



# Charter School Bond Issuance: A Complete History



# CHARTER SCHOOL BOND ISSUANCE: A COMPLETE HISTORY

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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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- Supporting Healthy Environments and Lifestyles

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The Educational Facilities Financing Center (EFFC) at LISC supports quality public charter schools in distressed neighborhoods. LISC founded the EFFC in 2003 to intensify its national effort in educational facilities financing. The EFFC pools low-interest loan and grant funds and leverages them for investment in charter school facilities in order to create new or renovated school facilities for underserved children, families and neighborhoods nationally. Since making its first charter school grant in 1997, LISC has provided over \$100 million in grants, loans and guarantees for approximately 140 schools across the country. The EFFC fosters long-term sustainability of the charter sector by identifying replicable financing mechanisms and sharing best practices and data through publications such as the *Landscape* series and this report. The EFFC is supported by the Bill & Melinda Gates Foundation, The Goldman Sachs Group, Inc., JPMorgan Chase Bank, Prudential Financial, the U.S. Department of Education and the Walton Family Foundation.

The EFFC assembled a National Advisory Board to provide oversight and leadership of its strategic mission, resource development, public policy activity and other issues relevant to the attainment of its mission. The Advisory Board is comprised of representatives of the community development, education, finance and philanthropic communities.

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## EXECUTIVE SUMMARY

With approximately 500 tax-exempt bond transactions completed to date, the charter school sector of the municipal market continues to gain size and momentum and has emerged as much more than a fragmented niche for high yield investors. The growth rate in the number of charter schools across the country – now exceeding 5,000 – is expected to increase due to the heightened focus that policymakers at all levels of government have placed on results-driven education reform. This growth will generate greater charter school demand for affordable facility financing, a demand that is well met by the tax-exempt bond market with its tax-exempt interest rates and longer principal repayment periods. To date, however, fewer than 8% of charter schools have accessed the market for their permanent facility financing needs.

In this context, *Charter School Bond Issuance: A Complete History* serves to provide greater transparency to the sector for both investors and charter school borrowers. Because charter schools are relatively new to the municipal market and charter school issuances have not been uniformly identified or segregated in the various municipal market data systems, such transparency has been lacking. This data-rich compendium examines the 13-year history of the charter school tax-exempt bond sector, and for the first time:

- Identifies the universe of 478 rated and unrated charter school bond transactions totaling over \$5 billion undertaken by approximately 400 charter schools through year-end 2010.
- Tracks basic bond data for all 478 issues, including par amount, issuer, jurisdiction, rating, credit enhancement, term and underwriter.
- Provides cost and pricing information that has not previously been available at scale, including underwriter's discount and costs of issuance, as well as coupon, yield and spread to the triple-A Municipal Market Data Index (MMD) for select maturities.
- Calculates the true borrowing cost, or "All-In Cost," for fixed-rate issues with publicly available offering documents.
- Examines the repayment performance of charter school borrowers and details the credit characteristics of the defaulted transactions.

In addition, in-depth analysis of these transactions and their cost and pricing is provided based on a variety of factors, including the timing of the issue, rating, type of credit enhancement, bond term and jurisdiction, among others. Several significant trends emerge from these analyses.

- There has been a clear upward trend of charter school bond issuance.
- Rated transactions represent an increasingly larger portion of the total number and par amount of offerings in recent years due to wider credit spreads. While 48% of the 478 charter school issues had ratings assigned by Fitch Ratings (Fitch), Moody's Investors Service (Moody's) or Standard & Poor's (S&P), the rated share has increased to above 60% of the number of issues in 2010.
- Of the 478 transactions, there were no defaults on the 198 charter school bonds with investment grade ratings, one default on the 31 issues with non-investment grade ratings and 14 defaults on the 251 unrated issues.
- Only 21% of the transactions had some form of credit enhancement, and due to the collapse of municipal bond insurers, most charter schools must now access the market on an unenhanced basis.
- Of the 138 charter school bond ratings that did not benefit from any form of credit enhancement, 20% were assigned ratings of "BBB/Baa", 57% were assigned ratings of "BBB-/Baa3" and 22% had ratings within the non-investment grade double-B category.
- Charter schools are paying significantly higher interest rates than highly rated municipal borrowers. On average, charter schools have paid two full percentage points more in interest than triple-A rated municipal borrowers, translating into an additional \$90 million in interest annually for charter schools.
- Spreads to the triple-A MMD have remained close to historically high levels for lower rated and unrated bonds since the credit crisis began in 2008. In 2010, the spread to MMD for triple-B rated issuances averaged roughly 240 basis points (bps), with spreads of over 300 basis points for both double-B rated and unrated offerings.
- On average for fixed-rate issues, charter schools borrowed at an All-In Cost of 7.18% over the 13-year period. All-In Costs have increased since the credit crisis, due to the lack of credit enhancement and wider spreads for lower rated offerings, and are now pushing the limits of what many schools can afford.
- Although still much higher than typical for traditional school district borrowers, there has been a declining trend in underwriting discounts and costs of issuance measured as a percentage of the issue's par amount. Costs of issuance averaged 6.02%, with an average underwriter's discount of 2.36% included in those costs.

We are hopeful that the increased transparency provided by this report will be helpful to investors and borrowers alike. The default statistics and analysis are particularly revealing as they detail the circumstances for each failed transaction. While the default rate for the sector as a whole was 3.1% in terms of the number of issues and 2.4% in terms of the par amount of debt originated, default rates for rated issues fall to 0.4% and 0.1%, respectively. No charter school bond assigned an investment grade rating has defaulted. Furthermore, as with any new sector, there has been a learning curve in terms of credit analysis. A number of the defaulted transactions would not be underwritten under current standards or purchased by investors familiar with the fundamental elements of charter school risk. Given the trend toward issuance of rated debt and the improved credit analysis in a more mature sector, we expect future default rates to more closely resemble that of the rated municipal universe.

We also believe that the pricing and cost information documented in this report will further the ongoing discussion regarding how charter school facilities are financed. Because charter schools finance their facilities with per pupil operating revenue rather than a general obligation pledge tied to taxing authority, they pay significantly higher interest rates on facility debt than their school district counterparts. Yet, charter schools pay these higher rates with public dollars. Many charter school proponents, taxpayers and school districts have pointed out the inefficient use of tax dollars which results from this two-tiered system. With the mounting public mandate to improve the quality of the nation's public education system and the need to use scarce public resources more efficiently in a difficult fiscal environment, this is the ideal time for the public sector to address this inequitable and inefficient system. Short of publicly financing charter school facilities directly with tax-backed structures, expansion of state, municipal or federal credit enhancement programs that use balance sheet pledges rather than appropriated funds to reduce interest expense for charter schools would be an extremely efficient use of a superior governmental credit in a tight fiscal environment. The resulting savings would not only be invaluable to charter schools, enabling them to spend more operating dollars in the classroom, it would reduce aggregate public outlays for public school facilities.



## METHODOLOGY

While several other reports on charter school facility financing have been published over the past few years — including an analysis of rated charter school bond issuance in LISC’s *2010 Landscape* — we believe this publication includes the most comprehensive listing of charter school bond issuances to date, including both rated and unrated bond issuance, together with the most expansive data sets. Our data sources include the Municipal Security Rulemaking Board’s Electronic Municipal Market Access (EMMA), Securities Data Corporation (SDC), Thompson Municipal Market Monitor (TM3), Bloomberg L.P. (Bloomberg) and MuniFilings. We also sought borrower information from conduit issuers, such as the Utah State Charter School Finance Authority, 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 nonprofit organizations that provide interim financing for charter schools. In certain instances, we contacted schools directly to gather information not readily available elsewhere.

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 December 31, 2010, including a significant number of transactions where no official statement was published or disclosed. These transactions often consist of a tax-exempt series and a small taxable series, and both are included in the par amount and cost calculations for each offering. The data does not include fully taxable offerings or newer tax credit bonds, such as Build America Bonds, Qualified School Construction Bonds or Qualified Zone Academy Bonds.

We have also identified a comprehensive list of defaulted charter school bonds. We developed this list by checking CUSIP<sup>1</sup> identifiers against material event notices in Bloomberg, EMMA and MuniFilings.

In addition to basic bond data, such as dated date, par amount, issuer, jurisdiction, rating and type of credit enhancement, if any, we include cost and pricing information. Employing TM3, we were able to determine the coupon and yield for the longest term bond of each offering, together with the spread to MMD based on the pricing of this bond compared to the pricing of triple-A municipal bonds of the same maturity.

From the disclosure documents, we were able to gather data on underwriter’s discount and costs of issuance, which were calculated as a percentage of the par amount of the bonds. Because of its size

and importance, the underwriter’s discount is analyzed as a separate component and as part of total costs of issuance in the various tables and graphs included in this report. It should be noted, however, that ancillary real estate costs unrelated to issuance, such as appraisal expenses and construction management fees, are occasionally aggregated within costs of issuance in the disclosure documents in a manner for which we could not adjust.

For fixed-rate issues with publicly available official statements and typical semi-annual payment structures, we were able to calculate 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 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. These calculations were based on information in the offering documents, which in certain cases had small inconsistencies or incomplete disclosure. They have not been verified with individual underwriters or borrowers. As such, they should be considered close estimates for overall borrowing costs rather than definitive figures.

Averages referenced throughout the report are based on a varying number of data points, depending on applicability, disclosure in the offering documents and availability in the municipal data systems. The table below summarizes this variation in the aggregate for rated, unrated and all transactions. For subsets of the data, the number of data points employed in the averages will be discussed only as a reminder or to the extent that it skews the resulting average in some manner.

### NUMBER OF AVAILABLE DATA POINTS BY VARIABLE

Variable	Rated	Unrated	Total
Coupon	210	239	449
Yield	208	229	437
Spread to MMD (MMD+)	206	216	422
Costs of Issuance (COI)	221	219	440
Underwriter’s Discount (UD)	224	215	439
All-In Cost	198	206	404
Term	232	248	480

<sup>1</sup> CUSIP stands for Committee on Uniform Securities Identification Procedures. CUSIP numbers serve as identifiers for most securities, including stocks of all registered U.S. and Canadian companies and U.S. government and municipal bonds. The number consists of nine characters (including letters and numbers) that uniquely identify a company or issuer and the type of security.

It should be noted that two of the 478 charter school bond issuances had both a rated and an unrated series. In addition, three of the rated offerings had distinct series for two different charter school borrowers. Cost and pricing varied for the different series in these five transactions. As such, they are tallied separately in Appendix C and bring the total maximum number of data points to 483, with a potential total of 232 for rated transactions and 251 for unrated transactions.

This report deals with financing concepts and terminology specific to tax-exempt bond issuance. A brief review of this terminology is provided in Appendix A. The long-term bond rating scales employed by the three rating agencies are included in Appendix B for reference. Appendix C includes data for each of the individual tax-exempt bond offerings, and Appendix D includes details of the defaulted transactions. Downloadable spreadsheets of appendices C and D, together with other material from this report, are available on the EFFC's website, <http://www.lisc.org/effc/bondhistory>.

## INTRODUCTION

### NEED FOR FACILITY FINANCING

Charter schools are independent public schools that operate with freedom from many of the rules and regulations that govern traditional public schools in exchange for increased accountability for student achievement. They operate under a charter, or contract, with state-approved authorizing entities. These entities vary by state, and often include local school districts, state departments of education, universities, other nonprofit groups or specialized chartering boards. In most states, charter reform allowed for the creation of independent public charter schools but did not provide public facilities or public funding for facilities. As a result, securing and financing facilities has been a major challenge for school operators.

### ADVANTAGES OF THE TAX-EXEMPT BOND MARKET

The tax-exempt bond market is an attractive source of financing for charter schools. Interest rates on these bonds are lower than traditional commercial loans due to their tax-exemption, and schools can fix these lower rates over a longer, fully amortizing term. Longer repayment terms minimize the debt burden on schools and reduce the annual drain on program resources. Such long-term financing also contributes to the stability of the school's budgeting practices and overall financial position, allowing administrators to focus on academic achievement rather than refinancing deadlines or short-term lease renewals. In addition, tax-exempt bond financing gives schools the ability to finance 100% of project costs, as well as expenses associated with bond issuance, and therefore requires little or no up-front equity from schools.

### PROJECTED GROWTH IN DEMAND

The demand for municipal market access by charter schools is likely to increase in the future for several reasons:

- Currently, 5,300 charter schools serve 1.7 million students in 41 jurisdictions across the country. However, to date, fewer than 400 charter schools, or 8%, have borrowed via the tax-exempt bond market. To put the potential size of the sector in perspective, there are now more charter schools in the United States than general medical/surgical hospitals, which numbered 5,193 as of the 2010 census. While in 2010 the healthcare sector issued \$31.4 billion in debt, representing 7.2% of the municipal market, charter school issuance totaled only \$935 million, or 0.2% of the overall market.
- There are a growing number of school districts in which charter schools serve either a significant number or a substantial share of public school children within the district. According to the National Alliance for Public Charter Schools, charter schools serve over 30,000 students in seven school districts and serve at least one of every five public school students in 20 school districts.
- The charter school growth rate is expected to increase due to greater public acceptance of charter schools as viable alternatives to traditional public schools, bi-partisan political support for promoting charter schools through initiatives such as the federal Race to the Top program, and ambitious growth plans for many of the larger, high-performing charter networks.
- There has been significant philanthropic support for the sector from recognizable names such as the Bill & Melinda Gates Foundation, the Walton Family Foundation and, most recently, Facebook founder, Mark Zuckerberg.

### FACTORS AFFECTING BORROWING COSTS

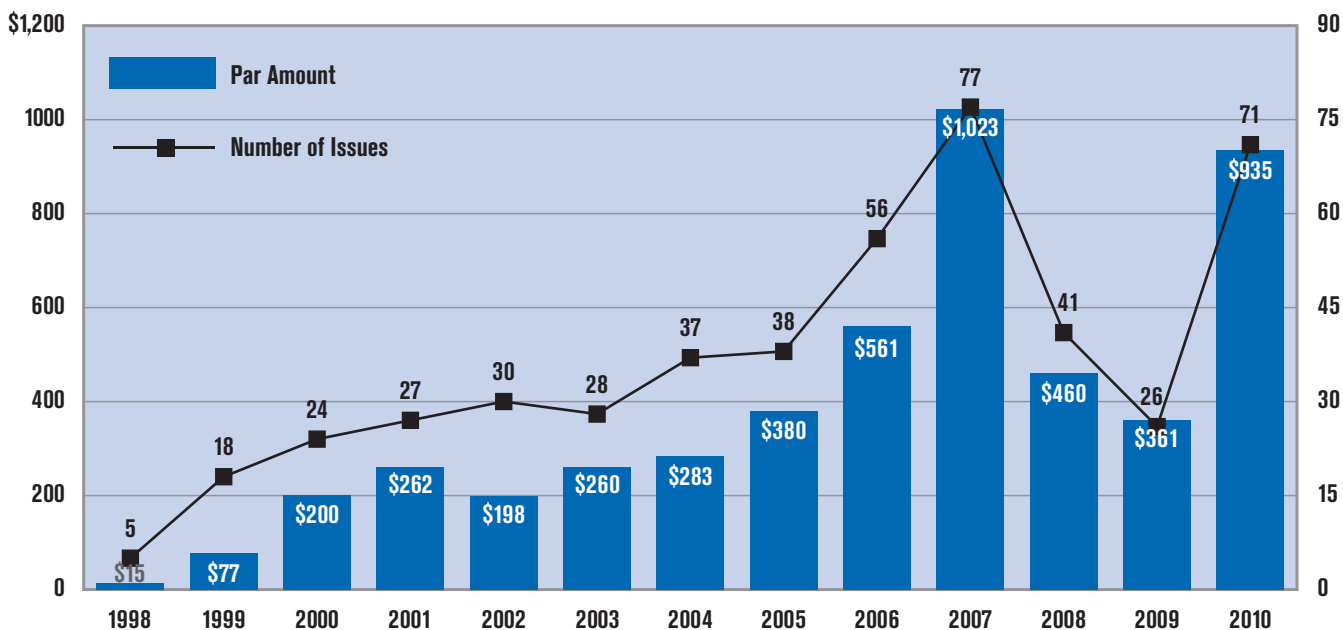
Unlike traditional school districts, charter schools do not have taxing authority and must rely on their operating revenues and limited public capital funds to pay for their facilities. Charter schools receive public operating funding, known as per pupil revenue, based on enrollment. This revenue varies by state, both in terms of the absolute dollar amount and the percentage a charter receives compared to a traditional district school in the same jurisdiction. Whereas traditional district schools use per pupil revenue to fund only their academic programs, charters essentially finance both their academic program and facilities through this operating revenue stream. Of the 41 jurisdictions with a charter law, only 11 provide additional per pupil funding specifically for facilities, with only three providing more than \$1,000 on a per pupil basis.

In contrast to traditional public schools that access the municipal market via direct issuance of school district general obligation bonds, charter schools must issue bonds based on a revenue pledge structure tied to their per pupil revenue. The difference in bondholder security results in interest rates and overall borrowing costs that are materially higher for charter schools than those for school districts that can offer investors their unlimited taxing powers. These cost differences are dependent upon a variety of factors, including:

- general market conditions at issuance
- presence and nature of rating, if applicable
- coupon type, either fixed or variable
- strength and structure of credit enhancement, if applicable
- bond term
- jurisdiction

## ISSUANCE TRENDS

### ANNUAL TOTAL CHARTER SCHOOL BOND ISSUANCE (\$ in Millions)



#### GROWTH IN BOND ISSUANCE

Through year-end 2010, the number of tax-exempt charter school transactions totaled 478, accounting for a par amount of just over \$5 billion and averaging \$10.5 million per issue. These transactions were undertaken by approximately 380 obligors, with some schools refinancing prior bonds and some issues serving more than one school. With the exception of Michigan, which allows charter schools to issue tax-exempt bonds directly, most charter school bonds have been issued through a conduit agency authorized by the state in which the school operates.

The volume of tax-exempt charter school bond issuance has increased significantly since Concord Academy issued the first bonds in Michigan in 1998. Except for reduced market activity during the credit crisis of 2008 and 2009, which affected all municipal sectors, there has been a clear upward trend of charter school issuance. Calendar year 2010 saw a substantial rebound back to 2007 levels, with 71 executed tax-exempt charter school transactions, an increase of 173% from the prior year. In addition, average issue size has been steadily increasing and the range of issue sizes has been expanding upward. In 2010, there were four bond issuances with par amounts above \$50 million.

#### RATED VERSUS UNRATED ISSUANCE

Of the 478 issues, 229 were issued with ratings and 251 were unrated (two of the bond issues had both a rated and an unrated series). The 229 rated issues had a total par amount of \$3.25 billion and an average issue size of just over \$14 million. The 251 unrated issues had a total par amount of \$1.76 billion and an average issue size of \$7 million. While charter school bond issuance has generally been increasing each year, there has been a change in the relative composition of the sector in terms of rated versus unrated offerings. Rated transactions represent an increasingly larger portion of the total number of offerings, rising from the 40% to 50% range from 2000 to 2006, to more than 60% of the total number of issues in 2010. The increase in terms of the par amount is even more pronounced due to the relatively larger size of rated issuances. In 2010, the par amount of rated bond issuances represented 79% of the total par issued.

The table on the following page summarizes annual issuance 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 key factor.

## AVERAGE ANNUAL COST & PRICING VARIABLES

Total Issuance									
Year	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
1998	5	\$14.9	8.00%	9.16%	5.00%	6.81%	6.99%	211	22.5
1999	18	\$76.8	7.59%	6.83%	3.27%	6.95%	6.98%	152	27.3
2000	24	\$200.1	8.97%	6.21%	2.97%	7.72%	7.89%	236	24.5
2001	27	\$261.5	8.41%	6.42%	2.91%	7.57%	7.67%	255	27.0
2002	30	\$198.4	7.84%	6.86%	2.70%	7.11%	7.26%	220	27.5
2003	28	\$259.9	7.72%	6.97%	2.69%	6.96%	7.03%	221	27.5
2004	37	\$283.0	7.17%	6.66%	2.50%	6.53%	6.55%	190	27.0
2005	38	\$379.5	6.62%	6.57%	2.52%	6.09%	6.02%	164	27.4
2006	56	\$560.5	6.36%	6.68%	2.41%	5.81%	5.79%	150	28.9
2007	77	\$1,022.9	6.12%	4.96%	2.00%	5.71%	5.65%	141	28.8
2008	41	\$460.3	7.21%	4.57%	1.74%	6.84%	6.83%	211	30.6
2009	26	\$360.5	8.30%	5.11%	1.90%	7.85%	7.85%	328	29.2
2010	71	\$935.4	7.22%	5.71%	2.02%	6.79%	6.62%	265	29.7
<b>All</b>	<b>478</b>	<b>\$5,013.8</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	<b>6.61%</b>	<b>6.59%</b>	<b>204</b>	<b>28.3</b>
Rated Issuance									
Year	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
1998	0	\$0.0	-	-	-	-	-	-	-
1999	3	\$9.6	7.24%	4.79%	1.77%	6.82%	6.82%	104	28.4
2000	10	\$153.4	7.38%	4.16%	2.14%	6.91%	7.09%	134	28.5
2001	10	\$165.9	7.55%	4.29%	2.10%	7.07%	7.20%	204	28.9
2002	13	\$102.3	6.94%	6.97%	1.91%	6.17%	6.32%	129	27.2
2003	10	\$164.0	5.73%	5.14%	1.17%	5.39%	5.45%	77	29.5
2004	18	\$190.5	5.91%	5.54%	1.36%	5.59%	5.53%	85	28.4
2005	21	\$233.3	5.68%	5.50%	1.55%	5.50%	5.34%	95	27.2
2006	22	\$269.6	5.83%	7.61%	1.88%	5.16%	5.10%	82	28.2
2007	41	\$707.7	5.72%	4.44%	1.62%	5.36%	5.30%	107	28.6
2008	20	\$233.2	6.99%	4.60%	1.53%	6.63%	6.65%	181	30.4
2009	16	\$281.0	7.98%	5.22%	1.86%	7.63%	7.63%	313	29.9
2010	45	\$740.3	6.78%	5.10%	1.90%	6.41%	6.36%	231	29.5
<b>All</b>	<b>229</b>	<b>\$3,250.8</b>	<b>6.46%</b>	<b>5.31%</b>	<b>1.73%</b>	<b>6.06%</b>	<b>6.05%</b>	<b>154</b>	<b>28.8</b>
Unrated Issuance									
Year	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
1998	5	\$14.9	8.00%	9.16%	5.00%	6.81%	6.99%	211	22.5
1999	15	\$67.2	7.68%	7.27%	3.60%	6.98%	7.03%	165	27.1
2000	14	\$46.7	10.16%	7.74%	3.59%	8.29%	8.55%	312	21.6
2001	17	\$95.6	9.13%	8.09%	3.54%	7.93%	8.04%	299	25.8
2002	18	\$96.1	8.68%	6.78%	3.33%	7.84%	7.97%	299	27.8
2003	18	\$95.9	8.92%	8.11%	3.55%	7.84%	7.92%	314	26.4
2004	19	\$92.5	8.10%	7.66%	3.59%	7.22%	7.30%	267	25.8
2005	17	\$146.2	7.61%	7.76%	3.67%	6.74%	6.78%	240	27.5
2006	34	\$291.0	6.75%	5.97%	2.80%	6.23%	6.24%	197	29.4
2007	36	\$315.2	6.61%	5.62%	2.49%	6.09%	6.01%	175	28.9
2008	21	\$227.2	7.39%	4.34%	1.90%	6.98%	6.97%	233	30.8
2009	10	\$79.5	8.89%	4.90%	1.99%	8.26%	8.32%	362	28.1
2010	27	\$195.2	8.10%	6.84%	2.26%	7.46%	7.06%	332	30.2
<b>All</b>	<b>251</b>	<b>\$1,763.0</b>	<b>7.88%</b>	<b>6.72%</b>	<b>3.02%</b>	<b>7.09%</b>	<b>7.08%</b>	<b>251</b>	<b>27.8</b>

## PRICING

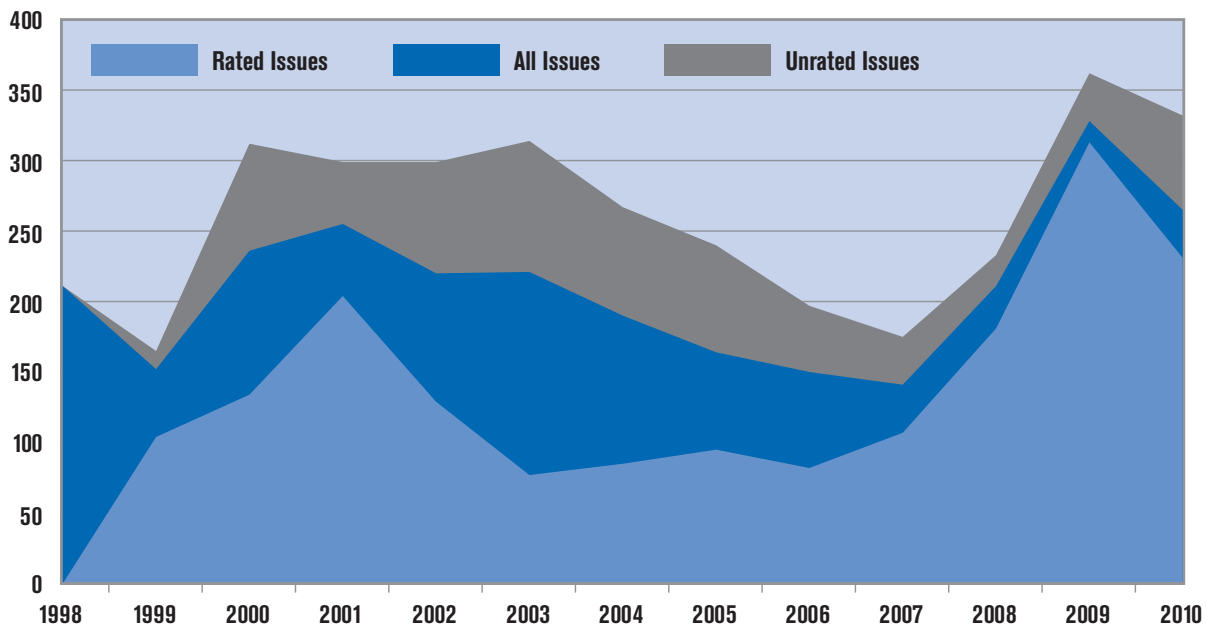
As a sector, charter school bonds, even those with investment grade ratings, are generally sold to the municipal market with higher interest rates than other revenue bond sectors, such as higher education, independent schools and healthcare. Much of the difference in this cost of capital is related to the relative immaturity of the sector and the lack of data and track record that naturally characterize younger sectors. Over the past 13 years, the average fixed-rate bond yield on the term bond with the longest maturity, which averaged just over 28 years, was 6.59%. For rated transactions, which ranged from below investment grade to triple-A insured issues, the average falls 54 basis points to 6.05%. Not surprisingly, for unrated transactions, the average increases 49 basis points to 7.08%.

This higher cost of capital is measured by the spread to the triple-A MMD, the interest rate differential measured in basis points between highly rated, triple-A municipal bonds and lower rated bonds. There has been significant volatility in charter school bond transactions in relation to MMD. The spread has averaged 204 basis points for all transactions, with an average spread of 154 basis points and 251 basis points for rated and unrated transactions,

respectively. The chart below shows average annual spreads to the triple-A MMD for rated, unrated and all charter school transactions based on the yield of the longest term bond. After several years of narrowing, spreads began to widen again in 2008 in response to the global credit crisis. Spreads peaked for all three categories in 2009. Rated charter bond issues priced an average of 313 basis points above MMD and unrated transactions priced an average of 362 basis points higher, resulting in a combined average of 328 basis points higher for the sector as a whole. While spreads narrowed in 2010, a period of significant charter school bond issuance, they remained well above historic levels.

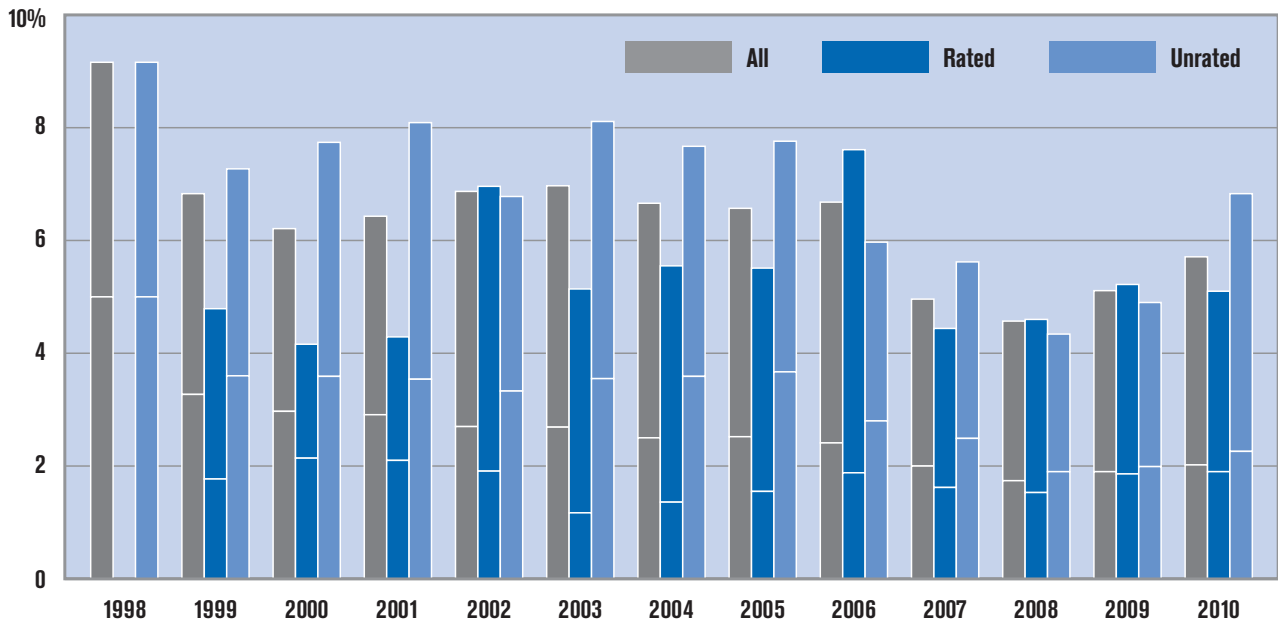
The net effect of the wide spreads between highly rated municipal bonds and lower rated bonds is that average interest rates for charter school bonds are significantly greater than most other municipal bonds. These higher rates translate into increased debt service expense for schools and more money put towards facility expenses rather than core educational programs.

