorado Educational and Cultural Facilities Authority	4/18/2007	CO	18.430	D.A. Davidson	NR	2000	2008	6.6	1.2	319	103%	6.52%	Na	Na
22	Academy of Learning and Leadership, Milwaukee City Redevelopment Authority	4/24/2007	WI	8.650	A.G. Edwards	NR	2003	2012	3.6	4.8	264	150%	6.53%	1.28	12.9%
TOTAL/AVERAGE				172.620					4.2	4.4	313	54%	7.91%	1.82	13.7%
MEDIAN									4.6	3.9	247	28%	7.78%	1.53	14.2%

General Methodology & Terminology

- Issues are arranged in chronological ascending order.
- Par amounts include both taxable and tax-exempt portions of an issuance, as applicable.
- "NR" means not rated.
- "Na" means not available.
- "Enrollment" is student headcount at issuance.
- "Waitlist" is the number of students on the school's waitlist for the most recent period available at issuance as a percentage of enrollment.
- "All-In Cost" is the overall borrowing cost for the offering, which takes into account the issue's amortization schedule, interest rates and costs of issuance.
- "DSCR" is net income available for debt service divided by debt service as projected for the fifth or final year of the pro formas (if they had a shorter time horizon). Debt service is defined to include all debt service expense, senior and subordinate, as well as facility leases and other capital lease expenses.
- "Debt Burden" is debt service divided by revenue as projected for the fifth or final year of the pro formas (if they had a shorter time horizon).

A downloadable spreadsheet is available at <http://www.lisc.org/efc/bondhistoryv2>.