**AVERAGE ANNUAL SPREAD TO MMD**  
(Basis Points)



## COSTS OF ISSUANCE

### AVERAGE ANNUAL COSTS OF ISSUANCE AS A PERCENTAGE OF PAR (Including Underwriter's Discount)



In addition to the interest a charter school pays for its borrowing, like other municipal bond borrowers, charter schools must bear certain costs in order to access the market, including legal fees, trustee fees, underwriter fees, and rating and credit enhancement fees, where applicable. The closing fee that has the most variance and represents a significant portion of total closing costs is the underwriter's discount, the fee paid to the underwriter to structure, price and market bonds to investors. Costs of issuance averaged 6.02% of the par amount of the offering, with an average underwriter's discount of 2.36% included in those costs.

These costs have been declining for charter schools. 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. While costs of issuance and underwriter's discount have remained fairly steady for rated transactions, averaging 5.31% and 1.73%, respectively, there has been a marked decline for unrated issuances driven in large part by a reduction in underwriting discounts. The average underwriter's discount on unrated bonds has fallen from 5% during charter schools' first year in the municipal market to 2% and below in recent years, with a corresponding drop in aggregate costs of issuance from the 8% range to the 5% range in the latter part of the decade. The chart above depicts average costs of issuance, with the share for underwriter's discount represented on the base portion and other costs of issuance on the top portion of each column.

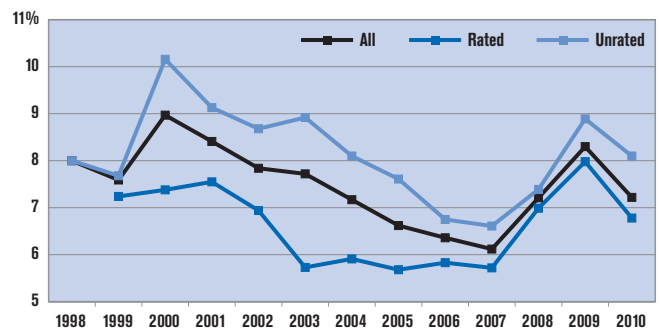
### ALL-IN COST

A school's true cost of capital, or All-In Cost, is calculated by taking both interest expense and costs of issuance into account. The All-In Cost for fixed-rate charter school bonds averaged 7.18% for the 13 years of charter

school issuance. There was a general decline in average All-In Costs from 8% in the first year charter schools accessed the municipal market until the low of 6.12% in the peak volume year of 2007. However, like many lower rated municipal securities, charter schools were greatly affected by the credit crisis in 2008, with market access extremely limited and rates near historic highs. Average All-In Costs rose significantly over this period, to 7.21% in 2008, 8.30% in 2009 and 7.22% in 2010.

For the wide range of rated transactions, the average All-In Cost was 6.46%, 72 basis points lower than the average for all transactions. Rated transactions followed a similar pattern of declining borrowing costs through 2007, when interest rates began to rise and issuances were severely limited. For unrated transactions, the average All-In Cost increases by 70 basis points to 7.88%. The chart below depicts the average annual All-In Costs for rated, unrated and all transactions.

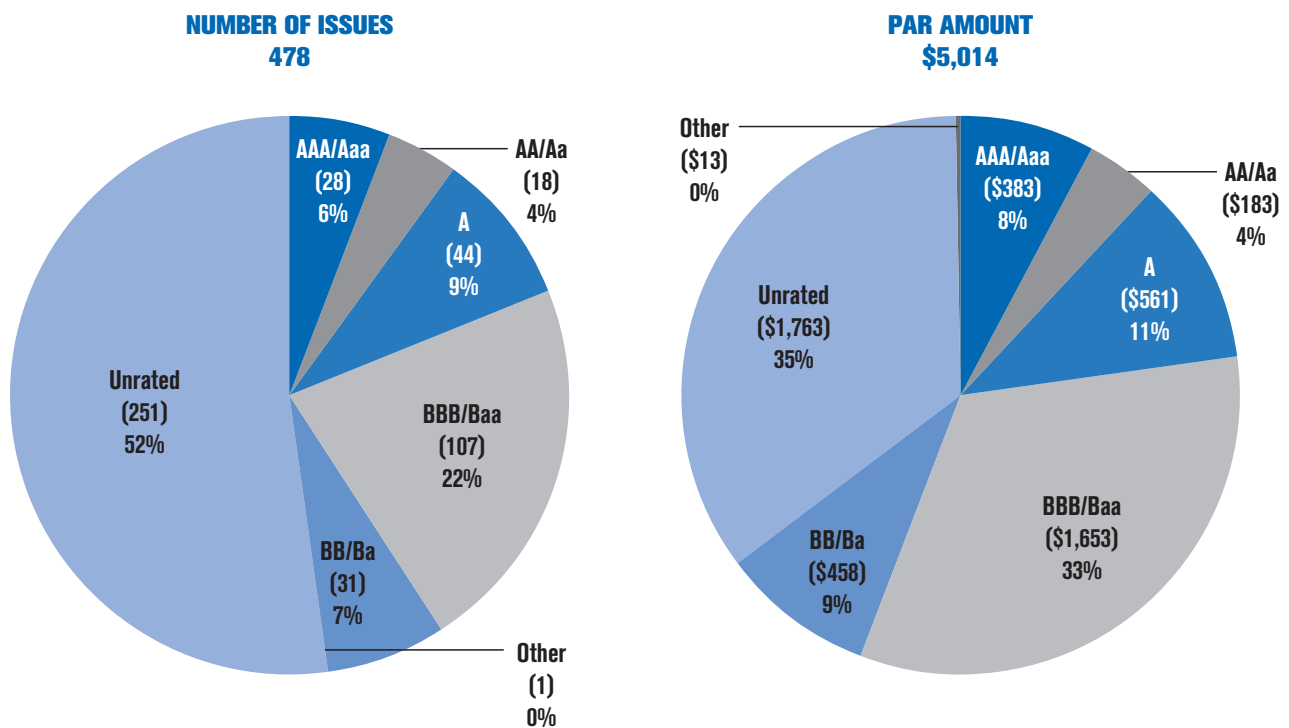
### AVERAGE ANNUAL ALL-IN COST



## FACTORS AFFECTING BORROWING COSTS

### RATING

#### AGGREGATE CHARTER SCHOOL BOND ISSUANCE BY RATING<sup>1</sup> (\$ in Millions)



<sup>1</sup> Tax-exempt issuances with ratings from more than one agency are shown using the lower of the ratings, where applicable.

Almost half of all charter school bond issuances, 229, have been rated. Ninety-one of these ratings, approximately 40%, were based on the strength of the credit enhancement rather than the school's own credit. Another five transactions were enhanced with letters of credit, but because they were privately placed, they were not publicly rated. Three others benefited from enhancement in the form of partial guarantees, but the ratings were considered unenhanced by the applicable rating agency. The 91 ratings for enhanced issues all garnered ratings of "A" or higher. Of the 138 unenhanced issues, 107 fell in the triple-B category, and the remaining 31 obtained non-investment grade ratings within the double-B category. The pie charts above illustrate the breakdown of unrated and rated transactions by major rating categories for both the number and par amount of issues.

In order to more accurately capture cost and pricing effects, the table on the following page divides the rated issues into the specific gradations within the major rating categories. As would be expected, All-In Costs are lower for the more highly rated issuances, ranging from lows of 5% or

under in the triple-A and double-A categories to highs of 7% and above for non-investment grade issuances in the double-B category. However, some of the averages have been skewed by a small number of issuances or market timing. For example, while there were six issuances with ratings of "AA-/Aa3," only two were issued on a fixed-rate basis with relevant pricing data. Thus, the average reflects only two issues that had an average term of just over 22 years, considerably shorter than those reflected in most of the other rating categories, and resulting in a relatively lower average of 4.52%. Similarly, the two issues with "BB-/Ba3" ratings were issued in 2006 and 2007, and thus have a relatively low average of 6.94%. For "BBB-/Baa3" rated issues, the largest category, the average All-In Cost was 6.85%.

Underwriter's discount follows the same general pattern, with discounts of roughly a percentage point for issuances rated "A" or above, increasing to the 2% range for those rated triple-B or lower. There is less of a trend line for costs of issuance. The highest average costs of issuance, 8.14%, were for the 41 issuances in the "A" category. This high average reflects 22 issues that had insurance and no other form of credit enhancement. As a



## AVERAGE COST & PRICING VARIABLES BY RATING

Rating	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+ (bps)	Term (Years)
AAA/Aaa	28	\$382.9	5.06%	3.72%	0.96%	5.00%	4.86%	30	28.4
AA+/Aa1	5	\$34.5	5.21%	7.00%	1.27%	4.80%	4.80%	25	19.6
AA/Aa2 <sup>1</sup>	7	\$97.4	-	3.36%	0.78%	-	-	-	25.5
AA-/Aa3	6	\$51.0	4.52%	4.76%	1.33%	4.63%	4.78%	11	27.4
A+/A1 <sup>1</sup>	3	\$34.1	-	2.42%	0.75%	-	-	-	27.6
A	41	\$527.1	6.26%	8.14%	1.75%	5.56%	5.48%	96	28.3
BBB+/Baa1 <sup>2</sup>	1	\$15.9	6.29%	3.22%	1.50%	6.00%	6.05%	198	25.4
BBB-/Baa	27	\$720.4	6.49%	4.15%	1.67%	6.19%	6.21%	179	29.7
BBB-/Baa3	79	\$916.8	6.85%	5.17%	2.04%	6.47%	6.48%	199	29.4
BB+/Ba1	21	\$288.1	7.15%	5.28%	2.29%	6.62%	6.69%	209	30.3
BB-/Ba2	8	\$157.4	7.22%	3.70%	1.70%	6.81%	6.89%	233	30.0
BB-/Ba3	2	\$12.2	6.94%	7.64%	2.00%	6.06%	6.06%	178	29.6
Other <sup>1,3</sup>	1	\$13.2	-	5.04%	0.75%	-	-	-	29.8
<b>All</b>	<b>229</b>	<b>\$3,250.8</b>	<b>6.46%</b>	<b>5.31%</b>	<b>1.73%</b>	<b>6.06%</b>	<b>6.05%</b>	<b>154</b>	<b>28.8</b>

<sup>1</sup> Variable-rate issues with no relevant data for pricing variables.

<sup>2</sup> Data for single bond offering issued in 2010.

<sup>3</sup> "Other" was a short-term, variable rating from Moody's.

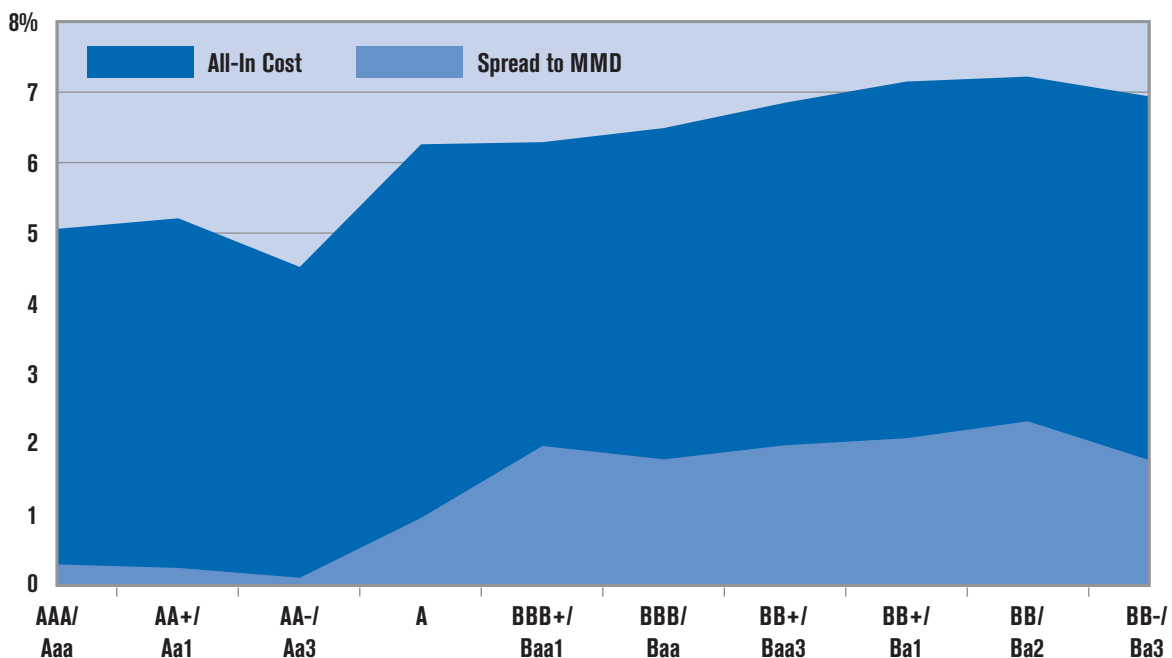
result, schools paid higher insurance premiums that drove costs of issuance above 10% of par for 15 of the issues. The average costs of issuance for the one-third of rated charter school transactions in the "BBB-/Baa3" category was 5.17%.

The chart below depicts the average spread to the triple-A MMD and average All-In Cost for charter schools based on their ratings at the time of issuance.

## Annual Issuance by Rating

Both the timing of issuance and the perceived credit strength of the offering, as indicated by the presence and nature of the rating, have affected charter school borrowing costs. The table on the following page takes both these factors into account. For greater analytical simplicity, ratings are aggregated into the major rating categories rather than by gradation within categories. As the table indicates, the range of categories varies by year, with some years having a diverse range of ratings and others relatively few.

## AVERAGE ALL-IN COST & SPREAD TO MMD BY RATING



## AVERAGE ANNUAL COST & PRICING VARIABLES BY RATING

Spread to MMD (Basis Points)							
Year	Triple-A	Double-A	A	Triple-B	Double-B	Unrated	All
1998	-	-	-	-	-	211	<b>211</b>
1999	-	-	-	104	-	165	<b>152</b>
2000	8	-	76	174	245	312	<b>236</b>
2001	-	-	-	167	270	299	<b>255</b>
2002	12	25	83	151	241	299	<b>220</b>
2003	22	8	60	166	-	314	<b>221</b>
2004	20	-	57	178	233	267	<b>190</b>
2005	32	-	44	116	168	240	<b>164</b>
2006	48	-	58	76	184	197	<b>150</b>
2007	43	-	67	117	149	175	<b>141</b>
2008	-	-	182	167	207	233	<b>211</b>
2009	-	14	130	340	466	362	<b>328</b>
2010	-	-	151	244	305	332	<b>265</b>
<b>All</b>	<b>30</b>	<b>16</b>	<b>96</b>	<b>194</b>	<b>213</b>	<b>251</b>	<b>204</b>
COI							
Year	Triple-A	Double-A	A	Triple-B	Double-B	Unrated	All
1998	-	-	-	-	-	9.16%	<b>9.16%</b>
1999	-	-	-	4.79%	-	7.27%	<b>6.83%</b>
2000	2.57%	-	5.20%	3.87%	7.77%	7.74%	<b>6.21%</b>
2001	-	-	-	4.68%	3.62%	8.09%	<b>6.42%</b>
2002	4.71%	6.55%	15.47%	4.23%	3.77%	6.78%	<b>6.86%</b>
2003	3.20%	2.01%	11.57%	4.60%	-	8.11%	<b>6.97%</b>
2004	3.78%	-	11.47%	5.22%	3.22%	7.66%	<b>6.66%</b>
2005	4.85%	-	5.88%	5.92%	6.44%	7.76%	<b>6.57%</b>
2006	4.13%	-	10.22%	4.75%	6.77%	5.97%	<b>6.68%</b>
2007	3.90%	-	7.10%	4.34%	4.22%	5.62%	<b>4.96%</b>
2008	-	-	2.30%	5.25%	5.55%	4.34%	<b>4.57%</b>
2009	-	3.42%	4.38%	5.53%	4.47%	4.90%	<b>5.11%</b>
2010	-	-	4.26%	5.23%	6.17%	6.84%	<b>5.71%</b>
<b>All</b>	<b>3.72%</b>	<b>4.46%</b>	<b>8.14%</b>	<b>4.90%</b>	<b>5.07%</b>	<b>6.72%</b>	<b>6.02%</b>
All-In Cost							
Year	Triple-A	Double-A	A	Triple-B	Double-B	Unrated	All
1998	-	-	-	-	-	8.00%	<b>8.00%</b>
1999	-	-	-	7.24%	-	7.68%	<b>7.59%</b>
2000	5.84%	-	7.52%	7.65%	8.95%	10.16%	<b>8.97%</b>
2001	-	-	-	7.22%	8.14%	9.13%	<b>8.41%</b>
2002	5.41%	5.21%	7.41%	6.94%	7.89%	8.68%	<b>7.84%</b>
2003	5.05%	4.60%	6.49%	6.29%	-	8.92%	<b>7.72%</b>
2004	5.17%	-	6.17%	6.71%	7.34%	8.10%	<b>7.17%</b>
2005	4.85%	-	5.88%	5.92%	6.44%	7.61%	<b>6.62%</b>
2006	4.80%	-	6.00%	5.39%	6.88%	6.75%	<b>6.36%</b>
2007	4.93%	-	5.61%	5.74%	6.17%	6.61%	<b>6.12%</b>
2008	-	-	7.15%	6.90%	6.94%	7.39%	<b>7.21%</b>
2009	-	4.44%	5.50%	8.38%	9.98%	8.89%	<b>8.30%</b>
2010	-	-	5.97%	6.85%	7.91%	8.10%	<b>7.22%</b>
<b>All</b>	<b>5.06%</b>	<b>4.75%</b>	<b>6.26%</b>	<b>6.75%</b>	<b>7.15%</b>	<b>7.88%</b>	<b>7.18%</b>

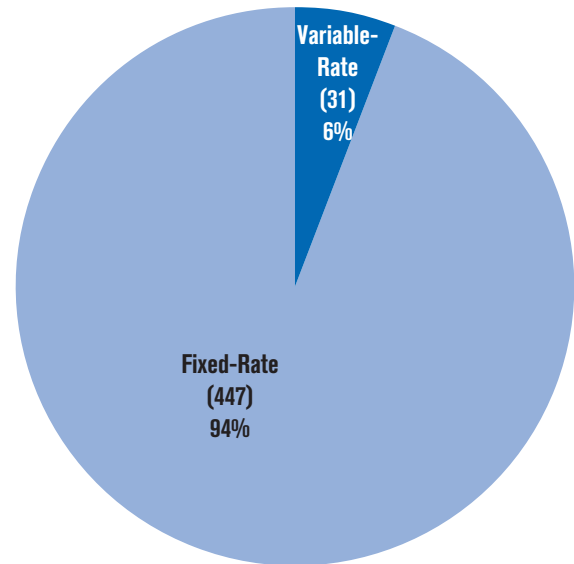
Certain trends emerge when accounting for both market conditions and credit strength. The spread to the triple-A MMD has remained close to historically high levels for lower rated and unrated bonds since the credit crisis began in 2008. In 2009, spreads to MMD averaged 340 basis points for triple-B rated issues and 362 basis points for unrated issues. The spread of 466 basis points in the double-B category represents a single issue that priced in the trough of the market in the first quarter of 2009. In 2010, the average spread narrowed somewhat for triple-B rated issues, falling to 244, but remained above historic averages. Double-B and unrated issues continued to price more than 300 basis points above MMD on average during the year. Given the fact that in the current market, most charter schools must issue on an unenhanced basis with debt that is either unrated or that has ratings no higher than the triple-B category, these spreads are a cause for concern for schools in need of affordable, long-term financing.

These higher interest rates are apparent in the All-In Costs schools have faced since 2008. While costs of issuance have experienced a general downward trend, particularly for unrated issuances, All-In Costs remain high. After peaking in 2009, with an average All-In Cost of 8.38% for triple-B rated issues and almost 9% for unrated issues, All-In Costs have remained close to 7% for triple-B rated issues and at approximately 8% for both double-B rated and unrated issues. These high costs are often not affordable for charter schools concerned with preserving the strength of their academic program.

## COUPON TYPE

The large majority of charter school bond issues, 447, were issued on a fixed-rate basis. Only 31, or 6%, were issued with variable rates. These 31 issues totaled \$306 million.

### NUMBER OF ISSUES BY COUPON TYPE



Variable-rate issues normally entail lower interest costs, but are subject to interest rate risk at the time of reset. The 31 variable-rate transactions were generally issued with enhancement in the form of a letter of credit. On average, they had a slightly shorter term, 25.8 years, compared to 28.4 years for the majority of fixed-rate charter school issuances. Because of the variable nature of the interest costs, it is not possible to calculate All-In Cost from the offering documents available at the time of issuance. However, as detailed in the table below, underwriting discounts and costs of issuance tend to be significantly lower for these transactions because the underwriter generally accepts a smaller up-front fee in exchange for ongoing annual remarketing fees associated with variable-rate issues.

### AVERAGE COST & PRICING VARIABLES BY COUPON TYPE

Coupon	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
Variable-Rate	31	\$306.3	-	4.74%	0.91%	-	-	-	25.8
Fixed-Rate	447	\$4,707.5	7.18%	6.08%	2.45%	6.61%	6.59%	204	28.4
<b>All</b>	<b>478</b>	<b>\$5,013.8</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	<b>6.61%</b>	<b>6.59%</b>	<b>204</b>	<b>28.3</b>

## CREDIT ENHANCEMENT TYPE

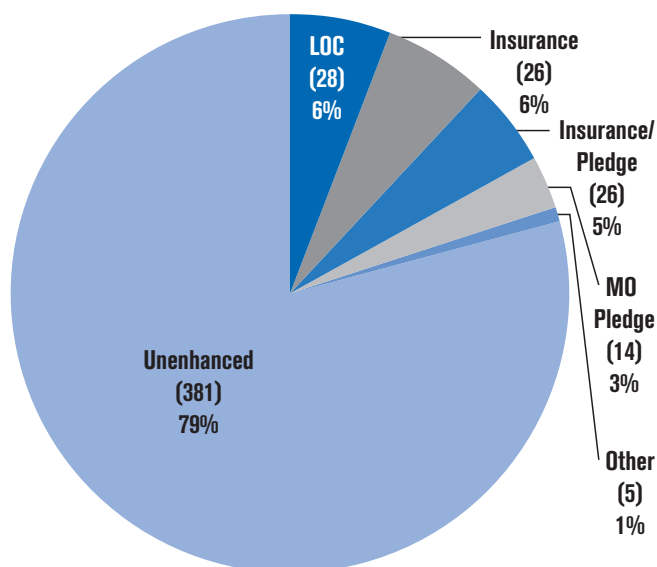
In order to achieve higher credit ratings and lower interest rates, many charter schools have utilized credit enhancement to further secure their bond offerings. Two states, Colorado and Indiana, statutorily allow the use of a moral obligation pledge (MO pledge) in connection with charter school revenue bonds, although only Colorado charter schools have been able to take advantage of this credit enhancement tool on a regular basis. With this pledge, the state or municipality is legally authorized, although not required, to make an appropriation out of general revenues to replenish a debt service reserve fund that has been drawn upon to meet debt service payments to bondholders in the event a charter school is unable to make its scheduled payments. As such, the MO pledge effectively substitutes the credit strength of the state or municipality for that of the charter school, resulting in significant interest savings for the school.

Ninety-nine, or 21%, of the 478 charter school bond offerings were issued with some form of credit enhancement, including bond insurance, a moral obligation pledge, a letter of credit (LOC), a general obligation pledge from a school district, other third-party guarantees from foundations or grantees of the U.S. Department of Education's Credit Enhancement for Charter School Facilities Program, or some combination of the above. These enhanced issues accounted for 27% of the total par amount of charter school bond issuance, approximately \$1.38 billion.

As discussed extensively in LISC's *2010 Landscape*, the collapse of the municipal bond insurers and the downgrading of many banks providing letters of credit for charter school issuances negatively affected the credit enhancement available for charter school borrowers, with almost all schools now forced to access the municipal market on an unenhanced basis.

The table below includes pricing information for bonds issued with various forms of enhancement, together with information for unenhanced offerings for comparison purposes. The lowest borrowing costs were achieved through enhancement that combined a state or school district's credit strength with that of an insurer at the time of pricing. The 26 issues that benefited from this dual form of enhancement had an average All-In Cost

## NUMBER OF ISSUES BY CREDIT ENHANCEMENT TYPE



of less than 5% and significantly lower costs of issuance and underwriting fees. The five issuances with "Other" forms of enhancement had the next lowest cost of funds. These transactions were primarily closed in late 2009 and 2010 and were enhanced with third-party guarantees from foundations, federal credit enhancement program recipients and others.

The 26 issues that were insured, but had no other credit enhancement, had an average All-In Cost more than a percentage point lower than that of unenhanced transactions. However, these insured transactions fell on the more expensive side of the enhanced issues because of high insurance premiums. These premiums drove up costs of issuance to extremely high levels, increasing All-In Cost. Fifteen of the 26 bond issues sold solely with insurance had costs of issuance in excess of 10% of the par amount of the bonds. Of the 28 bond transactions enhanced with letters of credit, 26 were variable-rate with no relevant pricing data. The averages included in the table below for letter of credit enhanced transactions reflect two bond offerings that were issued on a fixed-rate basis.

### AVERAGE COST & PRICING VARIABLES BY CREDIT ENHANCEMENT TYPE

Enhancement	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
Insurance	26	\$416.2	6.23%	10.13%	1.92%	5.29%	5.21%	55	27.0
Insurance/Pledge	26	\$349.8	4.96%	3.76%	0.95%	4.93%	4.77%	31	28.2
Moral Obligation	14	\$134.2	6.21%	3.49%	1.45%	6.10%	6.03%	152	30.3
Letter of Credit	28	\$284.7	6.34%	4.99%	1.04%	5.65%	5.65%	25	25.2
Other	5	\$191.8	6.10%	3.48%	1.64%	5.85%	5.95%	163	30.1
Unenhanced	381	\$3,637.1	7.49%	6.10%	2.65%	6.86%	6.85%	230	28.5
<b>All<sup>1</sup></b>	<b>480</b>	<b>\$5,013.8</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	<b>6.61%</b>	<b>6.59%</b>	<b>204</b>	<b>28.3</b>

<sup>1</sup> Two issues had enhanced and unenhanced series.

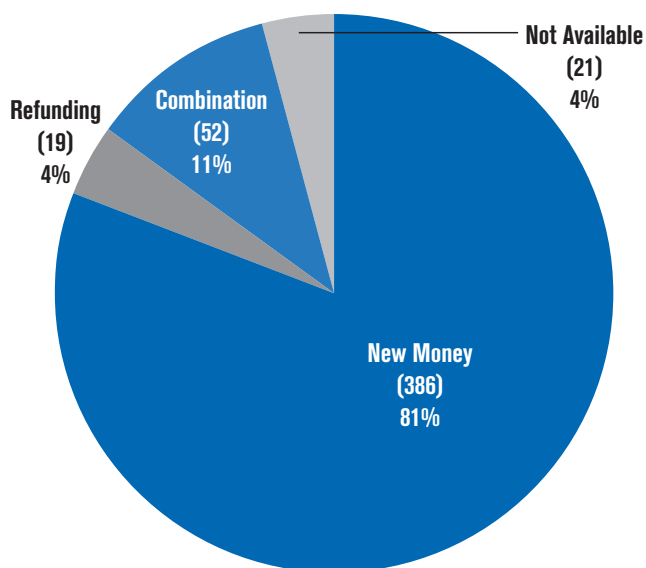
Given the fiscal situation and higher rates charter schools have historically paid for facilities debt, it is an opportune time for more highly rated governmental borrowers to use their stronger credit to reduce the interest charter schools pay with public dollars. Expansion of state, municipal or federal credit enhancement programs that essentially use balance sheet pledges rather than appropriated funds to reduce interest expense for charter schools would be an extremely efficient use of a stronger governmental credit in a tight fiscal environment. One option is to involve the stronger state or municipal credit directly, as in the case of Colorado's moral obligation program or school district guarantees, for charter school debt. Another option is to use other public assets, such as the credit enhancement program being considered in Texas that would make charter schools eligible for guarantees from the \$23 billion Permanent School Fund managed by the State Board of Education. A third option is to expand federal programs such as the guarantee program for community development financial institutions established by the Small Business Jobs Act of 2010, which provides federal guarantees for community or economic development loans. These types of programs would allow charter schools to borrow at substantially lower rates without any expenditure of public funds, except in the event of default.

### USE OF PROCEEDS

Of the 478 bond offerings that have been issued by, or on behalf of, charter schools, 386, or 81%, were for new money purposes. Nineteen issues, or 4%, were straight refundings of prior bond issues. Almost half of the refunding issues refinanced prior bond debt through the lower interest rates available through Colorado's moral obligation program. An additional 52 issues, or 11%, were combination new money and refunding issues, including another ten issues through Colorado's moral obligation program. There was no publicly available information for the remaining 21 bond offerings, or 4% of all issuances.

As would be expected, the All-In Cost, costs of issuance and underwriter's discount were highest for the new money issues and lowest for the straight refunding issues. New money issues averaged roughly 1.5% more in All-In

### NUMBER OF ISSUES BY USE OF PROCEEDS



Cost, nearly 2% more in costs of issuance as a percentage of par, and almost a percentage point higher in terms of underwriter's discount. Given the magnitude of the various uses, it is possible to estimate that charter schools have borrowed roughly \$4.4 billion to finance the acquisition, construction and renovation of their facilities, exclusive of refunding. This assumes that half of the combination issues were for refinancing. At a weighted average borrowing cost of 6.65%, this translates into an annual interest expense of \$294 million to provide school buildings for public charter school students. Given an average spread to MMD of 204 basis points, charter schools are paying roughly \$90 million more in interest expense each year than they would if their debt were undertaken by a triple-A rated borrower. With higher spreads in the current market, these marginal outlays are projected to increase going forward.

### AVERAGE COST & PRICING VARIABLES BY USE OF PROCEEDS

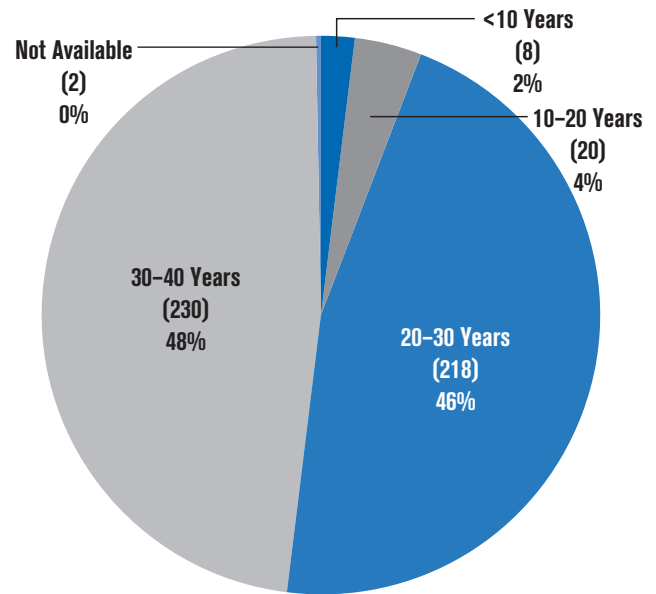
Use	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
New Money	386	\$3,905.8	7.37%	6.24%	2.44%	6.74%	6.74%	217	28.2
Refunding	19	\$202.8	5.79%	4.34%	1.62%	5.64%	5.54%	101	27.6
Combination	52	\$768.1	6.46%	5.06%	2.11%	6.07%	6.04%	155	29.1
Not Available	21	\$137.1	Na	Na	Na	6.52%	6.38%	181	27.6
<b>All</b>	<b>478</b>	<b>\$5,013.8</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	<b>6.61%</b>	<b>6.59%</b>	<b>204</b>	<b>28.3</b>

## BOND TERM

Almost all of the 478 charter school bond issuances, 94%, were long-term issuances of 20 years or more. Eight issuances, or 2%, had terms of less than ten years. Half of these short-term issuances occurred in 2000, early in the sector's history, and all but one occurred prior to 2006. Another 20 issues, or 4%, had intermediate terms of between ten and 20 years; however, half of these issuances had terms of over 19 years.

The table below divides the 478 issues into a greater number of maturity ranges in order to more accurately capture effects on cost and pricing. While offerings with longer terms would be expected to have higher interest rates and All-In Costs, the averages below indicate that market timing and development may have been more important factors. The relatively small number of short-term issuances of five years or less have the most expensive All-In Cost primarily because they occurred early in the sector's development. There were also only three transactions in the 10–15 year range, all of which occurred before 2004. For the two main ranges with a significant number of data points – 25 to 30 years and 30 to 35 years – coupons, yields and All-In Costs are consistent with a more traditional yield curve, with the shorter term bonds having lower interest rates.

**NUMBER OF ISSUES BY BOND TERM**



**AVERAGE COST & PRICING VARIABLES BY BOND TERM**

Term	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
<5 Years	5	\$14.9	11.55%	8.83%	2.74%	7.56%	7.75%	307	3.3
5-10 Years	3	\$11.7	6.47%	6.24%	2.25%	6.21%	6.23%	179	9.5
10-15 Years	3	\$5.0	8.94%	10.39%	4.00%	7.07%	7.15%	281	13.3
15-20 Years	17	\$120.5	8.10%	7.78%	3.08%	6.95%	7.03%	274	18.1
20-25 Years	38	\$257.0	7.30%	7.42%	2.59%	6.48%	6.50%	185	22.5
25-30 Years	180	\$1,960.6	6.91%	6.01%	2.19%	6.39%	6.38%	185	28.7
30-35 Years	219	\$2,378.0	7.22%	5.60%	2.41%	6.75%	6.71%	213	30.3
35-40 Years	11	\$262.5	7.15%	5.23%	2.03%	6.93%	6.93%	249	36.4
Not Available	2	\$3.7	Na	Na	Na	Na	Na	Na	Na
<b>All</b>	<b>478</b>	<b>\$5,013.8</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	<b>6.61%</b>	<b>6.59%</b>	<b>204</b>	<b>28.3</b>

## STATE

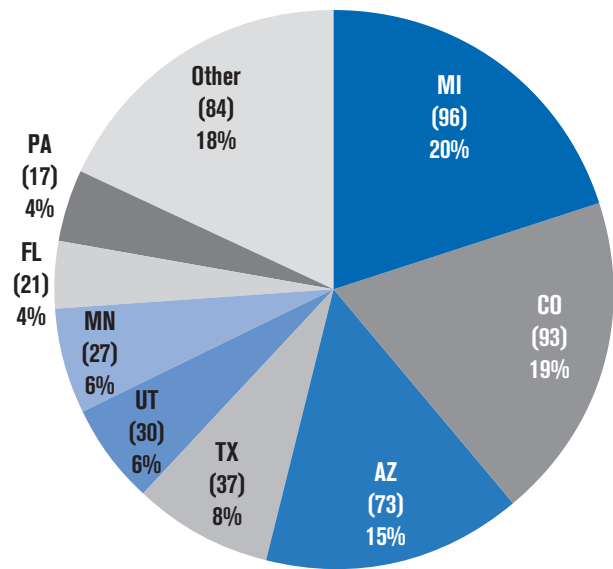
Due in part to the fact that Michigan allows charter schools, or public school academies as they are called in the state, to issue tax-exempt bonds directly, it has the most charter school bond issuances, 96. Michigan is closely followed by Colorado, with 93, and then Arizona, with 73. These three states account for 262, or 55%, of the 478 charter school bond issuances. Five other states each have more than 15 charter school bond issuances, including Texas, Utah, Minnesota, Florida and Pennsylvania. An additional 21 states account for the remaining 84 charter school bond issuances, or 18% of the total.

The table on the following page lists the number and par amount of issuances in all 29 states that have had charter school bond offerings, together with cost and pricing data. While Michigan had the most

issuances, its schools also had the highest cost of funds. This is largely due to the fact that 69, or 72%, of Michigan charter school bond issuances were unrated. Similarly, in Arizona, 49, or 67%, of charter school bond issuances were unrated, resulting in higher capital costs. In contrast, in Colorado, only 35, or 38%, of issuances were unrated. Of the remaining 58 rated transactions in Colorado, almost two-thirds benefited from higher ratings and lower costs due to the State's moral obligation pledge. A few states had average All-In Costs lower than Colorado's; however, they did not have the same magnitude of issuance. For example, Illinois' 11 charter school issuances had an average All-In Cost of 6.03%, largely due to the fact that over half were issued in 2006 and 2007 when market rates were lowest for charter schools.

In certain jurisdictions, it is difficult or impossible for charter schools to borrow via an in-state conduit issuer due to political opposition to charter school use of available issuers or to the absence of a legally available conduit for charter schools, as is currently the case in New York City. As a result, charter schools have turned to out-of-state issuers. To date, only three schools have used out-of-state entities to issue tax-exempt bonds on their behalf. However, a number of conduit issuers have recently made it easier for out-of-state borrowers to obtain their approval to access the bond market. Specifically, the required nexus that links a borrower and an out-of-state issuer is now much more loosely applied, and many issuers are interpreting the required "local benefit" to include borrower payment of the issuer's fee. A relatively new issuer, the Wisconsin Public Facilities Authority (WPFA), is authorized to work with out-of-state charter schools, and its approval process does not require a secondary approval by a political body, such as a city council, in addition to that of WPFA's board. Such secondary approval is normally required by local conduit issuers.

## NUMBER OF ISSUES BY STATE



## AVERAGE COST & PRICING VARIABLES BY STATE

State	# of Issues	Par Millions	All-In Cost	COI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
MI	96	\$603.4	8.11%	7.76%	3.65%	7.17%	7.25%	252	27.5
CO	93	\$834.8	6.48%	3.93%	1.46%	6.25%	6.18%	147	28.6
AZ	73	\$747.6	7.36%	6.44%	2.46%	6.83%	6.70%	233	29.6
TX	37	\$596.2	7.07%	7.76%	2.72%	6.40%	6.42%	201	28.3
UT	30	\$290.4	6.97%	4.68%	1.68%	6.60%	6.56%	221	30.6
MN	27	\$217.3	7.76%	6.72%	3.22%	6.99%	6.98%	222	26.8
FL	21	\$351.6	6.42%	4.78%	1.50%	6.10%	6.11%	157	27.6
PA	17	\$256.4	6.48%	4.84%	1.74%	6.08%	6.03%	169	26.9
IL	11	\$151.2	6.03%	6.84%	1.67%	5.38%	5.24%	89	25.9
CA	10	\$219.3	6.91%	4.91%	2.15%	6.65%	6.67%	215	31.8
MA	10	\$166.2	7.36%	4.40%	1.03%	6.71%	6.59%	199	24.7
ID	9	\$43.8	7.38%	6.54%	1.95%	6.77%	6.75%	233	27.9
DC	7	\$121.3	5.54%	6.55%	0.81%	5.04%	4.93%	52	27.0
NY	6	\$84.4	7.00%	6.84%	2.85%	6.65%	6.73%	235	30.0
DE <sup>1</sup>	4	\$43.9	6.91%	6.18%	1.75%	6.31%	6.29%	234	28.6
MO	4	\$44.8	6.43%	9.15%	2.83%	5.64%	5.68%	137	26.4
NC <sup>2</sup>	4	\$41.8	-	3.01%	0.90%	-	-	-	22.1
NJ	4	\$33.2	6.68%	3.66%	1.47%	6.42%	6.47%	209	26.6
IN	3	\$42.9	8.19%	5.20%	1.58%	8.00%	7.70%	330	29.9
AK	2	\$13.9	6.08%	5.47%	1.85%	5.63%	5.75%	157	26.7
WI	2	\$20.9	6.30%	6.71%	2.10%	5.70%	5.79%	152	30.2
GA	1	\$17.2	4.44%	3.42%	0.90%	4.50%	4.65%	14	19.9
MD	1	\$13.7	6.61%	6.24%	2.25%	6.13%	6.20%	204	35.3
NM	1	\$6.7	7.00%	4.74%	1.70%	6.63%	6.63%	225	30.0
NV <sup>1</sup>	1	\$7.7	7.73%	5.51%	2.00%	7.25%	7.25%	256	30.4
OH <sup>1</sup>	1	\$24.6	7.69%	7.80%	3.75%	7.00%	7.00%	284	30.0
OR	1	\$3.4	7.59%	6.01%	2.50%	7.00%	7.00%	265	29.9
RI <sup>2</sup>	1	\$7.0	-	2.71%	0.40%	-	-	-	29.9
SC <sup>2</sup>	1	\$8.4	-	Na	0.46%	-	-	-	30.4
<b>All</b>	<b>478</b>	<b>\$5,013.8</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	<b>6.61%</b>	<b>6.59%</b>	<b>204</b>	<b>28.3</b>

<sup>1</sup> Three bond issues for schools in Delaware, Nevada and Ohio that were issued through the Pima County Industrial Development Authority in Arizona have been classified by school location rather than by issuer jurisdiction.

<sup>2</sup> Variable-rate issues with no relevant data for pricing variables.



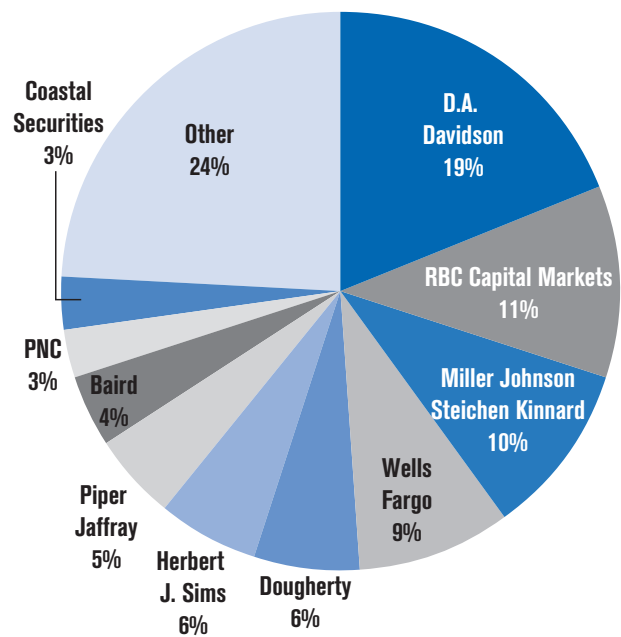
## UNDERWRITER

Roughly three-quarters of all charter school bond issuance has been underwritten by ten firms, one of which is no longer in business (Miller Johnson Steichen Kinnard). These ten firms underwrote 361 bond offerings totaling \$3.76 billion. The remaining quarter of issuances were underwritten by over 40 firms. Several of the top ten charter underwriters merged with other entities over the past decade, and we have aggregated data where applicable for analysis purposes. Specifically, data from Kirkpatrick Pettis and D.A. Davidson are combined in the accompanying graph and table, as are data for Dain Rauscher and RBC Capital Markets, for A.G. Edwards, Wachovia and Wells Fargo, and for Kinnard and Miller Johnson Steichen in its various forms.

The underwriter's discount has ranged considerably. As detailed in the table below, the average underwriter's discount varied between 1.5% and 4.2%. Variations on individual transactions were even greater, ranging from a low of 0.35% to a high of over 6%.

As previously discussed, up-front underwriting discounts tend to be lower for variable-rate issues due to annual remarketing fees of several basis points that the underwriter receives on an ongoing basis. There are three variable-rate issues included in the averages for Wells Fargo and RBC Capital Markets and two in the averages for PNC. However, the large majority of variable-rate transactions included in these figures, 23 of 31, fall in the "Other" category, helping to drive down the average for those 117 issues. The variable-rate issues do not materially affect the averages for Wells Fargo or RBC Capital Markets, but they do lower the average for PNC from 1.63% to 1.51% and the average for the "Other" category from 1.83% to 1.65%.

## NUMBER OF ISSUES BY UNDERWRITER



Two firms that served as underwriter for 16% of all charter school issues, Herbert J. Sims and Miller Johnson Steichen Kinnard, had the highest underwriter's discounts. Herbert J. Sims had an average underwriting discount of 4.21% for 30 fixed-rate charter school transactions executed between 2003 and 2007. All but one of these transactions was unrated. Miller Johnson Steichen Kinnard's average discount was slightly lower, at 4.12%, for 50 transactions executed primarily between 1998 and 2002.

## AVERAGE COST & PRICING VARIABLES BY UNDERWRITER

Underwriter	# of Issues	Par Millions	All-In Cost	GOI	UD	Coupon	Yield	MMD+(bps)	Term (Years)
D.A. Davidson	89	\$930.0	6.68%	3.78%	1.57%	6.46%	6.39%	175	29.0
RBC Capital Markets	53	\$795.5	6.95%	6.31%	2.33%	6.44%	6.25%	193	29.3
Miller Johnson Steichen Kinnard	50	\$183.6	8.84%	8.62%	4.12%	7.73%	7.85%	273	25.6
Wells Fargo	44	\$540.8	6.01%	4.92%	1.58%	5.65%	5.66%	129	28.9
Dougherty	30	\$294.0	7.52%	7.54%	3.60%	6.84%	6.84%	230	29.2
Herbert J. Sims	30	\$211.9	8.05%	8.62%	4.21%	6.98%	7.05%	255	26.9
Piper Jaffray	22	\$230.5	7.71%	5.74%	2.11%	7.15%	7.18%	291	30.7
Baird	18	\$239.7	7.32%	6.01%	1.82%	6.88%	6.83%	253	30.7
PNC	13	\$199.0	6.47%	3.92%	1.51%	6.27%	6.19%	192	29.3
Coastal Securities	12	\$132.2	7.13%	9.63%	3.75%	6.19%	6.22%	174	26.1
Other	117	\$1,256.7	6.88%	5.61%	1.65%	6.40%	6.39%	185	27.5
<b>All</b>	<b>478</b>	<b>\$5,013.8</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	<b>6.61%</b>	<b>6.59%</b>	<b>204</b>	<b>28.3</b>



## REPAYMENT PERFORMANCE

### CHARTER SCHOOL BOND DEFAULT RATES

Category	Number of Issues			Par in Millions		
	Defaults	Total	Rate	Defaults	Total	Rate
Investment Grade Rating	0	198	0.0%	\$0.00	\$2,793.2	0.0%
Non-Investment Grade Rating	1	31	3.2%	\$2.60	\$457.6	0.6%
<b>Rated Issues</b>	<b>1</b>	<b>229</b>	<b>0.4%</b>	<b>\$2.60</b>	<b>\$3,250.8</b>	<b>0.1%</b>
<b>Unrated Issues</b>	<b>14</b>	<b>251</b>	<b>5.6%</b>	<b>\$116.90</b>	<b>\$1,763.0</b>	<b>6.6%</b>
<b>Total<sup>1</sup></b>	<b>15</b>	<b>478</b>	<b>3.1%</b>	<b>\$119.40</b>	<b>\$5,013.8</b>	<b>2.4%</b>

<sup>1</sup> Two issues had rated and unrated series.

### DEFAULT RATES & CHARACTERISTICS

Fifteen, or 3.1%, of the charter school bond transactions included in this report have experienced a monetary default in which bondholders did not receive full or timely debt service payments. In terms of the dollar amount of debt originated, the default rate for the sector is 2.4%. None of the defaulted bond issues had investment grade ratings at issuance, and only one, a 2000 offering in Michigan, had a non-investment grade “Ba1” rating from Moody’s. The single default for rated issues represents a default rate of 0.4% in terms of the number of issues and 0.1% in terms of par originated. The 14 defaults for unrated issues represent a default rate of 5.6% in terms of the number of issues and 6.6% in terms of par originated.

In the defaulted transactions, underwriters were primarily limited to selling the bonds to an “accredited investor” or a “qualified institutional buyer” due to the absence of a rating, the nature of the pledged revenue and the higher risk of default. Details of these defaulted transactions are included in Appendix D, with pertinent credit characteristics summarized below. The debt service coverage ratio (DSCR) and debt burden figures are based on the first full year of debt service with no capitalized interest.

#### CREDIT CHARACTERISTICS OF DEFAULTED TRANSACTIONS

Variable	Average	High	Low
Age at Issuance (Years)	3.9	6.6	(0.4)
Enrollment at Issuance	330	1,025	0
DSCR	1.6	3.3	1.1
Debt Burden (% of Revenue)	18%	25%	11%
Default from Opening (Years)	7.7	11.8	2.3
Default from Issuance (Years)	3.9	7.7	0.5

Each defaulted charter school transaction had its own unique circumstances and specific reasons for the school being unable to meet its debt service obligations, ranging from failure to maintain or achieve projected enrollment (seven of the defaults), to mismanagement and/or criminal activity (four of the defaults) to poor academic performance (four of the defaults). However, certain general conclusions can be drawn:

- **Bond Rating:** No charter school bond assigned an investment grade rating has defaulted, and there has been only one default on the 31 charter school bonds assigned a non-investment grade rating at issuance.
- **Type of School:** All of the schools in the defaulted transactions were stand-alone schools. No evidence was found that any school that is part of a nonprofit charter network has defaulted on its payments.
- **Size of School:** Average enrollment at issuance for the schools was 330, and six of the schools had enrollments of fewer than 200 students.
- **Age of School:** The average age of schools at issuance was 3.9 years, with five of the schools three years or younger in age.
- **Quality of Credit Analysis:** As with any new sector, there has been a learning curve in terms of understanding the key drivers of risk in the charter sector. A number of these defaulted transactions would not be underwritten under current standards or purchased by investors familiar with the fundamental elements of charter risk.

## BEST PRACTICES IN CREDIT ANALYSIS

Examination of the characteristics of the schools and bond issuances for the 15 defaulted transactions illustrates an improvement in charter school credit analysis over the 13-year period of issuance that is beneficial both to investors in the bonds and the schools themselves. Given the absence of a rating in all but one of the defaulted transactions, the sophistication of this credit analysis by underwriters and investors is crucial.

An important element of these transactions that would be more closely examined under current credit analysis practices is the enrollment trend for these schools. Seven of the 15 schools either had declining enrollment trends or a drop in enrollment in the year of bond issuance. While the various disclosure documents generally had an explanation for such decreases, the revenue associated with each lost student for smaller schools, like the ones generally represented here, was likely material to the school's ability to make its debt service payments.

Also informative is the lack of emphasis on the debt burden the schools were assuming with these transactions. While debt service coverage ratios averaged a seemingly healthy 1.6x, there was little or no consideration in the various disclosure documents of a standard analytical benchmark used to evaluate current transactions, the share of revenues dedicated to debt service and lease expense for facilities. Ideally, this benchmark should fall within the 12% to 15% range, although some nonprofit lenders will allow percentages ranging between 15% and 20% during the period of enrollment growth for early-stage schools. Debt service and lease expense as a percent of total revenue averaged 18% for the 15 defaulting schools, with ten schools spending more than 15%. This burden is simply too large a drain on operating program dollars for most schools, regardless of pro forma projections indicating adequate coverage ratios.

Another deficiency that characterizes these offerings is a lack of information on student academic performance, a standard element of current disclosure documents. Academic quality speaks to a school's ability to attract and retain students and the per pupil revenue that accompany them. Underwriters and investors familiar with charter school credit analysis now begin with an assessment of academic quality, which has been simplified due to the emphasis on student outcomes dictated by *No Child Left Behind*. Student performance measures are fundamental to evaluating demand for the school and assessing its ability to meet enrollment targets and retain its charter. Many of the disclosure documents for the defaulted issues had no information on performance and those that did included fairly cursory information. The disclosure instead tended to focus on school inputs, philosophy and curriculum, and area demographic and economic information, which do not address the fundamental risk factors for charter schools.

Lastly, underwriters and investors familiar with charter schools have placed decreasing emphasis on the length of the charter given the added weight they have placed on the fundamental drivers of long-term solvency for charter schools — academic strength and sound financial management. This changing emphasis is supported by the fact that for the 15 defaulted transactions, on average, the default occurred 3.9 years from issuance, less than the typical five-year charter term. In fact, only three of the schools were subject to non-renewal of their charter through the formalized renewal process at termination of the charter period. Four schools continue to retain and operate under their charter, and another four voluntarily surrendered their charters due to serious academic and financial problems they felt could not be addressed in a timely manner. The remaining four schools had their charters revoked during the term of their charter.

## RECOVERY

For the six school facilities that have been foreclosed on and sold, recovery to bondholders as a percentage of bonds outstanding has ranged from a low of 18% to a high of 70%, with a weighted average of 55%. Final payment resolution is pending on four transactions as the trustee is awaiting sale of the mortgaged property in order to forward net proceeds to affected investors. In the three cases where schools are still operating and debt is still outstanding, bondholders have chosen to enter into forbearance agreements in hopes of a turnaround in which the schools' strained cash flows improve to the point where principal and interest payments can resume in full.

## NON-MONETARY DEFAULTS

In addition to the 15 defaulted charter school bond transactions, we have identified six other transactions in which the schools experienced difficulties making debt service payments, but there was no monetary default on the bonds. In four of these cases, schools were forced to close; however, in each instance, another charter school took over the facility and assumed the debt. In the other two cases, schools failed to make debt service payments, but there was no loss to bondholders because of credit enhancement built into the issue structure.

## CONCLUSION

### CHALLENGES AHEAD

Despite a growing demand for charter school facility financing, it is likely that charter school bond issuance will remain flat in 2011. According to TM3, through mid-May, 27 tax-exempt charter school bond transactions had closed. If the current pace of issuance continues through year-end, issuance will approximate 2010 levels, with 70 issues totaling roughly \$900 million.

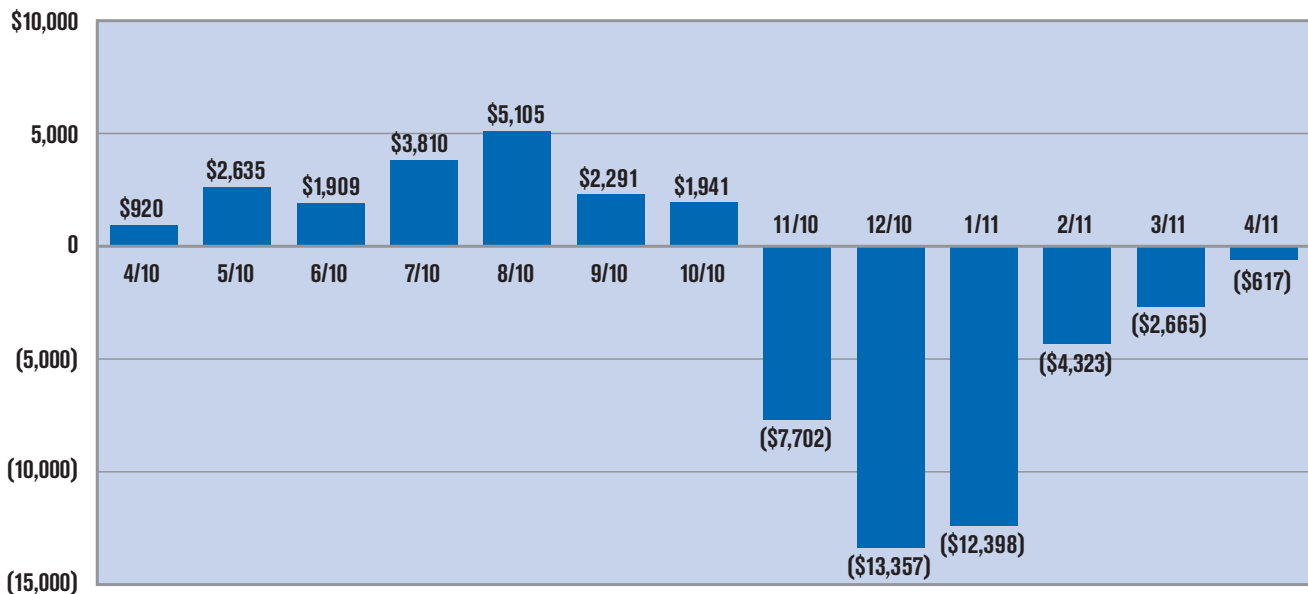
Several factors in the current environment make it difficult for charter schools to access the municipal market at affordable rates. The recent recession has caused growing strain on most state and local governments, and many are cutting back on funding for public education because of budget shortfalls. As a result, a majority of public schools, including charter schools, face either lower per pupil funding or a much slower rate of revenue growth than experienced in past years. These reductions affect both the amount of debt charter schools can assume and the interest rates they can afford to pay without a serious impact on their academic program. The silver lining for charter schools is that they may be able to weather cuts better than traditional school districts because of the greater flexibility they have over their personnel and budgets. Many of the high-performing charter operators have also proved adept at fundraising from private sources and may be better able to supplement reduced public revenues with private philanthropy and individual donations.

In addition, significant media attention has been devoted to budget deficits and potential defaults by states and municipalities, causing a general rise in municipal interest rates. On a December 2010 national broadcast of CBS' "60 Minutes," a well-known bank analyst predicted that an unprecedented number of state and local governments would declare bankruptcy and default on their municipal bonds in 2011. Although virtually every public finance expert publicly disagreed, many cautious investors withdrew funds from the municipal market in order to reinvest elsewhere. Through the end of April 2011, municipal bond funds had seen more than 20 straight weeks of net withdrawals. This situation has resulted in fewer investors seeking tax-exempt paper and higher interest rates for municipal offerings generally.