APPENDIX F: PRICING UPDATE

	Dated Date	State	School	Issuer	\$ Par Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter
1	1/11/2011 ¹	CO	Highline Academy Charter School	Public Finance Authority	8.375	Unenhanced	S&P	BBB-	F	12/15/2040	7.375	7.375	270	7.58%	3.22%	1.92%	D.A. Davidson
2	1/24/2011 ¹	CO	Global Village Academy	Public Finance Authority	8.365	Unenhanced	S&P	BB+	F	12/15/2040	7.500	7.500	256	7.92%	3.99%	2.00%	D.A. Davidson
3	2/9/2011	UT	George Washington Academy	Utah State Charter School Finance Authority	5.890	Unenhanced	S&P	BB+	F	7/15/2041	8.000	8.000	317	8.62%	5.86%	2.00%	Piper Jaffray
4	2/17/2011	AZ	Arizona Agribusiness and Equine Center	Yavapai County Industrial Development Authority	14.605	Unenhanced	S&P	BB+	F	3/1/2042	7.875	7.875	293	8.19%	3.76%	1.75%	Baird
5	2/17/2011	NY	Enterprise Charter School	Buffalo and Erie County Industrial Land Development Corporation	7.345	Unenhanced	Fitch	BBB	F	12/1/2040	7.500	7.750	281	8.34%	5.79%	1.50%	M&T Securities
6	3/2/2011	DC	Cesar Chavez Public Charter Schools	District of Columbia	27.21	Unenhanced	S&P	BBB-	F	11/15/2040	7.875	8.000	307	8.10%	3.25%	1.25%	PNC
7	3/2/2011	TX	Lifeschool of Dallas	La Vernia Higher Education Finance Corporation	39.260	Unenhanced	S&P	BBB-	F	8/15/2041	7.500	7.625	280	7.73%	2.83%	1.14%	RBC Capital Markets
8	3/17/2011	FL	City's Charter Schools	City of Cape Coral	17.69	City Pledge	Moody's Fitch	Aa3 A+	F	7/1/2040	6.000	6.120	142	5.64%	1.11%	0.53%	PNC
9	3/30/2011	NY	The Academy Charter School	Hempstead Local Development Corporation	10.740	Unenhanced	NR	NR	F	2/1/2041	8.250	8.500	380	9.05%	4.41%	2.14%	Siebert Brandford Shank
10	4/6/2011	AZ	Park View School	Pima County Industrial Development Authority	6.625	Unenhanced	NR	NR	VR	7/1/2041	VR	VR	VR	VR	10.29%	2.75%	Lawson Financial
11	4/8/2011 ²	CO	Twin Peaks Charter Academy	Colorado Educational and Cultural Facilities Authority	2.515	Moral Obligation	S&P	A	F	3/15/2043	6.500	6.500	170	6.75%	3.75%	1.50%	D.A. Davidson
	4/8/2011 ²	CO	Twin Peaks Charter Academy	Colorado Educational and Cultural Facilities Authority	2.260	Unenhanced	S&P	BBB-	F	3/15/2035	7.500	7.500	282	7.95%	3.75%	1.50%	D.A. Davidson
12	4/21/2011	MI	Hope Academy	Michigan Finance Authority	8.885	Unenhanced	Fitch	BBB-	F	4/1/2041	8.125	8.125	331	8.77%	5.82%	2.00%	Baird
13	4/27/2011	MI	Holly Academy	Michigan Finance Authority	5.750	Unenhanced	S&P	BBB-	F	10/1/2040	8.000	8.000	321	8.44%	5.42%	2.50%	Fifth Third Securities
14	4/28/2011	TX	Eagle Advantage Schools d/b/a Advantage Academy	Newark Cultural Education Facilities Finance Corporation	14.23	Unenhanced	S&P	BBB-	F	8/15/2041	8.500	8.500	367	9.16%	4.63%	3.00%	Piper Jaffray
15	5/6/2011	AZ	Arizona School for the Arts	Phoenix Industrial Development Authority	8.750	Unenhanced	NR	NR	F	7/1/2041	7.750	7.750	325	7.90%	3.54%	1.56%	Stifel Nicolaus
16	5/6/2011	PA	West Philadelphia Achievement Charter Elementary School	Philadelphia Authority for Industrial Development	7.85	Unenhanced	S&P	BBB-	F	5/1/2041	8.000	8.000	340	8.11%	3.69%	1.50%	Janney
17	5/10/2011 ¹	GA	Kennesaw Charter School	Public Finance Authority	17.450	Unenhanced	NR	NR	F	2/1/2041	8.000	8.088	341	8.07%	3.12%	1.85%	D.A. Davidson
18	5/10/2011	UT	Summit Academy High School	Utah State Charter School Finance Authority	15.93	Unenhanced	NR	NR	F	5/15/2041	8.500	8.500	405	8.66%	2.86%	1.85%	D.A. Davidson
19	5/26/2011	DE	Charter School, Inc. d/b/a Campus Community School	Kent County, Delaware	3.930	Unenhanced	S&P	BBB-	F	5/1/2037	7.375	7.473	320	8.22%	7.34%	2.25%	RBC Capital Markets
20	5/26/2011	TX	Harmony Schools (Cosmos Foundation)	Houston Higher Education Finance Corporation	58.93	Unenhanced	S&P	BBB	F	5/15/2041	6.875	6.875	257	6.95%	2.10%	1.00%	Morgan Keegan
21	5/27/2011	TX	FOCUS Learning Academy	Beasley Higher Education Finance Corporation	9.460	Unenhanced	Fitch	BBB-	F	8/15/2041	7.750	7.750	344	8.27%	7.59%	3.00%	Piper Jaffray
22	6/6/2011	MI	Summit Academy North	Summit Academy North	5.825	Unenhanced	S&P	BB+	F	5/1/2041	8.000	8.000	370	8.46%	5.57%	2.00%	Piper Jaffray
23	6/21/2011	LA	Belle Chasse Academy	Louisiana Public Facilities Authority	20.725	Unenhanced	Fitch	BBB	F	5/1/2041	6.750	6.790	253	7.03%	3.81%	2.00%	Ziegler
24	6/21/2011 ¹	NC	Thomas Jefferson Classical Academy	Public Finance Authority	9.99	Unenhanced	S&P	BBB-	F	7/1/2042	7.125	7.200	294	7.47%	3.97%	1.75%	RBC Capital Markets
25	6/22/2011	CA	The Rocklin Academy	California Statewide Communities Development Authority	10.400	Unenhanced	S&P	BB+	F	6/1/2041	8.250	8.250	402	8.80%	4.96%	2.00%	Piper Jaffray
26	6/28/2011	UT	Da Vinci Academy of Science and the Arts	Utah State Charter School Finance Authority	7.77	Unenhanced	S&P	BBB-	F	3/15/2039	7.750	7.750	354	7.95%	4.03%	1.49%	Zions Bank
27	6/30/2011	FL	Renaissance Charter School	Florida Development Finance Corporation	89.235	Unenhanced	Fitch	BB+	F	6/15/2041	7.625	7.750	352	7.93%	2.87%	1.88%	Ziegler
28	7/13/2011	IL	Cambridge Lakes Learning Center	Pingree Grove Village	6.4	Unenhanced	NR	NR	F	6/1/2041	8.500	8.500	427	8.71%	2.82%	1.50%	William Blair