Another factor that is negatively affecting interest rates for charter schools is the slope of the yield curve in the current market. The steepness of the yield curve is close to record highs, meaning that the difference in interest rates for bonds with longer maturities versus shorter maturities is greater than usual. As of May 13, 2011, the yield for a triple-A rated bond with a one-year maturity stood at a low 0.27% versus a yield of 4.37% for a similarly rated bond with a maturity of 30 years, a much larger difference in rates than is typical. Since charter schools generally issue 30-year bonds, this near-record steepness means higher interest rates for their borrowings.

As discussed throughout this report, spreads between lower and higher rated municipal bonds have remained close to historic highs since the credit crisis. Even with the significant increase in the number and volume of charter school bond issuance in 2010, most charter schools faced wide spreads and high All-In Costs. Of the 71 issuances that came to market in

**MUNICIPAL BOND FUNDS: MONTHLY INFLOWS & OUTFLOWS**  
(\$ in Millions)



Source: Investment Company Institute

2010, only nine benefited from credit enhancement, including seven issues that garnered “A” ratings due to Colorado’s moral obligation pledge. The remaining 62, or 87%, either had low or below investment grade ratings or were unrated. These schools faced spreads to the triple-A MMD that averaged between 244 and 332 basis points and had average All-In Costs ranging from 6.85% for triple-B rated issues to 8.1% for unrated issues. Unless spreads narrow, it will remain difficult for charter schools to access the municipal market at affordable rates.

## **PATH FORWARD**

We are hopeful that the increased transparency this report provides will be helpful to investors and borrowers alike and that it will further the ongoing discussion regarding how charter school facilities are financed. While the default rate for the sector as a whole was 3.1% in terms of the number of issues and 2.4% in terms of the par amount of debt originated, default rates for rated issues fall to 0.4% and 0.1%, respectively. No charter school bond assigned an investment grade rating has defaulted. Furthermore, as with any new sector, there has been a learning curve in terms of credit analysis. A review of actual performance should ensure that market participants no longer view the sector with the cautious lens of its early years and instead rely on the 13-year track record of actual performance.

There are many academically high-performing, financially strong schools, both network and stand-alone, ready to access the tax-exempt bond market for their facilities needs. Given the wide credit spreads in the current market, most schools would benefit from obtaining a rating, even those that would be assigned a below investment grade rating. Equally important is for schools to work with underwriters well versed in the fundamentals of charter school risk who can help ensure that offerings are rated and priced correctly. As the large charter networks continue to expand and replicate successful education models, their demand for affordable, tax-exempt facility financing will increase. They may become regular and frequent

municipal market borrowers and eventually may even become well-known “muni names.” The path forward for stand-alone schools is less clear, but no less compelling. The key to affordable market access for high-quality stand-alone schools that have chosen to stay small is to be well-prepared for financing with appropriate and relevant credit materials, such as academic performance measures, enrollment trends, historical audited financial statements, multi-year pro forma budgets, debt burden analyses and information on key personnel and board composition.

More fundamentally, with the mounting public mandate to improve the quality of the nation’s public education system and the need to use scarce public resources more efficiently in a difficult fiscal environment, it is the ideal time for the public sector to address the inequitable and inefficient method of financing charter school facilities. Short of publicly financing charter school facilities directly with tax-backed structures, expansion of state, municipal or federal credit enhancement programs that use balance sheet pledges, or guarantees, would be extremely efficient. They employ the greater credit strength of the governmental entity to reduce interest expense for charter schools without any appropriation of funds, except in the case of default. Credit criteria can be built into these programs to mitigate risk. Colorado’s moral obligation program has been limited to charter school bonds with investment grade ratings and has a track-record of zero defaults over its eight years of existence. Federal credit enhancement grant funds could be employed in partnership with state programs to fund first loss reserves and expand the pool of eligible charter school borrowers. Charter schools could also benefit from the federal guarantee program established by the Small Business Jobs Act of 2010 or from similarly structured programs designed specifically for charter schools. There are a wide range of options the public sector could implement to ensure that scarce public funding is directed to educating students and that aggregate public outlays for public school facilities are used in the most efficient manner possible.

## APPENDIX A TAX-EXEMPT BOND FINANCING TERMINOLOGY

### TAX-EXEMPT BONDS

Bonds are debt instruments in which the borrower enters into a contract with lenders to repay principal on or before a specific date, the maturity date, and to pay interest at fixed intervals. The principal, par or face value of a bond is the amount the borrower must repay to investors. Municipal debt that is issued by states, cities and other governmental entities to finance public capital improvements or other activities that satisfy a public purpose is generally exempt from federal taxation. In most states, interest from federally tax-exempt issues is also exempt from state and local taxation. Because the income investors receive from tax-exempt issues is subject to these exemptions, investors are willing to receive lower interest rates for this debt to achieve the same after-tax return.

### ISSUER

Charter schools generally access public or quasi-public conduit issuers in order to issue debt on a tax-exempt basis. The issuer is the legal entity that sells securities for financing purposes. In the case of conduit issuance, the issuer serves solely as an intermediary, borrowing funds from investors and relending them to the ultimate borrower or “obligor.” In such conduit issuance, the charter school as obligor, rather than the issuer, is the credit for the offering, and its financial strength is the determinant for the interest rates investors will require. In the case of enhanced bonds, a bond insurer, or other third-party, may be substituted for the obligor’s credit.



### COUPON

The coupon is the periodic interest payment the borrower pays to investors during the life of the bond. The coupon rate is the interest rate at which interest payments are calculated based on the principal amount of the bond. The interest rate utilized to calculate the coupon can be fixed at issuance for the life of the bond, fixed-rate, or it can vary over a bond’s term, variable-rate. In variable-rate bonds, the interest rate is set on certain designated dates in the future based on specific market indices, such as SIFMA (Securities Industry Financial Markets Association), plus a predetermined spread to the index. Coupon dates are the dates on which the borrower makes a periodic interest payment to bondholders. Coupon payments are generally made semi-annually for municipal bonds, including charter school bonds. The dated date is the date from which interest accrues on the bonds.

### YIELD

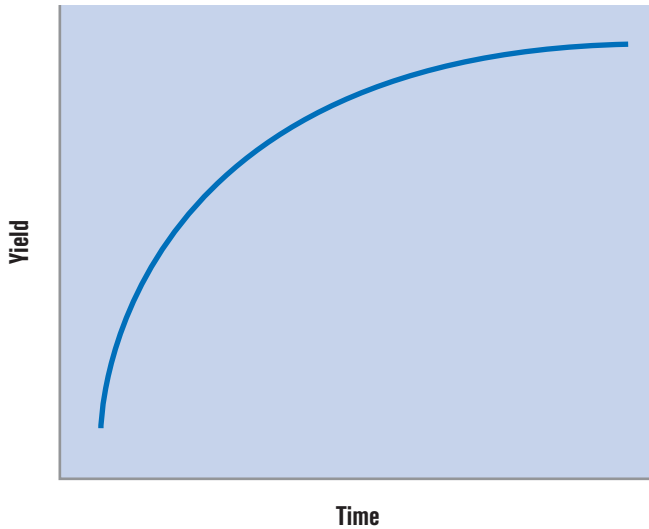
The yield to investors is the rate of return on the bond. It can vary from the coupon rate if the price at which the bond is sold differs from par. When a bond is issued or resold, it can sell at a price that differs from its par value. A bond that sells at less than par is sold at a discount, and a bond that sells at more than par sells at a premium. The yield and the price of a bond are inversely related. If the bond is sold at a discount, the yield to investors is higher than the stated coupon. If the bond is sold at a premium, the yield is lower.

### AMORTIZATION

Municipal borrowers, including charter schools, generally strive to achieve level debt service payments for their debt. They employ serial bonds and term bonds within a single offering to achieve level debt service. Serial bonds mature serially, or chronologically, generally over the first five to ten years of the issuance. Term bonds tend to mature later in the issuance, aggregating several years’ principal repayment into a single maturity date, generally in intervals of five years or longer. Borrowers may be required to make sinking fund payments over the life of term bonds, whereby the borrower redeems or repays portions of the term bond before maturity according to a mandatory redemption schedule (mandatory sinking fund redemption). The repayment of principal through these serial and term bonds is the amortization schedule for the bond issue as a whole.

## YIELD CURVE

The relationship between yield and maturities of bonds of the same credit quality is known as the yield curve. Generally, the yield curve is upward sloping; the longer the term, the higher the interest rate. The steepness of the curve can vary. For example, it can be steep in the early years, with large differences in interest rates between bonds with one- versus three-year maturities, or it can be flatter, with fairly constant marginal increases between different maturities. There have been periods of exception to the generally upward sloping structure, when yield curves have been flat or inverted (downward sloping).



## SECURITY

Tax-exempt municipal bonds are broadly classified as either general obligation (GO) bonds or revenue bonds. GO bonds are secured by the full faith and taxing power of the issuing government and are considered the strongest of all tax-supported debt structures. Revenue bonds are secured by a defined revenue stream, such as municipal utility fees, gas taxes, tolls or, in the case of charter schools, per pupil revenue. The difference in borrowing costs between highly rated GO bonds and lower rated revenue bonds can be significant. The yield curve for highly rated municipal bonds is known as the Municipal Market Data Index, or MMD. The spread to the triple-A MMD reflects the yield differential between triple-A rated municipal bonds and lower rated bonds of the same maturities. The spread to MMD is measured in basis points.

## SALE

Tax-exempt bonds can be initially issued either through sale to the public capital markets, via a public offering, or to a smaller group of select investors, via a private placement. For charter schools, there may be mission-driven investors willing to provide low-cost capital at or below market rates via a private placement. When sold via a private placement, bonds are sold directly to investors or "placed" with such investors through a placement agent. When sold via public offering, new issues are purchased by an underwriter, a securities dealer, who resells them to investors. The underwriter serves as an intermediary between the issuer and the capital markets and assumes financial risk in the period between purchase and sale. Underwriters are compensated for this risk by the difference between the purchase price they pay for the securities and the price at which the securities are sold, called the gross spread or underwriter's discount.

## OFFICIAL STATEMENT

The official statement is the primary disclosure and offering document used for marketing municipal bonds to investors. A preliminary official statement (POS) is drafted and used for soliciting investors before financing terms are final. 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 contains information about the issuer, the borrower's finances and operations, the project that is being financed, the structure and terms of the bonds, the security and the sources of repayment for the borrowing, including any credit enhancement, and the credit rating. The offering document for private placements is known as a private placement memorandum or offering memorandum.

## COSTS OF ISSUANCE

In addition to the underwriting discount, charter schools must pay other expenses in order to execute tax-exempt bond transactions. These include legal fees for various counsel, trustee fees, issuer fees, rating agency fees for rated transactions and insurance premiums and up-front letter of credit fees for enhanced transactions. Borrowers typically fund these costs out of bond proceeds, subject to a cap of 2% of the tax-exempt issue amount. In cases where issuance costs exceed this cap, the borrower can issue a taxable series of bonds to fund the additional expense.

## ALL-IN COST

The true borrowing cost, known as the All-In Cost for a bond issuance, takes into account both interest rates and costs of issuance. It is calculated by discounting the debt service payment stream back at a single rate to a number, the target value, representing the actual bond proceeds the borrower received for its project net of expenses. This single discount rate represents the All-In Cost for the issue.

## **RATING AGENCIES**

A borrower can hire a rating agency to assign its bonds a credit rating, which is an assessment of the probability of full and timely repayment that investors use in making their decisions. A weaker credit represents higher risk for investors and correspondingly higher interest rates. The three major rating agencies active in the U.S. market, Fitch Ratings, Moody's Investors Service and Standard & Poor's, have each rated charter school bonds. The rating agencies provide independent evaluations of the credit worthiness of fixed income issuances and the likelihood of repayment by providing credit ratings on scales ranging from highest to lowest quality, with different scales for short-term and long-term issuances. Each of the three agencies has its own system of ratings, although they are similar both in form and in the risk profiles corresponding to the different grades. The long-term rating scales employed by the three rating agencies are included in Appendix B.

## **CREDIT ENHANCEMENT**

In order to achieve higher credit ratings and lower interest rates, many borrowers utilize credit enhancement to further secure bond offerings. Credit enhancement can involve the substitution of a stronger third party's credit, as in the case of bond insurance, letters of credit and moral obligation pledges, or it can involve specific collateral pledged for repayment, as in the case of additional debt service reserves structured into the bond issue.

In third-party substitutions, investors look to the creditworthiness of the insurer, bank or philanthropic organization that is providing the enhancement rather than the strength of the borrower. Bond insurance has typically been used for long-term fixed-rate issues in which the insurer provides a 100% guarantee of principal and interest payments for the term of the bond in exchange for an up-front premium payment. Letters of credit are generally used for variable-rate issuances since the letter of credit typically has a term of one to five years during which the bank guarantees debt service payments in exchange for an annual letter of credit fee.

## APPENDIX B

## APPENDIX B: 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	-	D
	DD	-	D
	D	-	D



APPENDIX C: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter
1	9/1/1998	MI	Concord Academy	1998	1.335	Unenhanced	MR	NR	F	9/1/2018	7.000	7.000	230	79.6%	9.74%	5.00%	Miller, Johnson & Kuehn
2	9/1/1998	MI	Summit Academy	1998	4.110	Unenhanced	MR	NR	F	9/1/2018	7.000	7.000	200	8.01%	8.56%	5.00%	Miller, Johnson & Kuehn
3	10/1/1998	MI	Concord Academy-Boyne	1998	2.175	Unenhanced	MR	NR	F	10/1/2019	7.000	7.000	Na	8.04%	9.17%	5.00%	Miller, Johnson & Kuehn
4	11/10/1998	CO	Liberty Common School	1998	3.660	Unenhanced	MR	NR	F	6/15/2019	6.950	6.950	204	Na	Na	Na	Kirkpatrick Pettis
5	12/29/1998	MN	Community of Peace Academy	1998	3.570	Unenhanced	MR	NR	F	11/1/2029	6.100	Na	Na	Na	Na	Na	Na
6	2/1/1999	MI	Traverse Bay Community School	1999	2.160	Unenhanced	MR	NR	F	2/1/2025	7.000	7.000	209	7.79%	8.56%	4.50%	Miller, Johnson & Kuehn
7	4/1/1999	MI	Countryside Charter School	1999	2.780	Unenhanced	MR	NR	F	4/1/2029	7.000	7.000	195	7.68%	7.16%	5.00%	Miller, Johnson & Kuehn
8	5/1/1999	MI	West Michigan Academy of Arts and Academics	1999	3.165	Unenhanced	MR	NR	F	5/1/2029	7.000	7.000	186	7.90%	9.39%	5.00%	Miller, Johnson & Kuehn
9	6/1/1999	MI	Mosaica Academy of Saginaw (Saginaw Prep)	1999	4.035	Unenhanced	MR	NR	F	6/1/2029	7.000	7.000	170	7.31%	5.79%	4.00%	Miller, Johnson & Kuehn
10	6/1/1999	MI	Pansophia Academy	1999	2.405	Unenhanced	MR	NR	F	6/1/2029	7.000	7.000	176	7.62%	8.28%	5.00%	Miller, Johnson & Kuehn
11	6/3/1999	MN	Higher Ground Academy	1999	6.400	Unenhanced	MR	NR	F	11/1/2028	5.500	5.500	30	6.02%	5.71%	2.50%	John G. Kimnard
12	6/15/1999	MN	Acorn Dual Language Community Academy	1999	2.000	Unenhanced	MR	NR	F	11/1/2024	6.600	6.600	140	7.44%	8.83%	3.00%	John G. Kimnard
13	6/23/1999	MA	Boston Renaissance Charter Public School	1999	20.275	BankBoston	MR	NR	VR	7/1/2024	VR	VR	VR	VR	4.06%	0.77%	Tucker Anthony
14	6/24/1999	IL	Noble Street Charter School	1999	2.500	First National Bank of Chicago	MR	NR	VR	6/1/2024	VR	VR	VR	VR	2.00%	1.50%	Banc One
15	7/8/1999	CO	Liberty Common School	1999	3.666	Unenhanced	MR	NR	F	6/15/2019	6.950	6.950	167	Na	Na	Na	Kirkpatrick Pettis
16	8/1/1999	MI	Island City Academy	1999	1.755	Unenhanced	MR	NR	F	8/1/2029	7.250	7.250	167	8.02%	7.95%	5.01%	Miller, Johnson & Kuehn
17	8/5/1999	CO	DCS Montessori School	1999 A 1999 B	7.235	Unenhanced	MR	NR	F	7/15/2024	6.500	Na	Na	7.31%	7.44%	4.17%	Bigelow
18	9/29/1999	CO	The Renaissance School	1999	3.690	Unenhanced	S&P	BBB-	F	6/1/2029	6.750	6.750	108	7.10%	3.98%	1.70%	Kirkpatrick Pettis
19	10/1/1999	CO	Jefferson Academy	1999	2.600	Unenhanced	S&P	BBB-	F	6/1/2025	6.700	6.700	98	7.26%	5.77%	1.63%	Western Municipal Securities
20	10/1/1999	MI	Center Academy	1999	3.960	Unenhanced	MR	NR	F	10/1/2029	7.500	7.500	156	8.08%	7.16%	4.00%	Miller, Johnson & Kuehn
21	11/3/1999	CO	Core Knowledge Charter School	1999	3.330	Unenhanced	S&P	BBB	F	11/1/2029	7.000	7.000	106	7.36%	4.61%	1.98%	Kirkpatrick Pettis
22	12/1/1999	MN	Bluffview Montessori School	1999 A 1999 B	3.500	Unenhanced	MR	NR	F	12/1/2024	8.000	8.000	210	8.25%	6.99%	2.50%	John G. Kimnard

## APPENDIX C: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter
23	12/1/1999	MN	Village School of Northfield	1999 A 1999 B	1.320	Unenhanced	NR	NR	F	12/1/2024	7.500	7.500	168	8.74%	12.43%	3.40%	John G. Kinnard
24	1/1/2000	MN	New Spirit Schools	2000 A 2000 B	6.500	Unenhanced	NR	NR	F	12/1/2002	9.000	9.000	445	11.00%	5.53%	2.25%	John G. Kinnard
25	1/1/2000	TX	North Hills Preparatory	2000	6.000	Unenhanced	Moody's	Baa3	F	12/1/2025	7.750	7.750	Na	Na	Na	Na	Coastal Securities
26	2/1/2000 <sup>1</sup>	FL	Four Corners Charter School	2000 A 2000 B 2000 C	17.080	National (MBA)	Fitch Moody's	AAA Aaa	F	8/1/2024	6.000	6.050	12	6.17%	2.78%	0.80%	Paine Webber
27	2/1/2000	MI	Black River Public School	2000	5.770	Unenhanced	Moody's	Baa3	F	2/1/2030	7.250	7.500	160	7.64%	5.73%	4.00%	Miller, Johnson & Kuehn
28	2/1/2000	MI	Grand Blanc Academy	2000	5.605	Unenhanced	NR	NR	F	2/1/2030	7.750	8.000	202	8.41%	6.14%	4.00%	Miller, Johnson & Kuehn
29	2/15/2000	CO	Crown Pointe Academy of Westminster	2000	0.965	Unenhanced	NR	NR	F	7/15/2025	7.250	7.250	132	8.11%	7.39%	1.90%	Bigelow
30	3/1/2000	AZ	Meritopa County IDA Pool (Westwind, Omega, Tempe Prep, Foothills, American Heritage, Arizona Montessori, Challenge)	2000 A 2000 B	28.965	Unenhanced	Moody's	Baa3	F	7/1/2029	6.750	7.000	128	7.60%	4.95%	2.50%	Dann Rauscher
31	3/1/2000	MN	Minnesota Business Academy	2000	8.275	Unenhanced	NR	NR	F	3/1/2030	8.000	Na	Na	8.65%	5.43%	2.50%	John G. Kinnard
32	5/1/2000	MI	The Learning Center Academy	2000	1.825	Unenhanced	NR	NR	F	5/1/2030	7.625	8.001	205	8.94%	9.60%	4.00%	Miller, Johnson & Kuehn
33	6/1/2000	MI	Countryside Charter School	2000	1.920	Unenhanced	NR	NR	F	4/1/2029	8.000	8.375	263	9.26%	7.25%	3.50%	Miller, Johnson & Kuehn
34	6/1/2000	MI	Itazaki Talhah Schoolhouse of Detroit	2000	5.665	Unenhanced	NR	NR	F	6/1/2030	8.250	8.500	275	9.45%	8.08%	4.50%	Miller, Johnson & Kuehn
35	6/1/2000	MI	Sankofa Shule	2000	2.555	Unenhanced	Moody's	Ba1	F	6/1/2030	8.000	8.250	245	8.95%	7.77%	4.50%	Miller, Johnson & Kuehn
36	6/1/2000	MN	El Colegio Charter School	2000 A 2000 B	2.515	Unenhanced	NR	NR	F	12/1/2003	8.250	8.250	333	12.04%	8.78%	2.80%	John G. Kinnard
37	6/8/2000	CO	Compass Montessori Charter School	2000	2.015	Unenhanced	NR	NR	F	7/15/2031	7.750	7.750	195	Na	Na	Na	Bigelow
38	8/15/2000 <sup>1</sup>	FL	Florida State University Schools	2000 A	23.330	National (MBA)	Moody's	Aaa	F	8/1/2026	5.375	5.510	4	5.52%	2.36%	0.85%	Salomon Smith Barney
39	9/1/2000	MI	Plymouth Educational Center Charter School	2000	2.540	Unenhanced	NR	NR	F	7/1/2020	12.500	12.500	701	13.96%	9.69%	6.00%	Miller, Johnson & Kuehn
40	9/28/2000 <sup>1</sup>	AZ	Horizon Community Learning Center	2000	29.590	ACA Financial	Fitch S&P	A A	F	6/1/2030	6.375	6.375	76	7.52%	5.20%	1.25%	Westhoff, Cone & Holmstedt
41	10/1/2000	CO	Bromley East Charter School	2000 A 2000 B	12.955	Unenhanced	Fitch Moody's	BBB- Baa3	F	9/15/2030	7.250	7.500	191	7.61%	3.04%	2.00%	Kirkpatrick Pettis
42	11/1/2000	CO	Academy Charter School	2000	7.560	Unenhanced	S&P	BBB	F	12/15/2030	7.125	7.350	180	7.45%	2.97%	1.60%	Hanftan & Imhoff
43	11/1/2000	CO	Jefferson Academy	2000	0.665	Unenhanced	NR	NR	F	12/1/2002	7.000	Na	Na	13.78%	10.48%	2.65%	Western Municipal Securities

## APPENDIX C: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMID	All-In Cost	COI	UD	Lead Underwriter	
44	11/28/2000	CO	The Classical Academy		2000	19,600	Unenhanced	Moody's	Baa3	F	12/1/2030	7,250	7,625	210	7.73%	2.67%	1.75%	Kirkpatrick Pettis
45	12/1/2000	MI	Concord Academy		2000	3,690	Unenhanced	NR	NR	F	12/1/2030	8,375	8,500	318	8.99%	6.18%	4.00%	Miller, Johnson & Kuehn
46	12/1/2000	MI	Summit Academy North		2000	3,590	Unenhanced	NR	NR	F	7/1/2030	8,375	8,500	334	9.23%	8.32%	5.00%	Miller, Johnson & Kuehn
47	12/12/2000	CO	Ebert County Charter School - Legacy Academy		2000 A	1,005	Unenhanced	NR	NR	F	6/1/2010	8,000	8,000	347	Na	Na	Na	Kirkpatrick Pettis
48	1/1/2001	MI	Summit Academy North		2001	8,955	Unenhanced	Moody's	Baa3	F	7/1/2030	7,375	7,500	233	7.62%	5.55%	3.00%	Miller Johnson Steichen Kinnard
49	3/13/2001	CO	Lincoln Academy Charter School		2001	2,430	Unenhanced	NR	NR	F	3/1/2026	8,375	Na	Na	Na	Na	Na	Kirkpatrick Pettis
50	4/1/2001	MI	Marshall Academy		2001 A 2001 B	3,785	Unenhanced	NR	NR	F	4/1/2031	8,750	9,000	387	10.20%	6.72%	4.34%	Miller Johnson Steichen Kinnard
51	4/1/2001	MI	Michigan Early Elementary Center		2001	2,440	Unenhanced	NR	NR	F	4/1/2031	8,125	8,375	318	9.26%	9.28%	4.50%	Miller Johnson Steichen Kinnard
52	5/1/2001	AZ	Pima County (DA Pool (Series A&B) (Young Scholars Academy, International Studies Academy, Kingman Academy Learning )		2001 A 2001 B	15,395	Unenhanced	Moody's	Baa3	F	7/1/2031	6,750	6,850	153	7.44%	5.64%	2.25%	Dann Rauscher
53	5/1/2001	MN	Community of Peace Academy		2001 A 2001 B	11,045	Unenhanced	Moody's	Baa3	F	12/1/2030	7,875	7,875	259	8.25%	6.15%	3.50%	Miller Johnson Steichen Kinnard
54	5/15/2001	CA	Aspire Public Schools (Oakland, Lodi)		2001 A 2001 B	17,560	Unenhanced	NR	NR	F	8/1/2031	7,250	7,250	193	7.54%	2.79%	1.07%	Prager, McCarthy & Sealy
55	5/16/2001 <sup>2</sup>	MI	Detroit Academy of Arts & Sciences		2001 A 2001 B	30,900	Unenhanced	Moody's	Ba1	F	10/1/2031	8,000	8,000	275	8.38%	4.01%	2.00%	J.P. Morgan
	5/16/2001 <sup>2</sup>	MI	YMCA Service Learning Academy		2001	12,100	Unenhanced	Moody's	Ba1	F	10/1/2031	7,750	7,750	250	8.25%	5.27%	2.00%	J.P. Morgan
56	6/1/2001	MI	Landmark Academy		2001	3,465	Unenhanced	NR	NR	F	6/1/2031	8,375	8,500	333	9.02%	6.93%	4.00%	Miller Johnson Steichen Kinnard
57	6/1/2001	MI	Pansophia Academy		2001	0,665	Unenhanced	NR	NR	F	6/1/2021	7,750	8,000	290	10.06%	15.66%	4.00%	Miller Johnson Steichen Kinnard
58	6/1/2001	MI	Sauk Trail Academy		2001	2,480	Unenhanced	NR	NR	F	6/1/2031	8,125	8,375	320	9.13%	8.08%	4.00%	Miller Johnson Steichen Kinnard
59	6/7/2001	CO	Cherry Creek Academy		2001	4,155	Unenhanced	Moody's	Baa2	F	4/1/2030	6,000	6,250	101	6.61%	4.42%	1.40%	Kirkpatrick Pettis
60	8/1/2001	AZ	Advanced Education Services d/l/v/a Solon Senior Academy		2001	2,780	Unenhanced	NR	NR	F	2/1/2015	7,250	7,250	280	9.24%	11.56%	4.00%	Miller Johnson Steichen Kinnard
61	8/1/2001	MI	Concord Academy Antrim		2001	2,810	Unenhanced	NR	NR	F	8/1/2031	8,000	8,250	327	8.87%	7.10%	4.50%	Miller Johnson Steichen Kinnard
62	8/15/2001	CO	Peak to Peak Charter School		2001	18,800	Unenhanced	Moody's	Ba2	F	8/15/2031	7,625	8,000	305	8.22%	2.62%	1.75%	Kirkpatrick Pettis

## APPENDIX C: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter	
63	8/17/2001	AZ	Life School College Preparatory, Inc.	Pima County Industrial Development Authority	2001 A 2001 B	12,000	Unenhanced	NR	NR	F	7/1/2031	8.125	8.251	323	8.70%	4.38%	2.50%	Wedbush Morgan
64	8/29/2001 <sup>1</sup>	MA	Boston Renaissance Charter School	Massachusetts Development Finance Agency	2001	24,700	Fleet Bank	NR	NR	VR	6/1/2024	VR	VR	VR	0.66%	0.14%	Tucker Anthony	
65	9/1/2001	MI	Summit Academy North	Summit Academy North	2001	1,050	Unenhanced	NR	NR	F	7/1/2030	8.750	8.750	Na	10.27%	13.01%	5.00%	Miller Johnson Steichen Kinnard
66	9/1/2001	TX	Southwest Preparatory School	Danbury Higher Education Authority	2001 A 2001 B	2,255	Unenhanced	NR	NR	F	2/15/2021	7.500	7.500	264	Na	Na	Na	Na
67	9/15/2001	CO	University Lab School	Colorado Educational and Cultural Facilities Authority	2001	17,630	Unenhanced	Moody's	Baa3	F	6/1/2031	6.250	6.300	131	6.40%	2.43%	1.60%	Kirkpatrick Pettis
68	10/1/2001	CO	Frontier Academy	Colorado Educational and Cultural Facilities Authority	2001	15,830	Unenhanced	Moody's	Ba1	F	6/1/2031	7.375	7.500	248	7.71%	2.57%	1.60%	Kirkpatrick Pettis
69	10/1/2001	MI	Discovery Elementary School	Discovery Elementary School	2001	1,820	Unenhanced	NR	NR	F	10/1/2031	8.125	8.375	339	9.43%	10.59%	5.00%	Miller Johnson Steichen Kinnard
70	11/1/2001	MI	Huron Academy	Huron Academy	2001	1,235	Unenhanced	NR	NR	F	11/1/2016	7.000	7.250	262	9.06%	11.74%	4.00%	Miller Johnson Steichen Kinnard
71	11/7/2001	CA	Escondido Charter High School	California Statewide Communities Development Authority	2001	8,600	Unenhanced	NR	NR	F	8/1/2036	7.500	7.500	248	7.97%	4.81%	2.50%	Prager, McCarthy & Sealy
72	11/9/2001	PA	MaST Community Charter School	Philadelphia Authority for Industrial Development	2001	5,525	Unenhanced	NR	NR	VR	11/1/2021	VR	VR	VR	VR	Na	Na	Na
73	12/1/2001	AZ	Pima County Industrial Development Authority	Pima County Industrial Development Authority	2001 C 2001 D	18,725	Unenhanced	Moody's	Baa3	F	7/1/2031	6.750	6.950	171	7.46%	5.34%	2.25%	RBC Dan Rauscher
74	12/1/2001	CO	Pinnacle Charter School	Colorado Educational and Cultural Facilities Authority	2001	12,355	Unenhanced	Moody's S&P	Baa3 BBB	F	12/1/2021	6.000	6.250	123	6.56%	3.23%	1.75%	Sitifl Nicolaus
75	1/1/2002	NY	Central New York Charter School for Math and Science	Onondaga County Industrial Development Agency	2002 A 2002 B	6,600	Unenhanced	NR	NR	F	1/1/2032	8.500	8.500	346	Na	8.01%	4.00%	Miller Johnson Steichen Kinnard
76	1/15/2002	CO	Collegiate Academy of Colorado	Colorado Educational and Cultural Facilities Authority	2002	6,780	Unenhanced	Moody's	Ba1	F	12/15/2031	7.500	7.625	252	7.93%	3.84%	2.00%	Sitifl Nicolaus
77	1/15/2002	CO	Littleton Academy Charter School	Colorado Educational and Cultural Facilities Authority	2002	4,450	Unenhanced	S&P	BBB	F	1/15/2031	6.125	6.300	113	6.61%	3.73%	1.40%	Kirkpatrick Pettis
78	2/1/2002 <sup>1</sup>	FL	Canoe Creek Charter School	Osceola County Industrial Development Authority	2002 A 2002 B	9,660	National (NBIA)	Fitch Moody's S&P	AAA Aaa AAA	F	8/1/2032	5.125	5.200	12	5.41%	4.71%	1.25%	Prager, McCarthy & Sealy
79	2/1/2002	MI	New Beginnings Academy	New Beginnings Academy	2002	2,395	Unenhanced	NR	NR	F	2/1/2032	8.000	8.250	322	8.93%	8.30%	5.00%	Miller Johnson Steichen Kinnard
80	2/1/2002	TX	West Houston Charter Alliance (Katy Creative Arts)	Danbury Higher Education Authority	2002 A 2002 B	2,830	Unenhanced	NR	NR	F	2/1/2032	7.875	8.250	314	9.20%	10.21%	5.00%	Miller Johnson Steichen Kinnard

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81	2/15/2002 <sup>1</sup>	TX	George Gerwin Academy	Danbury Higher Education Authority	2002 A 2002 B	5.145	ACA Financial	S&P	A	F	5.750	6.000	106	7.70%	15.44%	3.75%	Coastal Securities
82	3/1/2002	CO	Compass Montessori Secondary School	Colorado Educational and Cultural Facilities Authority	2002	5.645	Unenhanced	NR	NR	F	8.000	8.000	295	8.32%	3.08%	1.75%	Kirkpatrick Pettis
83	3/1/2002	CO	Poudre River Academy	Colorado Educational and Cultural Facilities Authority	2002 A 2002 B	6.875	Unenhanced	Fitch Moody's	BB+ Ba1	F	7.250	7.500	230	7.84%	3.65%	1.75%	Kirkpatrick Pettis
84	3/15/2002	CO	DCS Montessori Charter School	Colorado Educational and Cultural Facilities Authority	2002 A 2002 B	9.795	Unenhanced	S&P	BBB	F	6.125	6.350	105	6.57%	2.49%	1.40%	Kirkpatrick Pettis
85	4/1/2002	MI	The Learning Center Academy	The Learning Center Academy	2002	0.500	Unenhanced	NR	NR	F	7.500	7.700	263	9.53%	14.11%	5.00%	Miller Johnson Steichen Kinnard
86	5/1/2002	CO	Montessori Peaks Academy	Colorado Educational and Cultural Facilities Authority	2002 A 2002 B	5.860	Unenhanced	NR	NR	F	8.000	8.350	319	8.79%	3.35%	1.88%	Kirkpatrick Pettis
87	5/1/2002	MI	Benton Harbor Charter School	Benton Harbor Charter School	2002 A 2002 B	6.710	Unenhanced	NR	NR	F	8.000	8.25	308	8.80%	6.34%	4.00%	Miller Johnson Steichen Kinnard
88	6/1/2002 <sup>1</sup>	ID	Nampa Classical Academy	Idaho Housing & Finance Association	2002	2.485	Wells Fargo Bank	Moody's	Aa1	F	4.800	4.800	25	5.21%	6.55%	2.50%	Wells Fargo
89	6/1/2002	IL	Chicago Charter School Foundation (Chicago International Charter School Basil)	Illinois Development Finance Authority	2002 A 2002 B	16.050	Unenhanced	S&P	BBB	F	6.250	6.520	137	6.80%	4.14%	1.50%	Kirkpatrick Pettis
90	6/1/2002	MI	Huron Academy	Huron Academy	2002	1.720	Unenhanced	NR	NR	F	7.000	7.250	281	8.63%	9.21%	4.00%	Miller Johnson Steichen Kinnard
91	6/1/2002	MN	Math & Science Academy	City of Woodbury	2002 A 2002 B	4.530	Unenhanced	NR	NR	F	7.500	7.500	240	7.96%	5.95%	3.50%	Dougherty
92	6/15/2002 <sup>1,3</sup>	PA	Community Academy of Philadelphia	Philadelphia Authority for Industrial Development	2002 A	13.795	ACA Financial	S&P	A	F	6.000	6.120	100	7.39%	14.05%	0.75%	Advest
93	7/3/2002	AZ	Prima County IDA Pool (Series E&F) (Ball-Dobson, New School for Arts, Valley Academy)	Prima County Industrial Development Authority	2002 E 2002 F	9.555	Unenhanced	Moody's	Baa3	F	7.250	7.375	222	7.49%	5.14%	2.19%	RBC Dan Rauscher
94	9/11/2002	AZ	Happy Valley School, Inc.	Prima County Industrial Development Authority	2002	5.161	Unenhanced	NR	NR	F	8.500	8.500	Na	Na	4.70%	1.50%	RBC Dan Rauscher
95	10/1/2002	CO	Belle Creek Charter School	Colorado Educational and Cultural Facilities Authority	2002 A 2002 B	8.630	Unenhanced	NR	NR	F	7.625	7.750	310	8.13%	3.77%	1.85%	Kirkpatrick Pettis
96	11/1/2002	CO	Stargate Charter School	Colorado Educational and Cultural Facilities Authority	2002	6.795	Unenhanced	S&P	BBB-	F	6.125	6.250	128	6.46%	3.46%	1.40%	Kirkpatrick Pettis
97	11/1/2002	MN	New Spirit Schools	St. Paul Housing and Redevelopment Authority	2002 A 2002 B	6.895	Unenhanced	NR	NR	F	7.500	7.500	Na	7.86%	5.67%	3.00%	Dougherty

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98 11/15/2002 <sup>1</sup>	MO	St. Louis Charter School	Missouri Health & Educational Facilities Authority	2002 A 2002 B	6.130	ACA Financial	Fitch S&P	A A	F	3/1/2023	5.100	5.250	42	7.13%	16.93%	2.75%	Morgan Keegan
99 12/1/2002	MI	Grand Traverse Academy	Grand Traverse Academy	2002	9.110	Unenhanced	NR	NR	F	12/1/2032	7.750	8.000	304	8.54%	6.84%	5.00%	Miller Johnson Steichen Kinnard
100 12/1/2002	MI	Summit Academy North	Summit Academy North	2002	2.300	Unenhanced	NR	NR	F	7/1/2030	8.750	9.000	406	10.49%	13.29%	6.00%	Miller Johnson Steichen Kinnard
101 12/5/2002	CA	Aspire Public Schools - Lodi	California Statewide Communities Development Authority	2002 A	11.945	Unenhanced	NR	NR	F	8/1/2032	7.250	7.250	232	7.61%	3.43%	1.04%	Prager, McCarthy & Sealy
102 12/10/2002	FL	Oakland Charter School	Town of Oakland	2002	8.125	Unenhanced	NR	NR	F	12/1/2032	6.950	6.950	205	Na	Na	Na	Commerce Capital
103 12/16/2002	DC	Arts & Technology Academy	District of Columbia	2002	3.900	Unenhanced	NR	NR	VR	12/1/2027	VR	VR	VR	VR	Na	Na	Allfirst Bank
104 12/20/2002	AZ	Prima County IDA Pool (Series B&H) (Benchmark, New School for Arts)	Prima County Industrial Development Authority	2002 G 2002 H	4.625	Unenhanced	Moody's	Baa3	F	7/1/2031	6.750	6.910	200	7.68%	6.42%	2.25%	RBC Dain Rauscher
105 2/1/2003	MI	Cesar Chavez Academy	Cesar Chavez Academy	2003	9.875	Unenhanced	NR	NR	F	2/1/2033	8.000	8.000	317	8.52%	6.85%	4.00%	Herbert J. Sims
106 3/1/2003	MI	Star International Academy	Star International Academy	2003	12.375	Unenhanced	NR	NR	F	3/1/2033	8.000	8.000	333	8.62%	7.71%	5.00%	Herbert J. Sims
107 5/1/2003	AZ	Milestones Charter School	Prima County Industrial Development Authority	2003	4.660	Unenhanced	NR	NR	F	11/1/2033	7.500	7.500	290	8.43%	10.04%	4.00%	Dougherty
5/22/2003 <sup>2</sup>	CO	Cheyenne Mountain Charter Academy	Colorado Educational and Cultural Facilities Authority	2003 C	2.215	Unenhanced	S&P	BBB-	F	6/15/2033	6.000	6.100	160	6.42%	5.51%	1.25%	A.G. Edwards
5/22/2003 <sup>2</sup>	CO	Jefferson Academy	Colorado Educational and Cultural Facilities Authority	2003 A 2003 B	3.310	Unenhanced	S&P	BBB-	F	6/15/2033	6.000	6.100	160	6.38%	5.10%	1.25%	A.G. Edwards
109 6/1/2003	MI	Allen Academy	Allen Academy	2003	9.500	Unenhanced	NR	NR	F	6/1/2033	8.000	8.000	377	8.75%	8.12%	5.00%	Herbert J. Sims
110 6/1/2003	TX	Southwest Preparatory School	Danbury Higher Education Authority	2003 A 2003 B	1.675	Unenhanced	NR	NR	F	2/15/2021	7.250	7.500	354	9.92%	14.23%	6.17%	Coastal Securities
111 6/26/2003	AZ	Paradise Education Center	Prima County Industrial Development Authority	2003 A 2003 A-T	12.945	Unenhanced	S&P	BBB-	F	6/1/2033	5.875	5.875	179	6.05%	3.18%	1.35%	A.G. Edwards
112 7/1/2003	MI	Concord Academy - Boyne	Concord Academy - Boyne	2003	0.645	Unenhanced	NR	NR	F	10/1/2019	8.125	8.375	406	11.40%	18.24%	5.00%	Miller Johnson Steichen Kinnard
113 7/17/2003	IL	Perspectives Charter School	Illinois Finance Authority	2003	5.500	Unenhanced	NR	NR	VR	7/1/2033	VR	VR	VR	VR	Na	Na	Loop Capital
114 8/1/2003	AZ	Desert Heights Charter School	Prima County Industrial Development Authority	2003	5.825	Unenhanced	NR	NR	F	8/1/2033	7.500	7.500	248	8.26%	8.65%	4.00%	Dougherty
115 8/1/2003	AZ	The Escalibur Charter School, Inc.	Prima County Industrial Development Authority	2003	4.690	Unenhanced	NR	NR	F	8/1/2033	7.750	7.750	270	8.66%	10.42%	4.00%	Dougherty
116 8/26/2003 <sup>1</sup>	AZ	Phoenix Advantage Charter School	Prima County Industrial Development Authority	2003	10.970	ACA Financial	S&P	A	F	7/1/2033	5.500	5.621	63	6.96%	14.96%	1.43%	Weshtorf, Cone & Holmstedt
117 9/16/2003	IL	Learn Charter School	Illinois Development Finance Authority	2003	5.000	Harris NA	Moody's	Aa3	VR	9/1/2033	VR	VR	VR	VR	Na	Na	Harris Trust

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118	10/1/2003 <sup>1</sup>	CO	Pinnacle Charter School	Colorado Educational and Cultural Facilities Authority	2003	22.305	Syncora (XL)/Moral Obligation	Fitch AAA	F	6/1/2033	5.000	5.100	25	5.11%	3.26%	1.35%	Kirkpatrick Pettis
119	10/1/2003 <sup>1</sup>	CO	The Classical Academy	Colorado Educational and Cultural Facilities Authority	2003	39.595	Syncora (XL)/Moral Obligation	Moody's AAA	F	12/1/2033	5.000	5.150	23	5.10%	2.71%	0.95%	Kirkpatrick Pettis
120	10/1/2003	MI	Bay County Public School Academy	Bay County Public School Academy	2003	3.280	Unenhanced	NR	F	10/1/2033	10.250	10.500	Na	12.00%	12.07%	5.00%	Herbert J. Sims
121	10/2/2003	NJ	Leap Academy University Charter School	Delaware River Port Authority, PA	2003	8.500	Rutgers University Guaranty	Moody's Aa3	F	9/1/2028	4.750	4.900	8	4.50%	2.01%	Na	Wachovia
122	10/22/2003	CO	Pioneer Charter School	Colorado Educational and Cultural Facilities Authority	2003	4.990	Unenhanced	NR	F	10/15/2033	7.750	7.875	292	8.25%	3.30%	1.75%	Kirkpatrick Pettis
123	10/29/2003	FL	Oakland Charter School	Town of Oakland	2003	0.455	Unenhanced	NR	F	12/1/2015	6.950	6.950	Na	Na	Na	Na	Commerce Capital
124	11/1/2003	CO	Leadership Preparatory Academy	Colorado Educational and Cultural Facilities Authority	2003 A 2003 B	2.120	Unenhanced	NR	F	5/1/2027	7.875	8.000	320	8.54%	4.39%	1.65%	Kirkpatrick Pettis
125	11/1/2003 <sup>1</sup>	DC	Friendship Public Charter School	District of Columbia	2003	44.880	ACA Financial	S&P A	F	6/1/2033	5.250	5.450	57	6.01%	8.19%	1.11%	Citigroup
126	11/1/2003	MN	Achieve Language Academy	St. Paul Housing and Redevelopment Authority	2003 A 2003 B	6.840	Unenhanced	NR	F	12/1/2032	7.000	7.000	223	7.48%	6.66%	3.00%	Dougherty
127	12/1/2003	CO	Excel Academy Charter School	Colorado Educational and Cultural Facilities Authority	2003	6.630	Unenhanced	NR	F	12/1/2033	7.500	7.750	316	8.00%	3.26%	1.70%	Kirkpatrick Pettis
128	12/1/2003	MI	Kalamazoo Advantage Academy	Kalamazoo Advantage Academy	2003	5.555	Unenhanced	NR	F	12/1/2033	8.000	8.000	323	8.66%	7.70%	4.00%	Herbert J. Sims
129	12/3/2003	CO	Denver Arts & Technology Academy	Colorado Educational and Cultural Facilities Authority	2003 A 2003 B	8.415	Unenhanced	NR	F	5/1/2034	8.000	8.000	331	8.30%	3.09%	1.75%	Kirkpatrick Pettis
130	12/10/2003	MI	West Michigan Academy of Environmental Science	Michigan Public Educational Facilities Authority	2003	2.615	Fifth Third Bank	NR	VR	12/1/2018	VR	VR	VR	VR	5.07%	0.75%	Fifth Third Securities
131	12/15/2003 <sup>1</sup>	CO	Liberty Common School	Colorado Educational and Cultural Facilities Authority	2003	7.190	Syncora (XL)/Moral Obligation	Aaa AAA	F	12/1/2033	5.125	4.780	19	4.94%	3.62%	1.00%	Kirkpatrick Pettis
132	12/30/2003 <sup>1</sup>	MA	Neighborhood House Charter School	Massachusetts Development Finance Agency	2003 A	7.100	Fleet Bank NA	S&P A+	VR	1/1/2034	VR	VR	VR	VR	2.85%	0.86%	RBC Dan Rauscher
133	1/1/2004	AZ	Keystone Montessori Charter School	Phoenix Industrial Development Authority	2004 A 2004 B	5.842	Unenhanced	NR	F	11/1/2033	7.500	7.500	301	7.78%	4.33%	2.00%	Wells Fargo
134	1/30/2004 <sup>1</sup>	CO	Challenge to Excellence Charter School	Colorado Educational and Cultural Facilities Authority	2004	6.950	Zions First National	Moody's A2	VR	6/1/2034	VR	VR	VR	VR	8.27%	1.00%	Stifel Nicolaus
135	2/1/2004	AZ	Desert Technology Schools	Prima County Industrial Development Authority	2004 A	3.585	Unenhanced	NR	F	2/1/2024	7.000	7.000	251	8.53%	12.42%	4.28%	Dougherty
136	2/1/2004	AZ	Skyline Technical High School	Prima County Industrial Development Authority	2004	6.290	Unenhanced	NR	F	2/1/2034	7.500	7.500	303	8.24%	8.63%	4.00%	Dougherty
137	3/1/2004	MI	Allen Academy	Allen Academy	2004 A	3.500	Unenhanced	NR	F	6/1/2033	8.000	8.000	366	9.17%	11.85%	5.00%	Herbert J. Sims
138	3/1/2004	MI	Allen Academy	Allen Academy	2004 B	1.915	Unenhanced	NR	F	6/1/2023	9.000	9.250	513	10.01%	5.44%	5.00%	Herbert J. Sims

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139	3/1/2004	MN	Pact Charter School	City of Ramsey 2004 A 2004 B	11.575	Unenhanced	NR	NR	F	12/1/2033	6.750	6.750	239	6.936%	5.50%	3.00%	Dougherty
140	3/4/2004	AZ	Noah Webster Basic School	Pima County Industrial Development Authority 2004 A 2004 A-T	12.495	Unenhanced	S&P	BBB-	F	12/15/2034	6.125	6.188	174	6.31%	3.62%	1.35%	A.G. Edwards
141	3/4/2004 <sup>1</sup>	TX	A.W. Brown Fellowship Charter School	Heart of Texas Education Finance Corporation 2004 A 2004 B	4.450	ACA Financial	S&P	A	F	2/15/2032	5.000	5.100	66	6.41%	13.31%	2.78%	William R. Hough
142	3/9/2004	AZ	Pima County (DA Pool (Series I&J) (Academy of Tucson, Carden Elementary Charter School)	Pima County Industrial Development Authority 2004 I 2004 J	6.735	Unenhanced	Moody's	Baa3	F	7/1/2031	6.300	6.476	205	7.05%	7.11%	2.25%	RBC Dan Rauscher
143	4/1/2004 <sup>1</sup>	CO	Parker Core Knowledge Charter School	Colorado Educational and Cultural Facilities Authority 2004	4.805	Sincora (XL)/Moral Obligation	Moody's S&P	Aaa AAA	F	11/1/2034	5.125	4.550	14	4.96%	4.42%	1.00%	Kirkpatrick Pettis
144	4/1/2004	MI	Baudior Academy	Baudior Academy 2004	3.075	Unenhanced	NR	NR	F	4/1/2034	7.250	7.500	263	8.40%	9.91%	5.00%	Herbert J. Sims
145	4/8/2004	AZ	Pima County (DA Pool (Series K&L) (Kingman Academy of Learning)	Pima County Industrial Development Authority 2004 K 2004 L	5.620	Unenhanced	Moody's	Baa3	F	7/1/2031	6.375	6.500	177	6.92%	4.99%	2.25%	RBC Dan Rauscher
146	4/15/2004 <sup>1</sup>	CO	Peak to Peak Charter School	Colorado Educational and Cultural Facilities Authority 2004	23.300	Sincora (XL)/Moral Obligation	Fitch Moody's S&P	Aaa Aaa AAA	F	8/15/2034	5.250	5.000	13	5.17%	2.92%	1.00%	Kirkpatrick Pettis
147	5/1/2004 <sup>1</sup>	CO	Academy of Charter Schools	Colorado Educational and Cultural Facilities Authority 2004	20.765	Sincora (XL)/Moral Obligation	Fitch Moody's S&P	Aaa Aaa AAA	F	5/1/2036	5.500	5.200	12	5.46%	3.23%	1.00%	Kirkpatrick Pettis
148	5/1/2004	MN	Hope Community Academy	St. Paul Housing and Redevelopment Authority 2004 A 2004 B	6.600	Unenhanced	NR	NR	F	12/1/2033	6.750	6.750	188	7.25%	6.43%	3.00%	Dougherty
149	5/15/2004 <sup>1</sup>	CO	Collegiate Academy of Colorado	Colorado Educational and Cultural Facilities Authority 2004	8.195	Sincora (XL)/Moral Obligation	Fitch Moody's S&P	Aaa Aaa AAA	F	6/15/2031	5.000	5.110	18	5.28%	4.35%	1.00%	Stifel Nicolaus
150	5/18/2004	AZ	BASIS School, Inc.	Pima County Industrial Development Authority 2004	1.885	Unenhanced	NR	NR	F	7/1/2034	7.375	7.375	231	8.43%	10.60%	3.00%	RBC Dan Rauscher
151	5/20/2004	AZ	Heritage Elementary School	Pima County Industrial Development Authority 2004	5.985	Unenhanced	NR	NR	F	7/1/2034	7.500	7.500	242	8.18%	6.48%	3.00%	RBC Dan Rauscher
152	6/1/2004	MI	Star International Academy	Star International Academy 2004	2.540	Unenhanced	NR	NR	F	3/1/2033	7.000	7.250	221	8.33%	9.57%	4.00%	Herbert J. Sims
153	6/1/2004	MN	Higher Ground Academy	St. Paul Housing and Redevelopment Authority 2004 A 2004 B	8.135	Unenhanced	NR	NR	F	12/1/2033	6.875	6.875	182	7.46%	6.69%	3.75%	Dougherty
154	7/1/2004	MI	William C. Abney Academy	William C. Abney Academy 2004	3.620	Unenhanced	NR	NR	F	7/1/2019	6.750	7.000	276	8.32%	9.09%	5.00%	Herbert J. Sims
155	7/8/2004	AZ	Pointe Educational Services	Pima County Industrial Development Authority 2004	9.750	Unenhanced	NR	NR	F	7/1/2034	7.500	7.500	261	7.93%	5.05%	3.00%	RBC Dan Rauscher
156	7/26/2004	FL	Bay Haven Charter Academy	Bay County, FL 2004	11.600	Columbus Bank & Trust Co	S&P	A+	VR	7/1/2027	VR	VR	VR	VR	2.00%	0.90%	Merchant Capital
157	8/1/2004 <sup>1</sup>	CO	University Lab School	Colorado Educational and Cultural Facilities Authority 2004	20.525	Sincora (XL)/Moral Obligation	Fitch Moody's S&P	Aaa Aaa AAA	F	6/1/2033	5.000	5.050	27	5.06%	2.55%	0.75%	Kirkpatrick Pettis



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158 9/2/2004 <sup>1</sup>	CO	James Irwin Charter High School, James Irwin Charter Middle School	Colorado Educational and Cultural Facilities Authority	2004	9.700	Zions First National	Moody's	A2	VR	9/1/2034	VR	VR	VR	VR	10.48%	1.25%	A.G. Edwards
159 9/15/2004 <sup>1</sup>	CO	Aurora Academy	Colorado Educational and Cultural Facilities Authority	2004	7.275	Sincora (XL)/Moral Obligation	Fitch Moody's S&P	AAA	F	2/15/2034	5.250	4.920	22	5.22%	4.08%	1.00%	Kirkpatrick Pettis
160 10/1/2004	CO	Denver School of Science and Technology	Colorado Educational and Cultural Facilities Authority	2004	1.500	Unenhanced	NR	NR	F	12/1/2013	5.000	5.050	27	6.19%	6.50%	1.50%	Kirkpatrick Pettis
161 10/1/2004	TX	Arlington Classics Academy	Danbury Higher Education Authority	2004 A 2004 B	3.460	Unenhanced	NR	NR	F	2/15/2029	7.250	7.500	293	8.17%	8.83%	4.35%	Coastal Securities
162 10/7/2004	AZ	Arizona Agribusiness and Equine Center	Tucson Industrial Development Authority	2004 A 2004 A-T	8.710	Unenhanced	S&P	BBB-	F	9/1/2034	6.125	6.200	157	6.56%	5.17%	1.50%	A.G. Edwards
163 10/15/2004 <sup>1</sup>	PA	Collegium Charter School	Chester County Industrial Development Authority	2004 A 2004 B	16.000	ACA Financial	S&P	A	F	4/15/2031	5.500	5.100	47	5.94%	9.63%	2.00%	Dolphin & Bradbury
164 11/1/2004	CO	Ebert County Charter School - Legacy Academy	Colorado Educational and Cultural Facilities Authority	2004	6.015	Unenhanced	NR	NR	F	3/1/2035	7.375	7.450	282	7.73%	3.56%	1.75%	Kirkpatrick Pettis
165 11/10/2004 <sup>1</sup>	CO	Platte River Academy	Colorado Educational and Cultural Facilities Authority	2004	8.025	Sincora (XL)/Moral Obligation	Fitch Moody's S&P	AAA	F	3/1/2034	4.750	4.910	31	5.03%	4.84%	0.75%	A.G. Edwards
166 11/18/2004	DC	Howard Road Academy Public Charter School	District of Columbia	2004	6.295	Bank of America	Moody's	Aa1	VR	12/1/2024	VR	VR	VR	VR	Na	0.64%	Bank of America Securities
167 12/1/2004	MI	Merritt Academy	Merritt Academy	2004	3.010	Unenhanced	NR	NR	F	12/1/2024	7.250	7.250	303	8.35%	10.30%	5.00%	Herbert J. Sims
168 12/1/2004	TX	School of Excellence in Education	Texas Public Finance Authority, Charter School Finance Corporation	2004 A 2004 B	9.070	Unenhanced	S&P	BB	F	12/1/2034	7.000	7.100	233	7.34%	3.22%	2.00%	Kirkpatrick Pettis
169 12/30/2004	PA	Prolet Schools (Homestead)	Allegheny County Industrial Development Authority	2004 A 2004 B	4.250	Unenhanced	NR	NR	F	12/15/2029	7.500	7.750	325	8.49%	4.42%	2.50%	Kirkpatrick Pettis
170 1/21/2005	AZ	La Paloma Academy	Pinna County Industrial Development Authority	2005	13.180	Unenhanced	NR	NR	F	7/1/2035	7.375	7.375	287	7.91%	5.15%	3.00%	RBC Dain Rauscher
171 2/17/2005 <sup>1</sup>	TX	A.W. Brown Fellowship Charter School	Orchard Higher Education Finance Corporation	2005 A 2005 B	6.250	ACA Financial	S&P	A	F	2/15/2032	5.000	5.090	61	6.21%	12.32%	3.49%	RBC Dain Rauscher
172 3/1/2005	AZ	Milestones Charter School	Pinna County Industrial Development Authority	2005	3.700	Unenhanced	NR	NR	F	11/1/2033	6.750	6.750	213	7.61%	9.71%	4.00%	Dougherty
173 3/9/2005	AZ	Horizon Community Learning Center	Pinna County Industrial Development Authority	2005	32.845	Unenhanced	S&P	BBB-	F	6/1/2035	5.250	5.250	73	5.30%	1.72%	1.00%	Westhoff, Cone & Holmstedt
174 3/17/2005 <sup>1</sup>	MA	Mystic Valley Regional Charter School	Massachusetts Development Finance Agency	2005	3.310	Sovereign Bank	S&P	AA+	VR	6/15/2008	VR	VR	VR	VR	7.45%	2.00%	RBC Dain Rauscher
175 4/18/2005 <sup>1</sup>	FL	Four Corners Charter School	School Board of Osceola County, FL	2005	12.095	National (MBIA)/School District Pledge	Fitch Moody's S&P	AAA	F	8/1/2024	4.500	4.670	28	4.63%	2.50%	0.55%	Citigroup
176 5/1/2005	NY	New Covenant Charter School	Albany Industrial Development Agency	2005 A 2005 B	16.605	Unenhanced	NR	NR	F	5/1/2035	7.000	7.375	301	8.34%	8.13%	3.75%	Herbert J. Sims