APPENDIX F: PRICING UPDATE

	Dated Date	State	School	Issuer	\$ Par Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter
29	7/20/2011	CA	Animo Inglewood Charter High School (Green Dot)	California Statewide Communities Development Authority	8.260	Unenhanced	Fitch	BBB-	F	8/1/2041	7.250	7.250	291	8.12%	8.85%	2.00%	Baird
30	8/5/2011	UT	Karl G. Maeser Preparatory Academy	Utah State Charter School Finance Authority	10.345	Unenhanced	S&P	BBB-	F	6/30/2041	7.500	7.500	315	7.55%	2.15%	1.00%	Zions First National Bank
31	8/9/2011	MI	Voyageur Academy	Michigan Finance Authority	17.935	Unenhanced	S&P	BB	F	7/15/2041	8.000	8.250	390	8.69%	3.99%	2.00%	Piper Jaffray
32	8/25/2011	CA	Alliance for College-Ready Public Schools	California Statewide Communities Development Authority	22.565	Unenhanced	Fitch	BBB	F	7/1/2046	7.000	7.250	347	7.49%	3.95%	2.00%	RBC Capital Markets
33	8/30/2011	GA	DeKalb Academy of Technology & the Environment	Joint Development Authority of DeKalb, Newton and Gwinnett Counties	7.215	Unenhanced	S&P	BBB-	F	7/1/2041	7.500	7.500	362	7.86%	5.29%	1.85%	D.A. Davidson
34	9/8/2011	AZ	Fountain Hills Charter School	Pima County Industrial Development Authority	2.8	Unenhanced	NR	NR	F	7/1/2041	6.650	6.650	283	Na	11.39%	2.75%	Lawson Financial
35	9/8/2011 ¹	OH	New Plan Learning	Pima County Industrial Development Authority	33.120	Unenhanced	Fitch	BBB-	F	7/1/2041	8.125	8.250	457	8.36%	3.58%	1.45%	RBC Capital Markets
36	9/8/2011	CA	Rocketship Four - Mosaic Elementary School	California Statewide Communities Development Authority	10.115	Unenhanced	NR	NR	F	12/1/2041	8.500	8.500	462	9.19%	5.93%	3.00%	De La Rosa
37	10/13/2011	FL	Pinellas Preparatory Academy	Pinellas County Educational Facilities Authority	8.880	Unenhanced	Fitch	BBB-	F	9/15/2041	7.125	7.125	357	7.52%	4.32%	1.75%	PNC
38	10/18/2011	MN	Nova Classical Academy	St. Paul Housing & Redevelopment Authority	17.54	Unenhanced	S&P	BBB-	F	9/1/2042	6.625	6.650	290	6.83%	3.11%	1.75%	Piper Jaffray
39	10/26/2011	IL	UNO Charter School Network	Illinois Finance Authority	37.505	Unenhanced	S&P	BBB-	F	10/1/2041	7.125	7.125	361	7.43%	3.75%	1.20%	Baird
40	11/3/2011	GA	Fulton Science Academy	Alpharetta Development Authority	18.93	Unenhanced	Fitch	BBB	F	7/1/2041	6.500	6.750	295	6.99%	3.45%	1.50%	Merchant Capital
41	11/8/2011	AZ	BASIS Schools (Phoenix)	Florence Industrial Development Authority	7.955	Unenhanced	NR	NR	F	7/1/2041	7.500	7.500	384	Na	3.54%	1.50%	RBC Capital Markets
42	11/8/2011	AZ	Harvest Preparatory Academy	Pima County Industrial Development Authority	10.5	Unenhanced	S&P	BBB-	F	7/1/2041	6.950	6.950	323	Na	6.96%	2.25%	Lawson Financial