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Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter	
177	5/15/2005 <sup>1</sup>	CO	Woodrow Wilson Academy	Colorado Educational and Cultural Facilities Authority	2005 A 2005 B	6.275	Syncora (XL)/ Moody's S&P	Fitch Moody's S&P	AAA Aaa AAA	F	12/1/2034	5.250	4.460	12	4.95%	4.25%	1.00%	Kirkpatrick Peetis, D.A. Davidson
178	6/1/2005 <sup>1</sup>	CO	Bromley East Charter School	Colorado Educational and Cultural Facilities Authority	2005	14.370	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	F	9/1/2032	5.250	4.400	13	4.77%	3.14%	1.00%	Kirkpatrick Peetis, D.A. Davidson
179	6/1/2005	MI	Cesar Chavez Academy	Cesar Chavez Academy	2005	6.115	Unenhanced	NR	F	2/1/2033	6.500	6.500	228	8.02%	8.08%	4.00%	Herbert J. Sims	
180	6/1/2005	MI	Landmark Academy	Landmark Academy	2005	2.080	Unenhanced	NR	F	6/1/2031	7.000	7.000	281	8.30%	12.57%	5.00%	Herbert J. Sims	
181	6/1/2005	NY	Charter School for Applied Technologies	Erie County Industrial Development Agency	2005 A 2005 B	21.940	Unenhanced	NR	F	6/1/2035	6.875	7.150	283	7.89%	7.58%	3.74%	Herbert J. Sims	
182	6/7/2005 <sup>1</sup>	CO	Lincoln Academy Charter School	Colorado Educational and Cultural Facilities Authority	2005	2.470	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	F	3/1/2026	5.125	4.380	26	4.87%	4.71%	0.75%	Wells Fargo
183	6/7/2005	DC	St. Coletta Special Education Public Charter School	District of Columbia	2005	16.600	Bank of America	Moody's	Aa1	VR	5/1/2035	VR	VR	VR	VR	VR	0.39%	Bank of America
184	6/16/2005	AZ	Pima County IDA Pool (Series M&N) (Academy of Tucson)	Pima County Industrial Development Authority	2005 M 2005 N	2.280	Unenhanced	Moody's	Baa3	F	7/1/2031	5.800	5.950	173	6.75%	8.71%	2.25%	RBC Dan Rauscher
185	6/28/2005	WI	Milwaukee Academy of Science	Milwaukee, WI Redevelopment Authority	2005 A 2005 B	12.250	Unenhanced	S&P	BB+	F	8/1/2035	5.750	5.830	158	6.30%	4.73%	2.00%	A.G. Edwards
186	7/1/2005	MN	Minnesota Business Academy	St. Paul Housing and Redevelopment Authority	2005 A 2005 B	6.560	Unenhanced	NR	F	1/1/2035	6.750	6.750	240	7.37%	7.13%	4.00%	Dougherty	
187	7/21/2005	PA	Leadership Learning Partners Charter School	Philadelphia Authority for Industrial Development	2005 A 2005 B	10.700	Unenhanced	S&P	BBB-	F	7/1/2036	5.375	5.442	112	5.70%	3.75%	1.35%	Westhoff, Cone & Holmstedt
188	8/1/2005	ID	Pocatello Community Charter School	Idaho Housing & Finance Association	2005	2.480	Unenhanced	NR	F	8/1/2025	6.750	6.750	254	7.17%	6.13%	2.50%	Miller Johnson Steichen Kinard	
189	8/9/2005	MI	Chandler Park Academy	Chandler Park Academy	2005	7.420	Unenhanced	S&P	BBB-	F	11/1/2035	5.125	5.230	89	5.72%	6.78%	1.75%	A.G. Edwards
190	8/15/2005	CO	Knowledge Quest Academy	Colorado Educational and Cultural Facilities Authority	2005	5.840	Unenhanced	NR	F	5/1/2036	6.500	6.500	221	6.78%	3.32%	1.90%	Kirkpatrick Peetis, D.A. Davidson	
191	8/16/2005	MI	Detroit Community High School	Detroit Community High School	2005	11.865	Unenhanced	S&P	BB	F	11/1/2035	5.750	5.820	142	6.25%	5.20%	1.75%	A.G. Edwards
192	8/30/2005 <sup>1</sup>	CO	Excel Academy Charter School	Colorado Educational and Cultural Facilities Authority	2005	7.610	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	F	12/1/2033	5.500	4.828	54	4.92%	3.93%	1.00%	Kirkpatrick Peetis, D.A. Davidson
193	8/30/2005 <sup>1</sup>	CO	Ridgeview Classical Schools	Colorado Educational and Cultural Facilities Authority	2005 A 2005 B	8.185	Syncora (XL)/ Moral Obligation	Fitch Moody's S&P	AAA Aaa AAA	F	8/15/2035	5.500	4.859	57	4.95%	3.81%	1.00%	Kirkpatrick Peetis, D.A. Davidson
194	9/1/2005	AZ	Premier Charter High School, Air Academy Charter High School	Pima County Industrial Development Authority	2005	10.895	Unenhanced	NR	F	9/1/2035	7.000	7.000	260	7.75%	8.22%	4.00%	Dougherty	
195	9/1/2005	MI	Trillium Academy	Trillium Academy	2005	7.200	Unenhanced	NR	F	9/1/2035	6.300	6.300	195	6.87%	7.41%	4.50%	Herbert J. Sims	

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196	9/20/2005	MI	Summit Academy North	Summit Academy North	2005	26,595	Unenhanced	S&P	BB+	F	5.500	5.560	126	5.87%	4.93%	1.75%	A.G. Edwards
197	10/1/2005	MI	Cheryl Stockwell Academy	Cheryl Stockwell Academy	2005	12,805	Unenhanced	NR	NR	F	5.900	5.900	144	6.28%	5.28%	3.75%	Herbert J. Sims
198	10/1/2005	MI	Marshall Academy	Marshall Academy	2005	4,230	Unenhanced	NR	NR	F	6.300	6.300	182	7.22%	9.79%	4.00%	Herbert J. Sims
199	10/1/2005	MI	Hope Community Academy	St. Paul Housing and Redevelopment Authority	2005 A 2005 B	5,750	Unenhanced	NR	NR	F	6.250	6.250	170	6.96%	7.81%	4.00%	Dougherty
200	10/1/2005 <sup>1</sup>	TX	North Hills Preparatory	Beasley Higher Education Finance Corporation	2005 A 2005 B	15,945	ACA Financial	Moody's S&P	A	F	5.125	4.750	26	5.56%	8.18%	2.45%	Coastal Securities
201	10/20/2005	AZ	Pointe Educational Services	Prima County Industrial Development Authority	2005	15,580	Unenhanced	NR	NR	F	6.750	6.750	220	7.17%	4.18%	2.29%	RBC Dam Rauscher
202	11/1/2005	PA	Renaissance Academy	Chester County Industrial Development Authority	2005 A 2005 B	9,220	Unenhanced	NR	NR	F	5.625	5.625	164	6.74%	5.98%	3.00%	Herbert J. Sims
203	12/1/2005	MI	Allen Academy	Allen Academy	2005 C	2,000	Unenhanced	NR	NR	F	9.000	9.000	446	10.95%	15.50%	5.00%	Herbert J. Sims
204	12/6/2005	MI	Plymouth Educational Center Charter School	Plymouth Educational Center Charter School	2005	13,850	Unenhanced	S&P	BBB-	F	5.625	5.500	96	5.89%	5.44%	1.75%	A.G. Edwards
205	12/13/2005	MI	Old Redford Academy	Michigan Public Educational Facilities Authority	2005 A 2005 B	11,100	Unenhanced	S&P	BBB-	F	6.000	6.000	150	6.19%	4.10%	2.00%	Nat City
206	12/14/2005	FL	G Star School of the Arts	Palm Beach County, FL	2005 A	4,455	Unenhanced	S&P	BB	F	6.750	6.750	216	Na	Na	Na	Kirkpatrick Pettis, D.A. Davidson
207	12/20/2005	MI	Summit Academy	Summit Academy	2005	6,855	Unenhanced	S&P	BB+	F	6.375	6.530	199	7.36%	8.94%	1.75%	A.G. Edwards
208	1/15/2006	NM	Academy for Technology and the Classics	Santa Fe County	2006 A 2006 B	6,735	Unenhanced	NR	NR	F	6.625	6.625	225	7.00%	4.74%	1.70%	Kirkpatrick Pettis, D.A. Davidson
209	1/25/2006 <sup>1</sup>	MN	Seed Daycare (Harvest Preparatory Charter School, Inc., Hmong Academy)	City of Minneapolis	2006 A 2006 B	7,000	US Bank	NR	NR	F	6.500	6.500	Na	7.47%	8.33%	2.65%	Miller Johnson Steichen Kimard
210	2/1/2006	MI	Grattan Academy	Grattan Academy	2006	3,800	Unenhanced	NR	NR	F	6.500	6.500	215	7.22%	7.80%	4.00%	Herbert J. Sims
211	2/14/2006	MI	Michigan Technical Academy	Michigan Public Educational Facilities Authority	2006	6,950	Unenhanced	S&P	BB	F	6.500	6.670	228	7.02%	4.31%	2.00%	Nat City
212	4/1/2006	AZ	Arts Academy (P.L.C. Schools)	Prima County Industrial Development Authority	2006	12,325	Unenhanced	NR	NR	F	6.750	6.750	227	7.27%	6.54%	4.00%	Dougherty
213	4/3/2006	FL	Palm Bay Community Charter School - Patriot	Palm Bay City	2006 A 2006 B	21,100	Unenhanced	NR	NR	F	7.000	7.000	251	7.72%	6.66%	2.50%	Gates Capital
214	4/15/2006	PA	Richard Allen Preparatory School	Philadelphia Authority for Industrial Development	2006	5,790	Unenhanced	S&P	BB+	F	6.250	6.250	174	6.79%	6.29%	1.60%	Boenning & Scattergood
215	4/25/2006	AZ	Southgate Academy, Inc.	Prima County Industrial Development Authority	2006	10,895	Unenhanced	NR	NR	F	7.000	7.125	259	7.45%	2.95%	1.25%	D.A. Davidson
216	5/1/2006	MI	Walden Green Montessori	Michigan Public Educational Facilities Authority	2006	4,370	Unenhanced	NR	NR	F	5.625	6.050	152	6.66%	6.90%	4.00%	Fifth Third Securities
217	5/1/2006	MN	Lakes International Language Academy	Pine City-Minnesota	2006 A 2006 B	8,200	Unenhanced	NR	NR	F	6.250	6.250	172	6.81%	6.80%	4.00%	Dougherty

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218 5/10/2006	AZ	BASIS School, Inc.	Pima County Industrial Development Authority	2006	5.155	Unenhanced	NR	NR	F	7/1/2036	7.000	7.000	245	7.62%	6.15%	2.81%	RBC Capital Markets
219 5/17/2006	AZ	Villa Montessori, Inc.	Phoenix Industrial Development Authority	2006	5.430	Unenhanced	NR	NR	F	7/1/2036	6.500	6.500	193	7.14%	6.44%	3.00%	RBC Capital Markets
220 5/23/2006	AZ	Paradise Education Center	Pima County Industrial Development Authority	2006	5.515	Unenhanced	S&P	BB+	F	6/1/2036	6.000	6.091	152	6.69%	7.18%	2.00%	A.G. Edwards
221 5/23/2006	CO	Northern Colorado Academy of Arts and Knowledge	Colorado Educational and Cultural Facilities Authority	2006 A	5.965	Unenhanced	NR	NR	F	5/1/2036	7.000	7.000	Na	Na	Na	Na	D.A. Davidson
222 6/1/2006	AZ	Choice Education and Development Corporation	Pima County Industrial Development Authority	2006	28.600	Unenhanced	NR	NR	F	6/1/2036	6.375	6.375	189	6.90%	6.17%	4.00%	Dougherty
223 6/1/2006 <sup>1</sup>	TX	IVOS Charter School	Orchard Higher Education Finance Corporation	2006 A 2006 B	5.080	ACA Financial	S&P	A	F	2/15/2031	5.000	5.100	67	6.57%	14.64%	Na	Coastal Securities
224 6/21/2006	CA	Escondido High School, Heritage Charter School	California Municipal Finance Authority	2006 A 2006 A-T	25.500	Unenhanced	S&P	BBB-	F	6/1/2036	5.250	5.120	66	5.57%	4.17%	2.00%	Ziegler
225 6/23/2006	CO	Banning Lewis Ranch Academy, Inc.	Colorado Educational and Cultural Facilities Authority	2006	8.000	Unenhanced	NR	NR	F	12/15/2035	6.125	6.125	160	6.44%	3.33%	1.80%	D.A. Davidson
226 7/1/2006 <sup>1</sup>	TX	Faith Family Academy Charter School	City of Cameron Education Corporation	2006 A 2006 B	16.640	ACA Financial	S&P	A	F	8/15/2036	5.250	5.320	68	6.31%	11.26%	3.50%	RBC Capital Markets
227 7/12/2006 <sup>1</sup>	MA	Academy of the Pacific Rim	Massachusetts Development Finance Agency	2006 A 2006 B	11.775	ACA Financial	S&P	A	F	6/1/2031	5.125	5.125	51	7.10%	12.54%	2.00%	Dougherty
228 7/25/2006	MI	Black River Public School	Michigan Public Educational Facilities Authority	2006	8.885	Unenhanced	NR	NR	F	9/1/2030	5.800	5.720	121	6.00%	3.50%	1.75%	Fifth Third Securities
229 8/1/2006	MO	Allen Village School	Kansas City Industrial Development Authority	2006	4.365	Unenhanced	NR	NR	F	8/1/2036	6.250	6.250	197	Na	Na	Na	Na
230 8/1/2006 <sup>1</sup>	TX	A.W. Brown Fellowship Charter School	Danbury Higher Education Authority	2006 A 2006 B	5.140	ACA Financial	S&P	A	F	8/15/2036	5.125	5.150	65	6.29%	13.73%	2.49%	RBC Capital Markets
231 8/1/2006 <sup>1</sup>	TX	KIPP Inc.	Texas Public Finance Authority, Charter School Finance Corporation	2006 A 2006 B	35.415	ACA Financial	S&P	A	F	2/15/2036	5.000	4.900	57	5.31%	5.73%	0.74%	RBC Capital Markets
232 8/29/2006	AZ	Franklin Phonetic Primary School, Inc.	Pima County Industrial Development Authority	2006	3.900	Unenhanced	NR	NR	F	7/1/2036	5.750	5.750	145	6.48%	7.59%	2.00%	Baird
8/30/2006 <sup>1,2</sup>	IL	Noble Network of Charter Schools	Illinois Finance Authority	2006 C 2006 D	11.525	ACA Financial	S&P	A	F	9/1/2031	5.000	4.820	56	5.94%	11.31%	1.84%	RBC Capital Markets
233 8/30/2006 <sup>1,2</sup>	IL	UNO Charter School Network, Inc.	Illinois Finance Authority	2006 E 2006 F	7.220	ACA Financial	S&P	A	F	9/1/2031	5.000	4.820	56	6.23%	12.73%	2.07%	RBC Capital Markets
234 9/1/2006	MI	Merritt Academy	Merritt Academy	2006	5.315	Unenhanced	NR	NR	F	12/1/2036	6.250	6.250	212	6.88%	7.94%	4.00%	Herbert J. Sims
235 9/1/2006	MIN	Hmong Academy	St. Paul Housing and Redevelopment Authority	2006 A 2006 B	8.975	Unenhanced	NR	NR	F	9/1/2036	6.000	5.900	177	6.53%	7.36%	4.00%	Dougherty

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236	9/1/2006	TX	Seashore Center School (Island Foundation)	2006 A 2006 B	3,640	Unenhanced	NR	NR	F	2/15/2036	6.250	6.250	197	7.24%	10.18%	5.10%	Coastal Securities
237	9/6/2006	AZ	Carpe Diem Collegiate High School	2006	3,640	Unenhanced	NR	NR	F	8/1/2036	7.100	7.100	284	8.12%	9.75%	3.00%	D.A. Davidson
238	9/12/2006	CO	Academy Charter School	2006 A 2006 B	7,985	Moral Obligation	S&P	A	F	12/15/2036	4.750	4.861	60	5.11%	4.36%	1.50%	A.G. Edwards
239	9/27/2006 <sup>1</sup>	CO	Cheyenne Mountain Charter Academy	2006 A 2006 B	11,670	CIFG NA/ Moral Obligation	S&P	AAA	F	6/15/2036	4.500	4.585	34	4.87%	4.86%	1.10%	A.G. Edwards
240	9/28/2006	FL	Palm Bay Academy Charter School	2006 A 2006 B	5,920	Unenhanced	S&P	BB-	F	5/15/2036	6.000	6.000	183	7.02%	9.30%	2.50%	D.A. Davidson
241	10/4/2006 <sup>1</sup>	CO	Frontier Academy	2006	17,750	CIFG NA/ Moral Obligation	Moody's S&P	Aaa AAA	F	6/1/2031	4.500	4.650	49	4.76%	2.95%	0.75%	Wells Fargo
242	10/4/2006	TX	Burnham Wood Charter School Da Vinci School for Science and Arts	2006 A 2006 B	8,525	Unenhanced	NR	NR	F	9/1/2036	6.250	6.250	212	6.53%	3.75%	2.00%	Wells Fargo
243	10/31/2006	DE	Newark Charter School, Inc.	2006	14,905	Unenhanced	S&P	BBB-	F	9/1/2036	5.000	4.950	68	5.25%	4.17%	1.75%	A.G. Edwards
244	11/1/2006	MI	Dr. Charles Drew Academy	2006	6,190	Unenhanced	NR	NR	F	11/1/2036	5.700	5.700	168	6.39%	7.91%	4.00%	Herbert J. Sims
245	11/1/2006 <sup>1</sup>	TX	Southwest Winners Foundation, Inc.	2006 A 2006 B	9,470	ACA Financial	S&P	A	F	2/15/2031	5.000	4.720	50	6.10%	12.76%	3.49%	Coastal Securities
246	11/8/2006	UT	American Leadership Academy, Inc.	2006	25,170	Unenhanced	NR	NR	F	11/15/2036	5.700	5.700	157	5.88%	2.76%	1.90%	D.A. Davidson
247	11/21/2006	AZ	Success School, Superior School	2006	7,215	Unenhanced	NR	NR	F	11/1/2036	6.750	6.750	272	6.50%	5.26%	2.00%	Miller Johnson Steichen Kinard
248	11/28/2006 <sup>1</sup>	CO	Stergate Charter School	2006	9,805	CIFG NA/ Moral Obligation	Moody's S&P	Aaa AAA	F	11/1/2038	4.500	4.590	52	4.79%	3.87%	1.00%	D.A. Davidson
249	11/28/2006	MN	Community of Peace Academy	2006	17,245	Unenhanced	S&P	BBB-	F	12/1/2036	5.000	4.780	76	5.27%	4.99%	3.25%	Dougherty
250	11/29/2006	AZ	Espiritu Schools	2006 A 2006 B	7,855	Unenhanced	NR	NR	F	7/1/2036	6.250	6.000	199	7.25%	9.92%	3.00%	RBC Capital Markets
251	12/1/2006	AZ	ACCLAIM Charter School	2006	7,680	Unenhanced	NR	NR	F	12/1/2036	5.800	5.800	178	6.45%	7.71%	4.00%	Dougherty
252	12/1/2006	MI	Crescent Academy	2006	7,090	Unenhanced	NR	NR	F	12/1/2036	5.750	5.750	173	6.46%	8.04%	4.00%	Herbert J. Sims
253	12/1/2006	TX	Gateway Charter Academy	2006 A 2006 B	10,385	Unenhanced	NR	NR	F	2/15/2036	6.000	6.050	198	Na	Na	Na	Coastal Securities
254	12/7/2006	CO	Montessori Peaks Academy	2006 A 2006 B	7,575	Unenhanced	NR	NR	F	5/1/2036	5.500	5.500	154	5.71%	2.62%	1.25%	D.A. Davidson
255	12/11/2006	CO	Brighton Charter School	2006	10,195	Unenhanced	NR	NR	F	11/1/2036	6.000	6.000	210	6.23%	2.53%	1.45%	D.A. Davidson
256	12/13/2006	AZ	Sonoran Science Academy of Tucson	2006 A 2006 B	10,605	Unenhanced	NR	NR	F	12/1/2037	5.750	5.750	182	6.00%	3.30%	1.75%	Wells Fargo

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Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter
257 12/14/2006	PA	Franklin Towne Charter High School	Philadelphia Authority for Industrial Development	2006 A 2006 B	11.525	Unenhanced	S&P	BBB	F	1/1/2032	5.375	4.800	93	5.46%	5.65%	3.00%	Municipal Capital Markets Group
258 12/19/2006 <sup>1</sup>	CO	Littleton Academy Charter School	Colorado Educational and Cultural Facilities Authority	2006	5.235	CIFB NA/ Moral Obligation	S&P	AAA	F	1/15/2036	4.375	4.520	57	4.80%	4.83%	0.90%	Sitfel Nicolaus
259 12/20/2006	CO	Carbon Valley Academy	Colorado Educational and Cultural Facilities Authority	2006	5.305	Unenhanced	NR	NR	F	12/1/2036	5.625	5.625	161	5.90%	2.96%	1.45%	D.A. Davidson
260 12/20/2006	CO	Compass Montessori Secondary School	Colorado Educational and Cultural Facilities Authority	2006	6.380	Unenhanced	NR	NR	F	2/15/2036	5.625	5.625	161	5.90%	3.36%	1.65%	D.A. Davidson
261 12/21/2006	UT	Monticello Academy	West Valley City, Utah	2006 A	6.500	KeyBank National	S&P	A	VR	6/1/2036	VR	VR	VR	VR	8.45%	0.71%	KeyBank
262 12/21/2006	UT	Monticello Academy	West Valley City	2006 B	4.500	Unenhanced	NR	NR	F	6/1/2036	6.500	6.500	247	Na	Na	Na	KeyBank
263 12/28/2006 <sup>1</sup>	DC	Friendship Public Charter School, Inc.	District of Columbia	2006	15.000	ACA Financial	S&P	A	F	6/1/2035	5.000	4.470	47	5.07%	4.91%	1.10%	Citigroup
264 1/1/2007	MO	Derrick Thomas Academy Charter School, Inc.	Kansas City Industrial Development Authority	2007 A 2007 B	10.615	Unenhanced	NR	NR	F	1/1/2037	5.875	5.875	183	6.53%	6.65%	3.50%	Herbert J. Sims
265 1/18/2007	AZ	Pima County IDA Pool (Series 0&P) (Kingman Academy of Learning)	Pima County Industrial Development Authority	2007 O 2007 P	14.995	Unenhanced	Moody's	Baa3	F	7/1/2031	5.250	4.880	86	5.38%	3.88%	2.25%	RBC Capital Markets
266 1/23/2007	IL	Cambridge Lakes Learning Center (Cambridge Lakes Charter School)	Pingree Grove Village	2006	10.555	Unenhanced	NR	NR	F	6/1/2036	6.000	6.000	186	6.27%	2.90%	1.50%	William Blair
267 1/24/2007	MI	Connor Creek Academy East	Connor Creek Academy East	2007	16.215	Unenhanced	S&P	BB+	F	11/1/2036	5.250	5.170	106	5.50%	3.77%	2.00%	A.G. Edwards
268 1/31/2007 <sup>1</sup>	FL	Treasure Coast University Charter School	St. Lucie County School Board	2007	21.865	National (MBIA)/ School District Pledge	Moody's	Aaa	F	8/15/2032	4.500	4.610	45	4.68%	2.42%	0.67%	Prager Sealy
269 2/8/2007	IL	Chicago Charter School Foundation (Chicago International Charter School Northtown Academy)	Illinois Finance Authority	2007 A 2007 B	49.475	Unenhanced	S&P	BBB	F	12/1/2026	5.000	4.740	69	5.00%	2.09%	1.15%	D.A. Davidson
270 2/14/2007	MO	Confluence Academy	St. Louis Industrial Development Authority	2007 A 2007 B	23.705	Unenhanced	NR	NR	F	6/15/2032	5.350	5.350	127	5.63%	3.87%	2.25%	Sitfel Nicolaus
271 2/26/2007	AZ	BASIS School, Inc.	Pima County Industrial Development Authority	2007	9.000	Unenhanced	NR	NR	F	7/1/2037	6.750	6.750	273	7.77%	4.33%	2.50%	RBC Capital Markets
272 3/8/2007	ID	Hidden Springs Charter School, Inc.	Idaho Housing and Finance Association	2007	5.805	Bank of America	Moody's	Aa1	VR	3/1/2037	VR	VR	VR	VR	Na	0.60%	Bank of America
273 3/13/2007	MI	Byron Center Charter School	Byron Center Charter School	2007	3.145	Unenhanced	NR	NR	F	3/1/2037	5.600	5.397	144	6.14%	9.01%	5.00%	Lake Forest Securities
274 3/13/2007	MI	Grand Traverse Academy	Grand Traverse Academy	2007	16.200	Unenhanced	S&P	BBB-	F	11/1/2036	5.000	4.810	73	5.20%	4.79%	2.00%	A.G. Edwards
275 3/21/2007	AZ	Tucson Country Day School	Pima County Industrial Development Authority	2007	6.220	Unenhanced	S&P	BBB-	F	6/1/2037	5.000	4.920	96	5.50%	6.57%	2.75%	A.G. Edwards
276 3/28/2007	CO	Union Colony Charter School	Colorado Educational and Cultural Facilities Authority	2007	4.815	Unenhanced	NR	NR	F	12/1/2037	5.750	5.400	136	5.81%	3.53%	1.65%	D.A. Davidson

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277	3/30/2007	NY	Brighter Choice Charter Schools	City of Albany Industrial Development Agency	2007 A 2007 B	Unenhanced	Fitch	BBB-	F	4/1/2037	5.000	4.840	78	5.19%	3.78%	1.44%	First Albany
278	4/3/2007	FL	Lee Charter Foundation (Gateway Charter School)	Lee County Industrial Development Authority	2007 A 2007 B	Unenhanced	S&P	BB	F	6/15/2037	5.375	5.240	120	5.57%	3.48%	1.15%	Wachovia
279	4/12/2007	UT	Freedom Academy Foundation	Provo City	2007	Unenhanced	NR	NR	F	6/15/2037	5.500	5.500	141	5.92%	4.62%	2.00%	Baird
280	4/17/2007	PA	School Lane Charter School	Bucks County Industrial Development Authority	2007 A 2007 B	Unenhanced	S&P	BBB	F	3/15/2037	5.000	5.000	86	5.29%	3.97%	1.75%	PNC
281	4/18/2007	CO	Challenges, Choices and Images	Colorado Educational and Cultural Facilities Authority	2007 A 2007 B	Unenhanced	NR	NR	F	5/1/2037	6.250	6.250	207	6.92%	2.86%	1.75%	D.A. Davidson
282	4/24/2007 <sup>1</sup>	CO	Cesar Chavez Academy	Colorado Educational and Cultural Facilities Authority	2007 A 2007 B	CFIS NA/ Moral Obligation	S&P	AAA	F	8/1/2037	4.500	4.630	53	4.84%	3.62%	1.08%	D.A. Davidson
283	4/24/2007	WI	Academy of Learning and Leadership, Inc.	Milwaukee City Redevelopment Authority	2007 A 2007 B 2007 C	Unenhanced	NR	NR	F	8/1/2037	5.650	5.650	146	Na	8.70%	2.20%	A.G. Edwards
284	5/1/2007	TX	Harmony Schools (Houston, Dallas, College Station, San Antonio)	Texas Public Finance Authority, Charter School Finance Corporation	2007 A 2007 B	Unenhanced	S&P	BB+	F	2/15/2037	5.375	5.443	134	5.92%	5.47%	3.97%	Coastal Securities
285	5/1/2007 <sup>1</sup>	TX	IDEA Public Schools (Omaha, Quest, Frontier, Rio Grande Middle, Rio Grande Upper)	Texas Public Finance Authority, Charter School Finance Corporation	2007 A 2007 B	ACA Financial	S&P	A	F	8/15/2037	5.000	4.700	57	5.07%	4.37%	0.80%	A.G. Edwards
286	5/3/2007	UT	East Hollywood High School, Inc.	West Valley City	2007 A 2007 B	Unenhanced	NR	NR	F	6/15/2037	5.625	5.625	153	6.30%	6.98%	2.00%	Baird
287	5/3/2007	UT	Monticello Academy	West Valley City	2007	Unenhanced	NR	NR	F	6/1/2037	6.375	5.930	182	6.36%	2.42%	1.06%	KeyBank
288	5/16/2007	UT	The Walden School of Liberal Arts	Utah County	2007 A 2007 B	Unenhanced	NR	NR	F	1/15/2037	6.250	6.250	215	6.95%	6.89%	1.90%	D.A. Davidson
289	5/23/2007	CA	Aspire and Huntington Park Alliance	California Statewide Communities Development Authority	2007 A 2007 B	Unenhanced	NR	NR	F	7/1/2042	5.250	5.250	115	5.68%	5.38%	3.00%	RBC Capital Markets
290	5/24/2007	DC	Community Academy Public Charter School	District of Columbia	2007	ACA Financial	S&P	A	F	5/1/2037	4.875	4.875	Na	Na	Na	Na	Comerstone Capital
291	5/25/2007	FL	Terrace Community Middle School	Hillsborough County Industrial Development Authority	2007 A 2007 B	Unenhanced	S&P	BBB-	F	5/15/2037	5.125	5.570	134	5.77%	6.35%	1.50%	D.A. Davidson
292	5/30/2007	UT	Lakewood Academy	Utah County	2007 A 2007 B	Unenhanced	NR	NR	F	7/15/2037	5.625	5.570	134	6.06%	5.18%	1.75%	Piper Jaffray
293	5/30/2007	UT	Renaissance Academy	Utah County	2007 A 2007 B	Unenhanced	NR	NR	F	7/15/2037	5.625	5.570	134	6.02%	4.87%	1.75%	Piper Jaffray
294	5/31/2007	AZ	Heritage Elementary School	Pima County Industrial Development Authority	2007	Unenhanced	NR	NR	F	7/1/2037	5.850	5.850	162	6.24%	4.26%	3.00%	RBC Capital Markets
295	5/31/2007 <sup>1</sup>	IL	Golden College Prep	Illinois Finance Authority	2007 A 2007 B	ACA Financial	S&P	A	F	9/1/2032	5.000	4.810	60	5.65%	10.48%	1.77%	RBC Capital Markets

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296	MI	David Ellis Academy - West	Michigan Public Educational Facilities Authority	2007	14.370	Unenhanced	NR	NR	F	6/1/2037	5.875	5.950	163	Na	Na	Na	Na
297	MI	Richfield Public School Academy	Michigan Public Educational Facilities Authority	2007	6.435	Unenhanced	S&P	BBB-	F	9/1/2036	5.000	5.125	88	5.62%	5.54%	1.75%	A.G. Edwards
298	CO	Belle Creek Charter School	Colorado Educational and Cultural Facilities Authority	2007 A 2007 B	9.300	CI/FS NA/ Moral Obligation	S&P	AAA	F	3/15/2037	4.625	4.750	44	5.04%	4.57%	1.00%	A.G. Edwards
299	MI	Crossroads Charter Academy	Crossroads Charter Academy	2007	5.590	Unenhanced	S&P	BBB-	F	6/1/2035	5.250	5.490	98	5.99%	6.14%	3.35%	Lake Forest Securities
300	MI	Concord Academy - Boyne	Concord Academy - Boyne	2007	2.800	Unenhanced	NR	NR	F	11/1/2036	5.600	5.600	129	Na	Na	Na	Na
301	DC	DC Preparatory Academy	District of Columbia	2007	9.580	Unenhanced	NR	NR	VR	11/1/2033	VR	VR	VR	VR	Na	Na	Na
302	MI	Landmark Academy	Landmark Academy	2007 A 2007 B	1.960	Unenhanced	NR	NR	F	6/1/2012	6.000	6.000	142	9.39%	11.91%	4.00%	Herbert J. Sims
303	CO	James Irwin Educational Foundation	Colorado Educational and Cultural Facilities Authority	2007	20.900	CI/FS NA/ Moral Obligation	S&P	AAA	F	8/1/2037	5.000	4.800	33	5.15%	4.29%	1.00%	A.G. Edwards
304	CO	Windsor Charter Academy	Colorado Educational and Cultural Facilities Authority	2007 A 2007 B	6.905	Unenhanced	S&P	BB+	F	5/1/2037	5.700	5.700	121	5.97%	2.91%	1.60%	D.A. Davidson
305	AZ	Center for Academic Success	Pima County Industrial Development Authority	2007	9.000	Unenhanced	S&P	BBB-	F	7/1/2037	5.500	5.250	335	5.85%	4.19%	2.25%	RBC Capital Markets
306	UT	Lincoln Academy	Utah County	2007 A 2007 B	10.035	Unenhanced	NR	NR	F	6/15/2037	5.875	5.875	139	6.29%	4.52%	2.00%	Baird
307	IL	Officer Donald J. Marquez Charter School	Illinois Finance Authority	2007 C 2007 D	16.000	ACA Financial	S&P	A	F	9/1/2032	5.375	5.000	58	6.12%	10.65%	1.73%	RBC Capital Markets
308	NC	Magellan Charter School	North Carolina Capital Facilities Finance Agency	2007	5.000	Wachovia Bank	S&P	AA	VR	6/1/2027	VR	VR	VR	VR	2.00%	1.00%	Wachovia
309	PA	Russell Byers Charter School	Philadelphia Authority for Industrial Development	2007 A 2007 B	7.810	Unenhanced	S&P	BBB-	F	5/1/2037	5.250	5.290	85	5.66%	4.51%	1.79%	PNC
310	CO	James Madison Charter Academy	Colorado Educational and Cultural Facilities Authority	2007	2.040	Unenhanced	NR	NR	F	5/1/2037	7.500	Na	Na	Na	Na	Na	D.A. Davidson
311	CO	Northeast Academy Charter School	Colorado Educational and Cultural Facilities Authority	2007 A 2007 B	5.210	Unenhanced	NR	NR	F	5/15/2037	5.750	5.750	134	6.04%	3.02%	1.50%	D.A. Davidson
312	MI	Star International Academy	Star International Academy	2007	5.850	Unenhanced	S&P	BB+	F	3/1/2037	6.125	6.125	170	6.75%	6.73%	3.75%	Herbert J. Sims
313	TX	Peak Preparatory	Texas Public Finance Authority, Charter School Finance Corporation	2007 A 2007 B	10.380	Unenhanced	Moody's S&P	Baa3 BBB-	F	12/1/2036	5.875	5.940	121	6.30%	5.19%	1.15%	A.G. Edwards
314	CO	Challenge to Excellence Charter School	Colorado Educational and Cultural Facilities Authority	2007	7.545	CI/FS NA/ Moral Obligation	Moody's S&P	Aaa AAA	F	6/1/2037	5.000	4.900	39	5.25%	4.58%	1.25%	Sitfel Nicolaus
315	NC	Union Academy	North Carolina Capital Facilities Finance Agency	2007	6.175	Wachovia Bank	S&P	AA	VR	12/1/2029	VR	VR	VR	VR	4.25%	1.25%	Ziegler
316	FL	Learning Gate Community School	Florida Development Finance Corporation	2007 A 2007 B	7.475	Unenhanced	S&P	BBB-	F	2/15/2037	6.000	6.050	133	6.84%	6.25%	1.50%	D.A. Davidson



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317	PA	First Philadelphia Charter School For Literacy	Philadelphia Authority for Industrial Development	2007 A 2007 B	17,000	Unenhanced	S&P	BBB-	F	8/15/2037	5.850	5.930	121	6.11%	2.82%	1.50%	PNC
318	RI	CVS Highlander Charter School	Rhode Island Health and Education Building Corporation	2007	7,000	Citizens Bank	S&P	AA-	VR	9/1/2037	VR	VR	VR	VR	2.71%	0.40%	Bank of America
319	FL	Palm Bay Academy Charter School	Florida Development Finance Corporation	2007 A 2007 B	6,260	Unenhanced	S&P	BB-	F	5/15/2037	6.125	6.125	173	6.86%	5.97%	1.50%	D.A. Davidson
320	MI	Bradford Academy	Michigan Public Educational Facilities Authority	2007	17,300	Unenhanced	NR	NR	F	9/1/2037	6.500	6.500	198	Na	Na	Na	Herbert J. Sims
321	PA	Independence Charter School	Philadelphia Authority for Industrial Development	2007 A 2007 B	18,000	Unenhanced	S&P	BBB-	F	9/15/2037	5.500	5.500	106	5.67%	3.08%	1.67%	PNC
322	CO	Monument Academy Charter School	Colorado Educational and Cultural Facilities Authority	2007 A 2007 B	12,270	Unenhanced	S&P	BB	F	10/1/2037	6.000	6.000	154	6.17%	2.57%	1.50%	D.A. Davidson
323	NY	Global Concepts Charter School	Erie County Industrial Development Agency	2007	8,275	Unenhanced	NR	NR	F	10/1/2037	6.250	6.250	196	6.87%	6.72%	2.50%	Herbert J. Sims
324	MI	International Academy of Flint	International Academy of Flint	2007	17,175	Unenhanced	S&P	BBB-	F	10/1/2037	5.750	5.750	129	5.94%	3.33%	1.78%	Fifth Third Securities
325	AZ	21st Century (Bennet Academy)	Benson AZ Industrial Development Authority	2007	3,550	ACA Financial	S&P	A	F	10/1/2032	6.000	Na	Na	Na	Na	Na	Cohen
326	AZ	The Edge School	Pima County Industrial Development Authority	2007	4,630	Unenhanced	NR	NR	F	7/1/2037	6.500	6.500	213	7.26%	7.49%	3.00%	RBC Capital Markets
327	AZ	American Charter Schools Foundation (Alta Vista High School)	Pima County Industrial Development Authority	2007 A	82,185	Unenhanced	Fitch	BBB	F	7/1/2038	5.625	Na	Na	5.98%	3.03%	1.25%	RBC Capital Markets
328	NJ	Teaneck Community Charter School	Bergen County Improvement Authority	2007	9,900	Unenhanced	NR	NR	F	9/1/2037	6.750	6.750	243	7.15%	4.04%	2.35%	Gates Capital
329	UT	Ronald Wilson Reagan Academy	Utah County	2007 A 2007 B	11,065	Unenhanced	NR	NR	F	2/15/2038	6.000	6.000	173	6.27%	3.26%	1.90%	D.A. Davidson
330	MI	Trillium Academy	Trillium Academy	2007	5,065	Unenhanced	NR	NR	F	9/1/2035	6.500	6.500	213	7.23%	7.42%	3.50%	Herbert J. Sims
331	MN	Kaleidoscope Charter School	City of Falcon Heights	2007 A 2007 B	8,610	Unenhanced	NR	NR	F	11/1/2037	6.000	6.050	177	6.68%	6.95%	4.00%	Dougherty
332	UT	Channing Hall	Utah State Charter School Finance Authority	2007 A 2007 B	9,590	Unenhanced	NR	NR	F	7/15/2037	6.000	5.900	161	6.39%	5.10%	1.75%	Piper Jaffray
333	MN	Bluffview Montessori School	Winona Port Authority	2007 A 2007 B	5,055	Unenhanced	NR	NR	F	11/1/2037	6.150	6.150	175	6.77%	6.78%	3.25%	Dougherty
334	MI	Nataki Talibah Schoolhouse of Detroit	Michigan Public Educational Facilities Authority	2007	6,415	Unenhanced	NR	NR	F	10/1/2030	6.500	6.500	206	7.01%	5.29%	2.80%	Fifth Third Securities
335	UT	Fast Forward High School	Utah State Charter School Finance Authority	2007	3,127	Unenhanced	NR	NR	F	11/15/2037	6.500	6.500	Na	Na	Na	Na	Na
336	OR	Trillium Charter School	Oregon Facilities Authority	2007 A 2007 One	3,395	Unenhanced	NR	NR	F	11/1/2037	7.000	7.000	265	7.59%	6.01%	2.50%	Wells Fargo

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337 12/13/2007	UT	Summit Academy	Utah State Charter School Authority	2007 A 2007 B	17,900	Unenhanced	S&P	BBB-	F	6/15/2038	5.800	5.840	146	6.03%	2.63%	1.65%	D.A. Davidson
338 12/20/2007	MI	American Montessori Academy	Michigan Public Educational Facilities Authority	2007	3,900	Unenhanced	NR	NR	F	12/1/2037	6.500	6.500	217	7.25%	7.69%	2.80%	Fifth Third Securities
339 12/27/2007	CO	Cheyenne Mountain Charter Academy	Colorado Educational and Cultural Facilities Authority	2007 A 2007 B	10,605	Moral Obligation	S&P	A	F	6/15/2038	5.375	5.250	92	5.40%	2.92%	1.10%	Wachovia
340 12/28/2007	PA	Avon Grove Charter School	Chester County Industrial Development Authority	2007 A 2007 B	20,900	Unenhanced	S&P	BB+	F	12/15/2037	6.375	6.450	212	6.65%	2.82%	1.50%	PNC
341 1/1/2008 <sup>4</sup>	OH	Constellation Schools	Pima County Industrial Development Authority	2008	24,595	Unenhanced	NR	NR	F	1/1/2038	7.000	7.000	284	7.69%	7.80%	3.75%	Dougherty
342 1/1/2008	TX	Golden Rule Charter School	Danbury Higher Education Authority	2008 A 2008 B	8,100	Unenhanced	S&P	BB+	F	8/15/2038	6.500	6.500	236	7.33%	7.63%	3.00%	RBC Capital Markets
343 1/17/2008	AZ	Griffin Foundation, Inc. d/b/a Children Reaching for the Sky	Pima County Industrial Development Authority	2008	6,850	Unenhanced	NR	NR	F	7/1/2038	6.625	6.625	245	7.22%	5.05%	2.54%	RBC Capital Markets
344 1/24/2008	UT	Noah Weister Academy	Utah State Charter School Authority	2008 A 2008 B	9,800	Unenhanced	NR	NR	F	6/15/2038	6.500	6.500	232	6.90%	4.90%	2.00%	Baird
345 1/25/2008	CO	Pikes Peak School of Expeditionary Learning	Colorado Educational and Cultural Facilities Authority	2008	6,500	Unenhanced	NR	NR	F	6/1/2038	6.625	6.625	174	Na	Na	Na	Gates Capital
346 2/1/2008	AZ	Success School, Superior School	Pima County Industrial Development Authority	2008	4,785	Unenhanced	NR	NR	F	11/1/2038	6.750	Na	Na	75.0%	7.38%	1.75%	Piper Jaffray
347 2/1/2008	TX	Amigos Por Vida, Friends for Life Public Charter School	La Vernia Higher Education Finance Corporation	2008	10,350	Unenhanced	NR	NR	F	2/15/2037	6.375	6.375	226	6.46%	1.80%	1.25%	Coastal Securities
348 2/20/2008	CO	Community Leadership Academy	Colorado Educational and Cultural Facilities Authority	2008	8,810	Unenhanced	NR	NR	F	7/1/2038	6.500	6.500	218	6.75%	3.49%	1.50%	Wachovia
349 2/26/2008	ID	Idaho Arts Charter School, Inc.	Idaho Housing and Finance Association	2008 A 2008 B	7,320	Unenhanced	S&P	BB+	F	12/1/2038	6.500	6.500	214	6.90%	4.74%	2.00%	Wachovia
350 3/27/2008	AZ	Valley Academy	Pima County Industrial Development Authority	2008	5,860	Unenhanced	Moody's	Baa3	F	7/1/2038	6.500	6.450	153	6.90%	5.11%	2.00%	RBC Capital Markets
351 4/8/2008	CO	New Vision Charter School	Colorado Educational and Cultural Facilities Authority	2008 A 2008 B	4,810	Unenhanced	NR	NR	F	4/1/2040	6.750	6.750	183	7.12%	3.85%	1.50%	D.A. Davidson
352 4/29/2008	CA	High Tech High (Chula Vista and Media Arts)	California Municipal Finance Authority	2008 A 2008 B 2008 C	23,515	Unenhanced	Fitch	BB+	F	7/1/2048	6.125	6.300	172	6.58%	4.29%	2.75%	RBC Capital Markets
353 5/1/2008	TX	Harmony Schools	La Vernia Higher Education Finance Corporation	2008 A 2008 B	31,055	Unenhanced	NR	NR	F	2/15/2038	7.125	7.250	266	7.68%	4.71%	3.21%	Coastal Securities
354 5/16/2008 <sup>1</sup>	NC	Lake Norman Charter School	North Carolina Capital Facilities Finance Agency	2008 A 2008 B	20,000	Wachovia Bank	S&P	AA	VR	7/1/2033	VR	VR	VR	VR	1.28%	0.35%	Wachovia
355 5/29/2008	ID	Liberty Charter School, Inc.	Idaho Housing & Finance Association	2008 A 2008 B	4,005	Unenhanced	S&P	BBB	F	6/1/2038	6,000	6,000	154	6.53%	5.99%	2.00%	Wachovia

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356 6/19/2008 <sup>1</sup>	MA	Abby Kelley Foster Charter Public School	Massachusetts Development Finance Agency	2008	35,000	TD Banknorth NA	Moody's	Aa2	VR	9/1/2038	VR	VR	VR	VR	2.30%	0.40%	RBC Capital Markets
357 6/19/2008	MI	Advanced Technology Academy	Advanced Technology Academy	2008	13,455	Unenhanced	S&P	BBB-	F	11/1/2037	6,000	6,140	158	6.45%	3.64%	1.50%	Wachovia
358 6/20/2008 <sup>4</sup>	NV	Coral Academy of Science	Prima County Industrial Development Authority	2008 A 2008 B	7,690	Unenhanced	NR	NR	F	12/1/2038	7,250	7,250	256	7.73%	5.51%	2.00%	Wells Fargo
359 7/10/2008	SC	Brashier Charter LLC	South Carolina Jobs- Economic Development Authority	2008	8,410	SunTrust Bank	Moody's	Aa2	VR	12/1/2038	VR	VR	VR	VR	Na	0.46%	SunTrust Robinson Humphrey
360 7/15/2008	UT	Entheas Academy	Utah State Charter School Finance Authority	2008	5,930	Unenhanced	NR	NR	F	8/15/2038	6,750	Na	Na	Na	Na	Na	Na
361 7/17/2008	MI	Michigan Technical Academy	Michigan Public Educational Facilities Authority	2008	3,885	Fifth Third Bank	S&P	AA-	VR	2/1/2038	VR	VR	VR	VR	10.39%	2.00%	Fifth Third Securities
362 7/23/2008	ID	Victory Charter School, Inc.	Idaho Housing & Finance Association	2008 A 2008 B	3,965	Unenhanced	S&P	BBB-	F	7/1/2038	6,125	6,190	163	6.71%	5.82%	2.00%	Wachovia
363 8/1/2008	MI	Chandler Park Academy	Michigan Public Educational Facilities Authority	2008	8,465	Unenhanced	S&P	BBB	F	11/1/2035	6,500	6,500	165	6.77%	3.98%	1.65%	Fifth Third Securities
364 8/1/2008	MN	St. Croix Preparatory Academy	Baytown Township	2008 A 2008 B	21,725	Unenhanced	NR	NR	F	8/1/2038	7,000	7,050	230	7.36%	4.43%	3.00%	Dougherty
365 8/14/2008	CA	Orange County Educational Arts Academy	California Municipal Finance Authority	2008 A 2008 B	10,515	Unenhanced	NR	NR	F	10/1/2039	7,000	7,030	223	7.70%	6.48%	2.25%	Wachovia
366 8/18/2008	CO	Flagstaff Academy	Colorado Educational and Cultural Facilities Authority	2008	13,505	Unenhanced	NR	NR	F	8/1/2038	7,000	7,000	220	7.17%	2.63%	1.45%	D.A. Davidson
367 8/19/2008	UT	Rockwell Charter High School	Utah State Charter School Finance Authority	2008 A 2008 B	14,100	Unenhanced	NR	NR	F	8/15/2038	7,000	7,000	225	7.20%	2.78%	1.65%	D.A. Davidson
368 8/26/2008	CO	Academy of Charter Schools	Colorado Educational and Cultural Facilities Authority	2008	6,145	Moral Obligation	S&P	A	F	5/1/2040	5,625	5,830	108	6.03%	2.64%	1.00%	D.A. Davidson
369 8/26/2008	UT	George Washington Academy	Utah State Charter School Finance Authority	2008 A 2008 B	9,975	Unenhanced	NR	NR	F	7/15/2040	7,000	7,000	225	7.38%	4.76%	1.50%	Piper-Jeffray
370 8/27/2008 <sup>1,4</sup>	DE	Delaware Military Academy	Prima County Industrial Development Authority	2008	12,200	PNC Bank NA	S&P	AA	VR	9/1/2038	VR	VR	VR	VR	5.80%	1.00%	PNC
371 9/18/2008 <sup>1</sup>	IL	Prairie Crossing Charter School	Illinois Finance Authority	2008	9,440	Marshall & Isley	Moody's	Aa3	VR	9/1/2038	VR	VR	VR	VR	5.27%	2.00%	BMO Capital Markets GKST
372 9/24/2008	CO	Monument Academy	Colorado Educational and Cultural Facilities Authority	2008 A 2008 B	1,610	Unenhanced	NR	NR	F	10/1/2039	7,250	7,250	265	7.75%	5.48%	1.50%	D.A. Davidson
373 9/30/2008	FL	Sculptor Charter School	Florida Development Finance Corporation	2008 A 2008 B	4,960	Unenhanced	S&P	BBB-	F	10/1/2038	7,250	7,250	209	8.06%	6.94%	2.50%	D.A. Davidson
374 10/30/2008	CO	The Classical Academy	Colorado Educational and Cultural Facilities Authority	2008 A 2008 B	14,025	Moral Obligation	S&P	A	F	12/1/2038	8,000	8,000	208	7.62%	2.14%	0.95%	D.A. Davidson
375 10/31/2008	AZ	Arizona School for the Arts	Phoenix Industrial Development Authority	2008	10,500	Unenhanced	NR	NR	F	7/1/2048	8,250	7,250	189	Na	3.26%	1.50%	Wedbush Morgan

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376 11/13/2008	CO	North Star Academy	Colorado Educational and Cultural Facilities Authority	2008 A 2008 B	10.975	Unenhanced	NR	NR	F	11/1/2039	8.250	8.250	303	8.56%	2.93%	1.65%	D.A. Davidson
377 11/18/2008	CO	Twin Peaks Charter Academy	Colorado Educational and Cultural Facilities Authority	2008	14.235	Moral Obligation	S&P	A	F	11/15/2038	7.000	7.000	176	7.09%	2.14%	1.00%	D.A. Davidson
378 11/20/2008	UT	Venture Academy	Utah State Charter School Finance Authority	2008	7.305	Unenhanced	NR	NR	F	11/15/2038	6.750	Na	Na	Na	Na	Na	Na
379 12/2/2008	CO	American Academy	Colorado Educational and Cultural Facilities Authority	2008	17.030	Moral Obligation	Fitch S&P	A	F	12/1/2040	8.000	7.750	237	7.86%	2.27%	1.25%	D.A. Davidson
380 12/18/2008 <sup>1</sup>	DE	Providence Creek Academy Charter School, Inc.	Kent County	2008 A 2008 B	13.150	PNC Bank	Moody's	VMIG1	VR	10/1/2038	VR	VR	VR	VR	5.04%	0.75%	PNC
381 12/18/2008	UT	Legacy Preparatory Academy #1	Utah State Charter School Finance Authority	2008	5.780	Unenhanced	NR	NR	F	6/15/2038	6.750	6.750	Na	Na	Na	Na	Na
382 1/30/2009	UT	Legacy Preparatory Academy #2	Utah State Charter School Finance Authority	2009	7.800	Unenhanced	NR	NR	F	6/15/2039	7.250	Na	Na	Na	Na	Na	Na
383 2/11/2009	IN	Lighthouse Academies, Inc. (Monument, Gary, West Gary)	Indiana State Finance Authority	2009 A 2009 B 2009 C	15.435	Harris NA	S&P	A+	VR	2/1/2039	VR	VR	VR	VR	Na	0.50%	BMO Capital Markets GKST
384 2/15/2009	TX	Tejano Center Community Concerns (Raul Yzaguirre School)	Clifton Higher Education Finance Corporation	2009 A 2009 B	25.200	Unenhanced	S&P	BBB-	F	2/15/2038	9.000	9.250	441	9.68%	5.19%	2.65%	Piper-Jaffray
385 2/19/2009	TX	Winfree Academy Charter School	La Vernia Higher Education Finance Corporation	2009	8.305	Unenhanced	S&P	BBB-	F	8/15/2038	9.000	9.000	412	9.83%	6.95%	3.00%	RBC Capital Markets
386 3/1/2009	MN	Prairie Seeds Academy	Brooklyn Park	2009 A 2009 B	15.770	Unenhanced	NR	NR	F	3/1/2039	9.250	9.250	441	9.69%	5.89%	4.00%	Dougherty
387 3/9/2009	UT	American Preparatory Academy and The School for New Americans	Utah State Charter School Finance Authority	2009	6.900	Unenhanced	NR	NR	F	3/15/2039	8.000	8.000	318	8.36%	3.40%	0.72%	DEPPA First Albany
388 3/10/2009	ID	North Star Charter School, Inc.	Idaho Housing and Finance Association	2009 A 2009 B	11.775	Unenhanced	S&P	BB	F	7/1/2039	9.500	9.500	466	9.98%	4.47%	1.75%	Baird
389 3/19/2009 <sup>1</sup>	GA	Lake Oconee Academy	Greene County Development Authority	2009	17.205	Assured Guaranty/ School District Pledge	Moody's S&P	Aa2 AAA	F	2/1/2029	4.500	4.650	14	4.44%	3.42%	0.90%	Morgan Keegan
390 3/30/2009	UT	DaVinci Academy of Science and the Arts	Utah State Charter School Finance Authority	2009	6.950	Unenhanced	NR	NR	F	3/15/2039	8.000	8.000	315	8.37%	3.43%	0.72%	DEPPA First Albany
391 4/1/2009	IL	Namaste Charter School	Illinois Finance Authority	2009	4.000	Unenhanced	NR	NR	F	4/5/2025	VR	VR	VR	Na	Na	Na	MB Financial Bank
392 5/13/2009	CA	King-Chavez Academies	California Municipal Finance Authority	2009 A 2009 B	8.895	Unenhanced	S&P	BBB-	F	10/1/2039	8.750	8.750	426	Na	Na	Na	Baird
393 6/5/2009	AZ	Arizona Academy of Leadership	Pima County Industrial Development Authority	2009	3.600	Unenhanced	NR	NR	F	7/1/2036	7.750	7.750	315	8.47%	6.25%	1.00%	Baird
394 6/9/2009	MI	Bradford Academy	Michigan Public Educational Facilities Authority	2009	10.720	Unenhanced	S&P	BBB-	F	9/1/2039	8.750	8.750	410	9.23%	5.11%	2.50%	Fifth Third Securities

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395	6/30/2009	MA	SABIS International Charter School	Massachusetts Development Finance Agency	2009 A 2009 B	33,755	Unenhanced	S&P	BBB	F	4/15/2039	8.000	7.050	295	7.92%	3.33%	1.48%	PNC
396	7/1/2009	IN	Irvington Community School	Indiana State Finance Authority	2009 A 2009 B	8,145	Unenhanced	S&P	BBB-	F	7/1/2039	9.000	8.400	370	9.11%	6.29%	2.00%	Baird
397	7/1/2009	MN	Higher Ground Academy	St. Paul Housing and Redevelopment Authority	2009	4,300	Unenhanced	NR	F	12/1/2038	8.500	8.500	390	9.11%	6.60%	3.50%	Dougherty	
398	7/8/2009	ID	Victory Charter School, Inc.	Idaho Housing and Finance Association	2009 A 2009 B	0,855	Unenhanced	S&P	BBB-	F	7/1/2039	8.250	8.300	364	9.95%	12.32%	2.00%	Baird
399	8/10/2009	AZ	Berean Academy	Pima County Industrial Development Authority	2009	7,630	Unenhanced	NR	F	7/1/2039	8,850	8,250	356	9.28%	4.88%	1.75%	D.A. Davidson	
400	8/31/2009	AZ	Legacy Traditional Charter School	Pima County Industrial Development Authority	2009	16,040	Unenhanced	NR	F	7/1/2039	8,500	8,500	398	8.93%	3.87%	2.25%	D.A. Davidson	
401	8/31/2009	TX	Dak. Cliff Academy, dba Trinity Basic Preparatory	Tarrant County Cultural Education Facilities Finance Corporation	2009 A 2009 B 2009 C	5,880	Unenhanced	S&P	BBB-	F	6/1/2039	7,750	7,750	321	Na	6.14%	1.96%	Gates Capital
402	10/1/2009	CO	Crowne Point Academy of Westminster	Colorado Educational and Cultural Facilities Authority	2009	7,755	Moral Obligation	Fitch	A	F	7/15/2039	5,000	5,250	130	5.50%	4.38%	2.00%	D.A. Davidson
403	11/19/2009	TX	KIPP Inc.	La Vernia Higher Education Finance Corporation	2009 A 2009 B	66,865	Third-party Guaranty	Fitch S&P	BBB BBB	F	8/15/2044	6,375	6,400	218	6.55%	3.11%	1.38%	RBC Capital Markets
404	12/10/2009	TX	IDEA Public Schools (Domia, Frontier, Quest, Mission, San Benito, San Juan, Alamo, Pharr)	Pharr, TX Higher Education Finance Authority	2009 A 2009 B	29,625	Unenhanced	S&P	BBB	F	8/15/2039	6,500	6,550	224	6.66%	3.56%	1.56%	Baird
405	12/22/2009	IN	Thea Bowman Leadership Academy	Indiana State Finance Authority	2009 A 2009 B	19,355	Unenhanced	S&P	BBB-	F	10/1/2039	7,000	7,000	289	7.28%	4.12%	2.25%	RBC Capital Markets
406	12/23/2009	AZ	Career Success Schools	Phoenix, AZ Industrial Development Authority	2009	11,225	Unenhanced	S&P	BBB-	F	1/1/2045	7,125	7,250	313	7.60%	4.67%	2.00%	Ziegler
407	12/24/2009	NJ	Greater Brunswick Regional Charter School	New Jersey Redevelopment Authority	2009	6,550	Unenhanced	NR	VR	Na	VR	VR	VR	VR	VR	Na	Na	Sun National Trust
408	1/13/2010	CO	Pinnacle Charter School, Inc.	Colorado Educational and Cultural Facilities Authority	2010	12,985	Moral Obligation	Fitch	A	F	12/1/2039	5,125	5,510	139	5.64%	2.90%	1.50%	D.A. Davidson
409	1/21/2010	MI	Landmark Academy	Michigan Public Educational Facilities Authority	2010	15,290	Unenhanced	S&P	BBB-	F	12/1/2039	7,000	7,000	293	7.32%	4.57%	2.06%	Piper Jaffray
410	1/28/2010	MI	Madison Academy	Michigan Public Educational Facilities Authority	2010	7,110	Unenhanced	NR	F	12/1/2039	8,625	8,625	457	9.28%	6.86%	2.50%	Piper Jaffray	
411	2/25/2010	CO	Colorado Springs Charter Academy	Colorado Educational and Cultural Facilities Authority	2010	7,355	Moral Obligation	S&P	A	F	7/1/2040	5,500	5,750	157	6.02%	4.65%	1.75%	Gates Capital
412	2/25/2010	CO	High Point Academy	Colorado Educational and Cultural Facilities Authority	2010	11,930	Moral Obligation	S&P	A	F	3/1/2040	6,250	5,300	111	5.73%	2.99%	1.50%	D.A. Davidson
413	2/25/2010	PA	IMST Community Charter School	Philadelphia Authority for Industrial Development	2010	15,880	Unenhanced	S&P	BBB+	F	8/1/2035	6,000	6,050	198	6.29%	3.22%	1.50%	PNC