43	11/15/2011	TX	Orenda Education	Texas Public Finance Authority, Charter School Finance Corporation	4.055	Unenhanced	S&P	BBB-	F	8/15/2041	7.250	7.750	481	8.01%	1.91%	1.91%	Piper Jaffray
44	11/22/2011	MI	Creative Montessori Academy	Michigan Finance Authority	4.995	Unenhanced	S&P	BBB-	F	5/1/2031	7.000	7.000	357	7.40%	4.29%	1.75%	Fifth Third Securities
45	11/30/2011	FL	Bay Area Charter Foundation	Florida Development Finance Corporation	37.990	Unenhanced	NR	NR	F	6/15/2042	7.750	7.900	413	8.57%	3.75%	1.88%	Ziegler
46	12/8/2011	TX	IDEA Public Schools	Clifton Higher Education Finance Corporation	26.48	Unenhanced	S&P	BBB+	F	8/15/2041	5.750	6.000	221	6.12%	2.82%	1.15%	Baird
47	12/13/2011	MI	Detroit Service Learning Academy	Michigan Finance Authority	11.425	Unenhanced	S&P	BBB-	F	10/1/2036	7.000	7.100	336	7.41%	3.96%	2.00%	Piper Jaffray
48	12/15/2011	LA	Lake Charles Charter Academy	Louisiana Public Facilities Authority	15.515	Unenhanced	NR	NR	F	12/15/2041	8.000	8.250	456	8.62%	3.79%	2.00%	Ziegler
49	12/16/2011	PA	Mariana Bracetti Academy	Philadelphia Authority for Industrial Development	24.740	Unenhanced	S&P	BBB-	F	12/15/2041	7.625	7.750	405	7.93%	3.11%	1.75%	PNC
50	12/29/2011	CO	Liberty Common Middle High School	Colorado Educational and Cultural Facilities Authority	5.5	Unenhanced	NR	NR	F	12/15/2015	5.500	5.500	465	6.24%	2.53%	1.00%	D.A. Davidson
51	12/29/2011	MN	World Learner School	City of Chaska	3.415	Unenhanced	S&P	BB+	F	12/1/2043	8.000	8.000	438	8.66%	6.44%	2.50%	Dougherty
52	1/5/2012 ²	AZ	American Leadership Academy	Pima County Industrial Development Authority	10.975	Unenhanced	NR	NR	F	7/1/2042	7.875	7.900	426	Na	9.01%	2.75%	Lawson Financial
	1/5/2012 ²	AZ	American Leadership Academy	Pima County Industrial Development Authority	0.454	Unenhanced	NR	NR	F	Na	Na	Na	Na	Na	Na	Na	Na
53	1/19/2012	MI	Michigan Technical Academy	Michigan Finance Authority	16.130	Unenhanced	NR	NR	F	10/1/2041	7.450	7.450	417	7.66%	3.88%	3.00%	Baird
54	1/25/2012	AZ	Great Hearts Academies - Veritas Prep	Phoenix Industrial Development Authority	16.425	Unenhanced	Fitch	BBB	F	7/1/2047	6.400	6.400	289	6.53%	3.20%	1.83%	RBC Capital Markets
55	2/7/2012	AZ	Carden Traditional Schools	Pima County Industrial Development Authority	16.500	Unenhanced	Fitch	BBB-	F	1/1/2042	7.500	7.625	447	8.02%	4.16%	2.00%	Ziegler
56	2/13/2012	CA	Alliance for College-Ready Public Schools	California Statewide Communities Development Authority	8.455	Unenhanced	S&P	BBB-	F	7/1/2047	6.375	6.375	316	6.99%	7.92%	2.00%	RBC Capital Markets
57	2/16/2012	FL	Sculptor Charter School	Florida Development Finance Corporation	0.720	Unenhanced	S&P	BBB-	F	10/1/2041	7.250	7.250	397	9.06%	16.67%	3.47%	FMSbonds

APPENDIX F: PRICING UPDATE

	Dated Date	State	School	Issuer	\$ Par Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter
58	2/24/2012	AZ	Painted Rock Academy	Phoenix Industrial Development Authority	10	Unenhanced	NR	NR	F	7/1/2042	7.500	7.500	423	7.74%	3.78%	1.84%	RBC Capital Markets
59	2/29/2012	CO	Union Colony Charter School	Colorado Educational and Cultural Facilities Authority	7.260	Unenhanced	NR	NR	F	3/1/2016	5.650	5.650	Na	6.41%	2.54%	1.20%	D.A. Davidson
60	3/15/2012	PA	New Foundations School	Philadelphia Authority for Industrial Development	14	Unenhanced	S&P	BB+	F	12/15/2041	6.625	6.625	337	6.94%	4.02%	1.75%	PNC
61	3/2/2012	AZ	Basis Tucson North	Pima County Industrial Development Authority	10.000	Unenhanced	NR	NR	F	7/1/2042	7.550	7.550	432	7.70%	3.21%	1.50%	RBC Capital Markets
62	3/6/2012	PA	Discovery Charter School	Philadelphia Authority for Industrial Development	13.445	Unenhanced	S&P	BBB-	F	4/1/2042	6.250	6.400	313	6.37%	2.97%	1.50%	Janney
63	3/8/2012	UT	Vista at Entrada School of Performing Arts and Technology	Utah State Charter School Finance Authority	13.310	Unenhanced	S&P	BB+	F	7/15/2042	6.550	6.550	328	6.79%	3.90%	1.00%	Ziegler
64	3/29/2012 ¹	NY	Brighter Choice Charter Middle Schools	Phoenix Industrial Development Authority	15.14	Unenhanced	Fitch	BB+	F	7/1/2042	7.500	7.500	408	8.14%	6.29%	1.55%	Jefferies
65	3/30/2012	CO	Cherry Creek Academy	Colorado Educational and Cultural Facilities Authority	3.460	Unenhanced	Moody's	Baa2	F	4/1/2030	4.750	4.840	181	5.06%	3.78%	1.40%	D.A. Davidson
66	4/2/2012	AZ	P.L.C. Charter Schools	Pima County Industrial Development Authority	5.73	Unenhanced	NR	NR	F	4/1/2041	7.500	7.500	414	8.29%	8.45%	2.50%	Dougherty
67	4/3/2012	TX	Ser-Ninos	Houston Higher Education Finance Corporation	4.475	Unenhanced	S&P	BBB-	F	8/15/2041	6.000	6.100	283	6.90%	9.47%	1.20%	Stifel, Nicolaus
68	4/12/2012	NJ	Paterson Charter School for Science and Technology	New Jersey Economic Development Authority	11.945	Unenhanced	S&P	BBB-	F	7/1/2044	6.100	6.100	268	6.42%	4.59%	1.53%	RBC Capital Markets
69	4/12/2012	CO	Jefferson Academy	Colorado Educational and Cultural Facilities Authority	15.900	Unenhanced	NR	NR	F	6/15/2017	5.650	5.650	476	6.12%	1.99%	1.15%	D.A. Davidson
70	4/19/2012	TX	Uplift Education	North Texas Education Finance Corporation	80.78	Unenhanced	S&P	BBB-	F	12/1/2047	5.250	5.250	190	5.30%	1.75%	0.94%	Baird
71	4/30/2012	MI	Concord Academy - Petoskey	Michigan Finance Authority	3.040	Unenhanced	NR	NR	F	12/1/2030	6.875	6.875	411	7.45%	5.89%	2.24%	Fifth Third
72	5/1/2012	TX	Harmony Schools (Cosmos Foundation)	Houston Higher Education Finance Corporation	31.35	Unenhanced	S&P	BBB	F	2/15/2042	5.000	4.875	163	5.08%	2.90%	1.00%	Raymond James/ Morgan Keegan
73	5/2/2012	ID	Idaho Arts Charter School	Idaho Housing & Finance Association	2.175	Unenhanced	S&P	BBB-	F	12/1/2042	6.000	6.125	285	6.63%	7.38%	1.66%	Baird
74	5/17/2012	UT	Salt Lake Arts Academy	Utah State Charter School Finance Authority	4.61	Unenhanced	S&P	BB	F	5/15/2042	7.500	7.500	445	7.65%	4.57%	2.00%	D.A. Davidson
75	5/31/2012	CA	Santa Rosa Academy	California Municipal Finance Authority	24.035	Unenhanced	S&P	BB	F	7/1/2042	6.000	6.125	307	6.39%	3.23%	1.50%	Ziegler
TOTAL/AVERAGE					1,140.484						7.174	7.230	341	7.60%	4.67%	1.81%	

General Methodology & Terminology

- Issues are arranged in chronological ascending order.
- Par amounts include both taxable and tax-exempt portions of an issuance, as applicable.
- "NR" means not rated.
- "Na" means not available.
- "Fitch" is Fitch Ratings; "Moody's" is Moody's Investors Service; "S&P" is Standard & Poor's.
- In the "Coupon Type" column, "F" means fixed-rate and "VR" means variable-rate.
- Data in the "Coupon," "Yield" and "Spread to MMD" columns is for the longest bond in the offering.
- "COI" means cost of issuance and is calculated as a percentage of the par amount of the offering.

- "UD" means underwriter's discount and is calculated as a percentage of the par amount of the offering.
- "All-In Cost" is the overall borrowing cost for the offering, which takes into account the issue's amortization schedule, interest rates and costs of issuance.

Notes

- ¹ Bonds issued by an out-of-state issuer.
- ² Series is part of a single issue that consists of two series with different ratings and/or disclosure.

A downloadable spreadsheet is available at <http://www.lisc.org/efc/bondhistoryv2>.

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