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414 3/5/2010	AZ	EAGLE College Prep	Phoenix Industrial Development Authority	2010 A 2010 B	7.010	Unenhanced	NR	NR	F	7/1/2040	7.750	7.750	359	Na	7.10%	3.00%	RBC Capital Markets
415 3/15/2010	MA	Lowell Middlesex Academy Charter School	Massachusetts Development Finance Agency	2010	2.610	Unenhanced	NR	NR	F	Na	Na	Na	Na	Na	Na	Na	Na
416 3/16/2010	MD	Patterson Park Public Charter School	Maryland Health & Higher Educational Facilities Authority	2010 A 2010 B	13.665	Unenhanced	Fitch	BBB	F	7/1/2045	6.125	6.200	204	6.61%	6.24%	2.25%	RBC Capital Markets
417 3/18/2010	AZ	BASIS School, Inc.	Florence Industrial Development Authority	2010	5.450	Unenhanced	NR	NR	F	7/1/2040	7.750	7.750	360	8.38%	5.89%	2.50%	RBC Capital Markets
418 3/18/2010 <sup>1</sup>	NC	Sterling Montessori Academy & Charter School	North Carolina Capital Facilities Finance Agency	2010	10.610	Branch Banking and Trust Co.	Moody's	Aa2/ VMIG 1	VR	3/1/2031	VR	VR	VR	VR	4.52%	1.00%	Zions First National Bank
419 3/19/2010	MI	New Branches School	Michigan Public Educational Facilities Authority	2010	2.410	Unenhanced	S&P	BBB-	F	5/1/2035	7.625	7.625	357	8.40%	7.79%	1.80%	Stifel Nicolaus
420 3/25/2010	TX	Nova Academy	Texas Public Finance Authority, Charter School Finance Corporation	2010	6.375	Unenhanced	S&P	BBB	F	8/15/2034	6.375	6.375	234	6.91%	7.20%	3.00%	RBC Capital Markets
421 4/1/2010	CA	Aspire Public Schools	California Statewide Communities Development Authority	2010	93.295	PCSD Guaranty Pool LLC	Fitch	BBB	F	7/1/2046	6.125	6.350	218	6.41%	2.13%	1.25%	RBC Capital Markets
422 4/6/2010	AZ	Flagstaff Arts and Leadership Academy	Pima County Industrial Development Authority	2010	4.125	Unenhanced	NR	NR	F	7/1/2040	7.785	7.785	371	9.08%	10.75%	3.50%	Dougherty
423 4/8/2010	TX	Uplift Education	Clifton Higher Education Finance Corporation	2010 A 2010 B	56.835	Unenhanced	S&P	BBB-	F	12/1/2045	6.250	6.400	223	6.49%	3.04%	1.65%	Baird
424 4/13/2010	AZ	Cambridge Academy-East, Inc.	Pima County Industrial Development Authority	2010	8.445	Unenhanced	Fitch	BBB-	F	4/1/2040	6.625	6.625	246	7.08%	5.41%	2.25%	D.A. Davidson
425 4/20/2010	AZ	Caurus Academy (Arizona Montessori School of Anthem)	Pima County Industrial Development Authority	2010	4.380	Unenhanced	NR	NR	F	10/1/2045	7.250	7.250	308	Na	14.14%	Na	Lawson Financial
426 4/27/2010	MI	Oakland International Academy	Michigan Public Educational Facilities Authority	2010	3.005	Unenhanced	S&P	BBB-	F	2/1/2030	7.850	7.850	400	8.74%	7.56%	2.00%	Stifel Nicolaus
427 4/28/2010	MI	Dr. Joseph F. Pollack Academic Center of Excellence	Michigan Public Educational Facilities Authority	2010	8.390	Unenhanced	S&P	BB+	F	4/1/2040	8.000	8.125	403	8.70%	5.67%	2.25%	Piper Jaffray
428 5/6/2010	TX	Harmony Schools	Texas Public Finance Authority, Charter School Finance Corporation	2010 A	50.090	Unenhanced	S&P	BBB	F	2/15/2040	6.200	6.200	214	Na	1.48%	1.00%	Morgan Keegan
429 5/12/2010	AZ	Odyssey Preparatory Academy, Inc.	Pima County Industrial Development Authority	2010 A	7.700	Unenhanced	NR	NR	F	5/1/2040	8.000	8.000	401	8.62%	5.73%	2.25%	D.A. Davidson
430 5/13/2010	AZ	Academy of Tucson	Pima County Industrial Development Authority	2010	9.385	Unenhanced	NR	NR	F	7/1/2040	7.000	7.000	296	7.58%	5.81%	3.00%	RBC Capital Markets
431 5/20/2010	NJ	Central Jersey Arts Charter School	New Jersey Redevelopment Authority	2010 A 2010 B	8.200	Unenhanced	NR	NR	F	5/1/2035	7.750	7.750	377	8.30%	4.94%	0.60%	Powell Capital
432 5/26/2010	AZ	Montessori Academy, Inc.	Pima County Industrial Development Authority	2010 A 2010 B 2010 C	5.725	Unenhanced	NR	NR	F	11/1/2040	7.250	7.250	332	Na	10.48%	Na	Lawson Financial

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433 6/3/2010	UT	Paradigm High School	Utah State Charter School Finance Authority	2010	9,540	Unenhanced	S&P	BBB-	F	7/15/2040	6,375	6.500	254	70.3%	6.04%	2.00%	Piper-Jaffray
434 6/10/2010	AK	Benton County School of the Arts	Benton County Public Facilities Board	2010 A 2010 B	7,580	Unenhanced	S&P	BBB	F	6/1/2040	6,000	6.150	214	6.48%	4.85%	2.00%	Ziegler
435 6/28/2010	FL	Sarasota School of Arts and Sciences	Sarasota County	2010	11,040	Unenhanced	S&P	BBB-	F	7/1/2040	6,500	6.650	257	6.94%	3.95%	1.75%	PNC
436 6/28/2010	UT	North Davis Preparatory Academy, Inc.	Utah State Charter School Finance Authority	2010	15,335	Unenhanced	S&P	BBB-	F	7/15/2040	6,375	6.450	237	6.80%	4.28%	1.75%	Piper-Jaffray
437 6/30/2010	AZ	Destiny Community School	Pima County Industrial Development Authority	2010	4,000	Unenhanced	NR	NR	F	8/1/2040	7,250	7.250	320	Na	14.38%	Na	Lawson Financial
438 7/2/2010	MI	Madison Academy	Michigan Finance Authority	2010 A	3,845	Unenhanced	NR	NR	F	12/1/2039	8,250	8.250	422	9.06%	8.25%	2.50%	Piper-Jaffray
439 7/7/2010	CO	Free Horizon Montessori School	Colorado Educational and Cultural Facilities Authority	2010	6,550	Moral Obligation	S&P	A	F	6/15/2040	6,125	5.500	148	5.96%	4.24%	2.00%	D.A. Davidson
440 8/4/2010	TX	Odyssey Academy, Inc.	Texas Public Finance Authority Charter School Finance Corporation	2010 A 2010 B	9,955	Unenhanced	S&P	BBB-	F	2/15/2040	7,125	6.500	253	Na	7.80%	3.00%	Piper-Jaffray
441 8/5/2010	PA	Prepel Schools (Montour, McKeesport, East)	Allegheny County Industrial Development Authority	2010 A 2010 B 2010 C	14,140	Unenhanced	S&P	BB+ BBB- BBB-	F	8/15/2035	6,750	6.820	290	6.87%	3.39%	1.45%	PNC
442 8/31/2010	DE	Delaware College Preparatory Academy	City of Wilmington	2010	3,610	Unenhanced	NR	NR	F	8/1/2035	7,625	7.625	400	8.56%	9.70%	3.50%	Gates Capital
443 9/14/2010	FL	Bay Haven Charter Academy, Inc.	Bay County	2010 A 2010 B	11,755	Unenhanced	S&P	BBB	F	9/1/2040	6,000	5.800	211	5.89%	2.32%	1.25%	Merchant Capital
444 9/17/2010	MI	Will Carleton Charter School Academy	Will Carleton Charter School Academy	2010	2,200	Unenhanced	NR	NR	F	8/1/2035	8,000	8.250	459	8.91%	4.74%	2.50%	Stifel Nicolaus
445 9/21/2010	ID	Compass Public Charter School, Inc.	Idaho Housing & Finance Association	2010 A 2010 B	5,155	Unenhanced	S&P	BBB-	F	7/1/2045	6,250	5.950	223	6.56%	6.31%	2.00%	Baird
446 9/21/2010	UT	Navigator Pointe Academy	Utah State Charter School Finance Authority	2010 A 2010 B	5,360	Unenhanced	S&P	BBB	F	7/15/2040	5,625	5.700	197	6.21%	6.53%	2.00%	Piper-Jaffray
447 9/22/2010	CA	Literacy First Charter School	California Municipal Finance Authority	2010 A 2010 B	3,725	Unenhanced	S&P	BBB-	F	9/1/2030	6,000	5.850	252	7.13%	10.68%	3.50%	Ziegler
448 9/23/2010	MA	Dorchester Collegiate Academy Charter School	Massachusetts Development Finance Agency	2010	1,080	Unenhanced	NR	NR	F	Na	Na	Na	Na	Na	Na	Na	Boston Private Bank
449 9/29/2010	MI	Hanley International Academy, Inc.	Michigan Finance Authority	2010 A	5,785	Unenhanced	S&P	BBB-	F	9/1/2040	6,125	6.125	243	6.61%	5.88%	2.52%	Piper-Jaffray
450 10/19/2010	PA	Chester Community Charter School	Delaware County Industrial Development Authority	2010 A 2010 B	57,395	Unenhanced	Fitch	BBB	F	8/15/2040	6,125	5.850	212	6.04%	2.89%	1.66%	D.A. Davidson
451 10/20/2010	AZ	Paradise Education Center	Pima County Industrial Development Authority	2010	12,800	Unenhanced	S&P	BBB-	F	6/1/2045	6,100	6.100	236	6.43%	4.86%	2.25%	RBC Capital Markets
452 10/20/2010	FL	Renaissance Charter School, Inc.	Florida Development Finance Corporation	2010 A 2010 B	68,200	Unenhanced	Fitch	BBB	F	9/15/2040	6,000	6.000	227	6.53%	3.27%	1.88%	Ziegler
453 10/20/2010	TX	New Frontiers Charter School	Texas Public Finance Authority Charter School Finance Corporation	2010 A 2010 B	3,620	Unenhanced	S&P	BBB	F	8/15/2040	5,800	5.800	207	Na	13.78%	2.52%	Baird

## APPENDIX C: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to M/M/D	All-In Cost	COI	UD	Lead Underwriter
454	10/22/2010	CO	Parker Core Knowledge Charter School	2010	2.435	Moral Obligation	S&P	A	F	11/1/2040	6.000	5.250	148	5.81%	4.86%	1.35%	D.A. Davidson
455	10/22/2010	TX	Evolution Academy Charter School	2010 A 2010 B	4.815	Unenhanced	S&P	BBB-	F	8/1/2040	6.500	6.500	279	Na	10.13%	3.25%	RBC Capital Markets
456	10/28/2010	FL	Miami Community Charter School, Inc.	2010 A 2010 B	7.700	Unenhanced	NR	NR	F	10/15/2040	7.000	7.000	325	8.09%	9.43%	2.25%	Piper Jaffray
457	11/9/2010	PA	Global Leadership Academy Charter School	2010	13.875	Unenhanced	S&P	BBB-	F	11/15/2040	6.375	5.970	211	6.33%	3.65%	1.75%	PNC
458	11/10/2010	AZ	Sequoia Pathway Academy	2010 A 2010 B	13.450	Unenhanced	NR	NR	F	9/1/2040	7.250	7.250	360	Na	9.25%	Na	Lawson Financial
459	11/10/2010	MN	Duluth Edison Charter Schools	2010 A 2010 B	18.400	Unenhanced	S&P	BBB-	F	11/1/2040	5.875	6.000	210	6.20%	4.89%	2.25%	Dougherty
460	11/17/2010	AZ	BASIS School, Inc. (Chandler)	2010 A	6.645	Unenhanced	NR	NR	F	7/1/2041	7.000	4.000	7	6.94%	3.95%	1.75%	RBC Capital Markets
461	11/17/2010	AZ	BASIS School, Inc. (Peoria)	2010 B	6.665	Unenhanced	NR	NR	F	7/1/2041	7.000	4.000	Na	6.85%	2.91%	1.75%	RBC Capital Markets
462	11/17/2010	MI	Old Redford Academy	2010 A 2010 B	14.285	Unenhanced	NR	NR	F	12/1/2040	6.500	6.200	230	6.57%	4.43%	2.20%	Baird
463	11/19/2010	CO	Caprock Academy	2010 A 2010 B	9.865	Unenhanced	NR	NR	F	6/1/2045	7.000	7.100	268	7.48%	3.86%	1.50%	Baird
464	11/19/2010	NY	Charter School of Educational Excellence	2010 A 2010 B	12.445	Unenhanced	S&P	BB+	F	10/15/2040	6.250	6.250	208	6.72%	6.81%	1.65%	Baird
465	11/23/2010	CO	The Academy of Charter Schools	2010 A 2010 B	10.060	Unenhanced	Fitch S&P	NR A	F	11/1/2040	6.250	6.250	163	6.97%	3.06%	1.45%	D.A. Davidson
466	11/30/2010	MA	Foxborough Regional Charter School	2010	26.600	Unenhanced	S&P	BBB	F	7/1/2042	7.000	7.000	250	7.07%	2.00%	0.62%	Morgan Keegan
467	11/30/2010	MI	Universal Learning Academy	2010	10.435	Unenhanced	S&P	BBB-	F	11/1/2040	7.500	7.500	300	7.78%	3.90%	1.75%	Piper Jaffray
468	12/2/2010 <sup>1,3</sup>	AK	Pulaski Charter School d/a Academics Plus Charter School	2010 C	3.795	Unenhanced	S&P	A	F	12/1/2035	5.000	5.100	84	5.69%	6.05%	1.70%	Crew
	12/2/2010 <sup>3</sup>	AK	Pulaski Charter School d/a Academics Plus Charter School	2010 D	2.570	Unenhanced	NR	NR	F	12/1/2035	5.875	6.000	174	Na	Na	Na	Crew
469	12/7/2010	AZ	Scottsdale Preparatory Academy	2010	11.630	Unenhanced	NR	NR	F	7/1/2041	6.750	5.500	Na	6.98%	4.23%	2.40%	RBC Capital Markets
470	12/7/2010	TX	IDEA Public Schools	2010 A 2010 B	33.900	Unenhanced	S&P	BBB	F	8/15/2040	6.700	6.700	220	Na	2.35%	1.15%	Baird
471	12/10/2010	FL	Choices in Learning Charter School	2010 A	9.900	Unenhanced	S&P	BBB-	F	11/15/2041	7.375	6.800	246	7.41%	5.32%	1.75%	PNC



## APPENDIX C: CHARTER SCHOOL BOND ISSUANCE

Dated Date	State	School	Issuer	Series	\$ Per Millions	Credit Enhancement	Rating Agency	Initial Rating	Coupon Type	Exempt Maturity	Coupon	Yield	Spread to MMD	All-In Cost	COI	UD	Lead Underwriter				
472	12/16/2010	AZ	BASIS School, Inc. (Flagstaff)	2010 C	6.995	Unenhanced	NR	NR	F	7/1/2041	7.000	4.000	Na	6.92%	3.43%	1.75%	RBC Capital Markets				
473	12/16/2010	CO	Rocky Mountain Academy of Evergreen	2010 A	5.085	Moral Obligation	S&P	A	F	11/1/2040	6.450	6.900	256	Na	5.33%	2.00%	Stern Agee Leach				
474	12/21/2010	TX	Arlington Classics Academy	2010 A 2010 B 2010 C	16.405	Unenhanced	S&P	BB+	F	8/15/2040	7.650	7.650	304	8.31%	6.04%	3.00%	Piper-Jaffray				
475	12/21/2010	UT	North Star Academy	2010 A 2010 B	7.640	Unenhanced	S&P	BBB-	F	7/15/2045	7.000	7.000	239	7.39%	4.70%	1.75%	Piper-Jaffray				
476	12/21/2010	UT	Quirrh Mountain Charter School	2010	12.090	Unenhanced	NR	NR	F	7/15/2041	8.000	8.000	339	8.43%	4.65%	2.00%	Piper-Jaffray				
477	12/23/2010	UT	Hawthorn Academy	2010	13.495	Unenhanced	NR	NR	F	7/15/2046	8.250	8.500	372	8.91%	4.67%	2.00%	Piper-Jaffray				
478	12/30/2010	UT	Early Light Academy, Inc.	2010	13.330	Unenhanced	NR	NR	F	7/15/2046	8.500	8.500	372	8.88%	4.47%	1.85%	Piper-Jaffray				
<b>TOTAL/AVERAGE</b>														<b>5,013.841</b>	<b>6.610</b>	<b>6.590</b>	<b>2.04</b>	<b>7.18%</b>	<b>6.02%</b>	<b>2.36%</b>	

### 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.
- "Fitch" is Fitch Ratings; "Moody's" is Moody's Investors Service; "S&P" is Standard & Poor's.
- "Na" means not available.
- 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.
- "Spread to MMD" means spread to the triple-A MMD and is measured in basis points.
- "COI" means costs 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.
- 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)".

### Notes

- 1 Costs of issuance includes credit enhancement fees, including insurance premiums, letter of credit fees or guarantee fees, as applicable.
- 2 Series is part of a single issue with multiple series for two charter school borrowers with different cost and pricing variables.
- 3 Series is part of a single issue that consists of a rated and an unrated series with different cost and pricing variables.
- 4 Bonds issued by an out-of-state issuer.

A downloadable spreadsheet is available at <http://www.lisc.org/eftc/bondhistory>.

APPENDIX D: DEFAULTED CHARTER SCHOOL BONDS										
	School, Issuer, Series	Dated Date	State	Par Millions	Lead Underwriter	Initial Rating	Year Opened	Age at Issuance (Years)	Enrollment at Issuance	
1	Village School of Northfield, City of Northfield Series 1999 A & B	12/1/1999	MIN	\$1.320	John G. Kinnard	Not Rated	1997	2.3	57	
2	Sankofa Shule, Sankofa Shule Certificates of Participation, Series 2000	6/1/2000	MI	\$2.555	Miller, Johnson & Kuehn	Ba1 (Moody's)	1995	4.8	149	
3	Sauk Trail Academy, Sauk Trail Academy Certificates of Participation, Series 2001	6/1/2001	MI	\$2.480	Miller-Johnson Steichen Kinnard	Not Rated	1997	3.8	130	
4	Life School College Preparatory, Inc. Pima County Industrial Development Authority Series 2001 A & B	8/17/2001	AZ	\$12.000	Wedbush Morgan	Not Rated	1999	2.0	1,025	
5	Discovery Elementary School, Discovery Elementary School Certificates of Participation, Series 2001	10/1/2001	MI	\$1.820	Miller-Johnson Steichen Kinnard	Not Rated	1996	5.1	98	
6	Central New York Charter School for Math and Science Onondaga County Industrial Development Agency Series 2002 A & B	1/1/2002	NY	\$6.600	Miller-Johnson Steichen Kinnard	Not Rated	2000	1.3	490	
7	West Houston Charter Alliance (Katy Creative Arts) Danbury Higher Education Authority Series 2002 A & B	2/1/2002	TX	\$2.930	Miller-Johnson Steichen Kinnard	Not Rated	1996	5.4	195	
8	Kalamazoo Advantage Academy Kalamazoo Advantage Academy Certificates of Participation, Series 2003	12/1/2003	MI	\$5.555	Herbert J. Sims	Not Rated	1998	5.3	381	
9	Desert Technology Schools Pima County Industrial Development Authority Series 2004 A	2/1/2004	AZ	\$3.585	Dougherty	Not Rated	1998	5.4	222	
10	New Covenant Charter School Albany Industrial Development Agency Series 2005 A & B	5/1/2005	NY	\$16.605	Herbert J. Sims	Not Rated	1999	5.7	783	
11	Minnesota Business Academy St. Paul Housing and Redevelopment Authority Series 2005 A & B	7/1/2005	MIN	\$6.580	Dougherty	Not Rated	2000	4.8	292	
12	Premier and Air Academy Charter High Schools Pima County Industrial Development Authority Series 2005	9/1/2005	AZ	\$10.895	Dougherty	Not Rated	2001	4.0	457	
13	Palm Bay Community Charter School - Patriot Palm Bay City Series 2006 A & B	4/3/2006	FL	\$21.100	Gates Capital	Not Rated	2006	(0.4)	0	
14	Crescent Academy, Crescent Academy Certificates of Participation, Series 2006	12/1/2006	MI	\$7.090	Herbert J. Sims	Not Rated	2004	2.3	358	
15	Challenges, Choices, & Images Colorado Educational and Cultural Facilities Authority Series 2007 A & B	4/18/2007	CO	\$18.430	D.A. Davidson	Not Rated	2000	6.6	319	

## APPENDIX D: DEFAULTED CHARTER SCHOOL BONDS

	School, Issuer, Series	DSCR <sup>1</sup>	Debt Burden <sup>2</sup>	Charter Term (Years)	Charter Status	Default Year	Default from Opening (Years)	Default from Issuance (Years)	Principal Recovery
1	Village School of Northfield, City of Northfield Series 1999 A & B	1.14	25.2%	3	Revoked by Authorizer	2007	9.8	7.5	18.4%
2	Sankofa Shule, Sankofa Shule Certificates of Participation, Series 2000	1.46	13.7%	5	Non-Renewal by Authorizer	2007	11.8	7.1	Not Applicable
3	Sauk Trail Academy, Sauk Trail Academy Certificates of Participation, Series 2001	1.78	18.1%	10	Still in Effect	2004	6.5	2.8	Not Applicable
4	Life School College Preparatory, Inc. Pima County Industrial Development Authority Series 2001 A & B	3.25	24.7%	15	Revoked by Authorizer	2007	7.8	5.9	59.6%
5	Discovery Elementary School, Discovery Elementary School Certificates of Participation, Series 2001	1.25	15.3%	1	Voluntarily Surrendered	2009	9.8	7.7	Not Applicable
6	Central New York Charter School for Math and Science Onondaga County Industrial Development Agency Series 2002 A & B	1.50	18.4%	5	Revoked by Authorizer	2005	8.9	5.6	41.2%
7	West Houston Charter Alliance (Katy Creative Arts) Danbury Higher Education Authority Series 2002 A & B	2.49	17.8%	15	Still in Effect	2005	8.8	3.4	Not Applicable
8	Kalamazoo Advantage Academy Kalamazoo Advantage Academy Certificates of Participation, Series 2003	1.08	11.0%	10	Non-Renewal by Authorizer	2008	9.9	4.7	22.6%
9	Desert Technology Schools Pima County Industrial Development Authority Series 2004 A	1.70	16.8%	15	Voluntarily Surrendered	2008	9.6	4.2	Not Applicable
10	New Covenant Charter School Albany Industrial Development Agency Series 2005 A & B	2.03	14.4%	5	Non-Renewal by Authorizer	2007	7.6	1.9	Not Applicable
11	Minnesota Business Academy St. Paul Housing and Redevelopment Authority Series 2005 A & B	1.29	16.9%	3	Voluntarily Surrendered	2006	5.7	0.7	50.0%
12	Premier and Air Academy Charter High Schools Pima County Industrial Development Authority Series 2005	1.39	19.7%	15	Voluntarily Surrendered	2008	6.8	2.8	Not Applicable
13	Palm Bay Community Charter School - Patriot Palm Bay City Series 2006 A & B	1.10	17.7%	15	Still in Effect	2008	2.3	2.7	25.9%
14	Crescent Academy, Crescent Academy Certificates of Participation, Series 2006	1.18	14.9%	8	Still in Effect	2007	2.7	0.5	39.9%
15	Challenges, Choices, & Images Colorado Educational and Cultural Facilities Authority Series 2007 A & B	Not Available	Not Available	5	Revoked by Authorizer	2008	7.8	1.2	70.0%

## APPENDIX D: DEFAULTED CHARTER SCHOOL BONDS

School, Issuer, Series	Status of Facility	Reason for Default	Notes
1 Village School of Northfield, City of Northfield Series 1999 A & B	Facility was sold in February 2011 for \$227,340 to Northfield Hospital.	Charter was revoked by school board in 2006 due to the school's failure to implement the state standardized curriculum.	1 Debt service coverage ratio (DSCR) for first full year of debt service with no capitalized interest.
2 Sonkofa Shule, Sonkofa Shule Certificates of Participation, Series 2000	Building is still for sale with an asking price of \$145 million.	Charter was not renewed by authorizer due to steep enrollment decline, high teacher turnover and fiscal mismanagement.	2 Debt burden figures represent percent of revenues dedicated to debt service and lease expense in first full year of debt service with no capitalized interest.
3 Saik, Trail Academy, Saik, Trail Academy Certificates of Participation, Series 2001	School continues to operate in the facility but makes only partial debt service payments as current enrollment is reportedly still below 100. Since August 2006, the school has operated under a forbearance agreement.	Inadequate student enrollment due to loss of auto manufacturing jobs has resulted in insufficient net revenue available for debt service.	
4 Life School College Preparatory, Inc. Pima County Industrial Development Authority Series 2001 A & B	Facility was sold in 2008 for approximately \$8.1 million.	State revoked charter due to mismanagement which included an "unprecedented overstatement of enrollment."	
5 Discovery Elementary School, Discovery Elementary School Certificates of Participation, Series 2001	School has closed and the facility is currently for sale for \$575,000.	Declining student enrollment due to sluggish economy, which forced many families to move out of the area, resulted in insufficient net revenue available to service school's debt.	
6 Central New York Charter School for Math and Science Onondaga County Industrial Development Agency Series 2002 A & B	Facility was sold at auction in August 2007 for \$2.5 million to Loon Creek Properties.	Charter was revoked by state authorizer due to poor academic performance.	A downloadable spreadsheet is available at <a href="http://www.isc.org/eftc/bondhistory">http://www.isc.org/eftc/bondhistory</a> .
7 West Houston Charter Alliance (Katy Creative Arts) Danbury Higher Education Authority Series 2002 A & B	School continues to operate in the facility, making partial debt service payments.	Significantly lower enrollment than projected, exacerbated by the elimination of high school grades, has reduced overall revenue.	
8 Kalamazoo Advantage Academy Kalamazoo Advantage Academy Certificates of Participation, Series 2003	Building was sold to Peregrine Realty in late 2009 for approximately \$746,000. Peregrine plans to reconstruct the building into retail space, along with parking and rental apartments.	Charter was not renewed by authorizer due to falling enrollment and low test scores. The school closed in August 2008.	
9 Desert Technology Schools Pima County Industrial Development Authority Series 2004 A	Building still for sale with an asking price of \$900,000.	Steep enrollment decline reportedly due to economy, particularly the loss of construction jobs.	
10 New Covenant Charter School Albany Industrial Development Agency Series 2005 A & B	Facility is currently empty, awaiting listing contract with real estate firm.	Charter was not renewed by state authorizer due to poor academic performance.	
11 Minnesota Business Academy St. Paul Housing and Redevelopment Authority Series 2005 A & B	Facility was sold in June 2007 for approximately \$3.29 million.	Financial stress caused by inadequate enrollment reportedly due to gang-related issues. School voluntarily closed at end of 2005-2006 school year.	
12 Premier and Air Academy Charter High Schools Pima County Industrial Development Authority Series 2005	Facility was recently sold to another charter school, Riverbend Prep, for \$4.2 million through partial exchange of new tax-exempt bonds (2/8/11). Balance (61%) of the Series 2005 bonds remains outstanding and is being serviced by Premier Academy.	Air Academy closed its doors in 2008 due to financial mismanagement.	
13 Palm Bay Community Charter School - Patriot Palm Bay City Series 2006 A & B	School continues to operate in the facility but has not made payments since December 2008. A forbearance agreement has been entered into.	Lower enrollment than projected causing strained financial position.	
14 Crescent Academy, Crescent Academy Certificates of Participation, Series 2006	Crescent Academy continues to operate the facility.	Shortly after bond issuance, authorizer threatened to revoke the school's charter due to its failure to obtain authorizer approval for the offering and other issues. Bonds were unbound in 2008 pursuant to a partial refunding.	
15 Challenges, Choices, & Images Colorado Educational and Cultural Facilities Authority Series 2007 A & B	Another charter school, Amanda Academy, now occupies the facility.	Authorizer terminated charter when fiscal improprieties were discovered, as well as management problems, e.g. criminal convictions of faculty, and poor academic results.	







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