

California School Finance Authority

2017 Conduit Bond Program Report

2/14/18

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Introduction

The California School Finance Authority Act of 1985 (Education Code Sections 17180 – 17199.6) established the California School Finance Authority (Authority or CSFA) for the purpose of assisting school districts, community college districts, and county offices of education by providing financing for working capital and capital improvements. The Act also sets forth that the Authority be chaired by the State Treasurer, with the Department of Finance and the Superintendent of Public Instruction representatives serving as members.

Since 2002, CSFA has worked towards increasing access to funding and low-cost financing for charter schools by securing state and federal grants, developing low-cost loan programs, as well as expanding CSFA's legislative mandate to administer state grants for charter schools. For example, Assembly Bill 2717 passed in 2006, amending state law to make charter schools eligible for CSFA's financial assistance, to revise various definitions and procedures, and to authorize use of the State Controller's intercept mechanism, under specified circumstances. The intercept mechanism secures payments for various CSFA-issued debt and debt-related costs by authorizing the State Controller to deduct the funds for such payments directly from the general-purpose entitlements of participating charter schools.

CSFA began serving as a conduit bond issuer on behalf of California non-profit charter schools in 2010 to provide improved access to the capital markets. CSFA's low-cost fee structure, intercept mechanism, free state-level Tax Equity and Fiscal Responsibility Act (TEFRA) hearing process, and mission-driven emphasis has made CSFA the prominent conduit debt issuer for non-profit charter schools throughout the State. As a testament to CSFA's market prominence in the state, CSFA issued 72 percent of the charter school financings closed in 2017, based on the number of deals issued, and 82 percent of the transactions closed, based on the total par amount of bonds issued in 2017.

CSFA's first comprehensive report on its conduit bond program for charter schools was published in 2016. That report discussed the facility financing needs of California charter schools, CSFA's

guidelines for bond issuance and sales restrictions for such bonds, historical bond issuance statistics, comparisons to national charter financing trends, and market factors affecting CSFA's charter school financings in 2016. Building upon that inaugural report, the 2017 Conduit Bond Program Report provides greater statistical data for the transactions that priced and closed last year, focuses on municipal and macro market conditions and their effect on issuance pricing, and summarizes each of the 13 transactions issued by CSFA in 2017.

Municipal Market – 2017 Year in Review

The capital markets in 2017 experienced significant turbulence. Market uncertainty was dominant, particularly near the end of the year. Uncertainty was introduced by the President's proposed tax plan about the continuation of tax-exemption for CSFA borrowers beginning in 2018. This led many non-profit entities, including charter schools, to expedite financing plans to close by December 31, 2017. Moreover, national debt issuance in December of 2017 was the highest monthly total on record, at \$55.8 billion, 196 percent higher than December 2016, and 71 percent above December's five-year average.

CSFA Bond Program – 2017 Year in Review

Calendar year 2017 saw a series of successful CSFA issuances, some with near-record low interest rates. CSFA facilitated thirteen issuances in 2017, which matched the previous year's record number. Of the thirteen financings closed in 2017, twelve were publicly-offered transactions, of which six were rated transactions, and one was a non-rated transaction (which was privately placed with investors). Of the six rated issuances, four were rated investment grade of BBB- or higher. Issuance volume totaled \$283,366,000 in 2017, compared to \$336,854,000 in 2016.

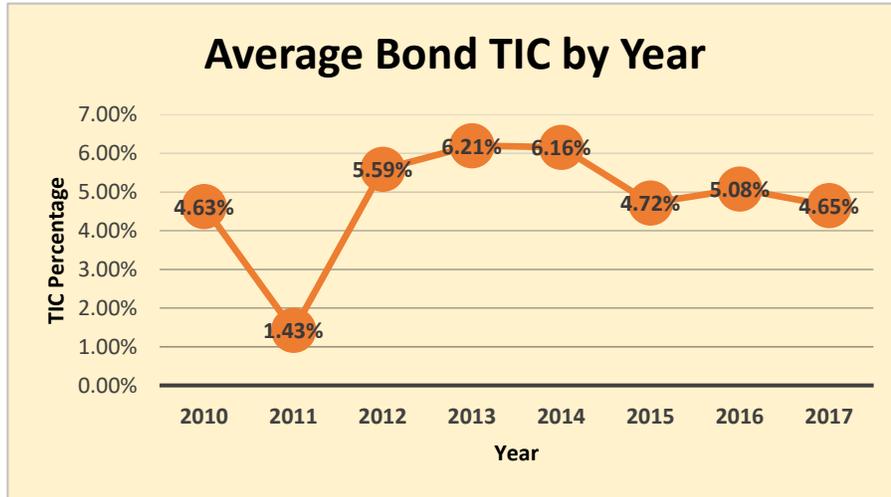
California School Finance Authority
2017 Closed Transactions

| Borrower | Issuance Date | Par-Amount | County | Rating | TIC |
|-------------------------------------|----------------------|----------------------|-----------------------------|---------------|------------|
| Rocketship Education - Series A & B | 2/22/2017 | \$26,760,000 | Santa Clara | N/A | 5.59% |
| Granada Hills Charter School | 3/28/2017 | \$5,790,000 | Los Angeles | BBB- | 4.87% |
| Kepler Neighborhood School | 5/2/2017 | \$10,230,000 | Fresno | N/A | 6.05% |
| Camino Nuevo Charter School | 6/22/2017 | \$5,311,000 | Los Angeles | N/A | 0.00% |
| HTH Learning | 7/13/2017 | \$22,835,000 | San Diego | Baa3 | 4.47% |
| Escuela Popular Charter | 7/27/2017 | \$24,040,000 | Santa Clara | N/A | 6.57% |
| KIPP Los Angeles Schools | 8/16/2017 | \$40,750,000 | Los Angeles | BBB | 4.02% |
| Magnolia Public Schools | 9/6/2017 | \$25,000,000 | Los Angeles | N/A | 5.57% |
| Summit Public Schools | 10/17/2017 | \$28,640,000 | San Mateo Santa Clara | Baa3 | 4.41% |
| Rocketship Education - Series G & H | 12/18/2017 | \$16,225,000 | Contra Costa Santa Clara | N/A | 4.86% |
| Bright Star Schools | 12/21/2017 | \$24,965,000 | Los Angeles | N/A | 4.74% |
| River Springs Charter | 12/28/2017 | \$23,995,000 | Riverside | Ba1 | 4.79% |
| Classical Academies | 12/28/2017 | \$28,825,000 | San Diego | BB+ | 4.49% |
| | Total | \$283,366,000 | | | |

The average Total Interest Costs (TIC) of all deals issued by CSFA in 2017 was 4.65 percent¹, down from 5.08 percent in 2016, reflecting the favorable conditions that supported strong financing activity last calendar year.

California School Finance Authority

Average True Interest Cost of Transactions

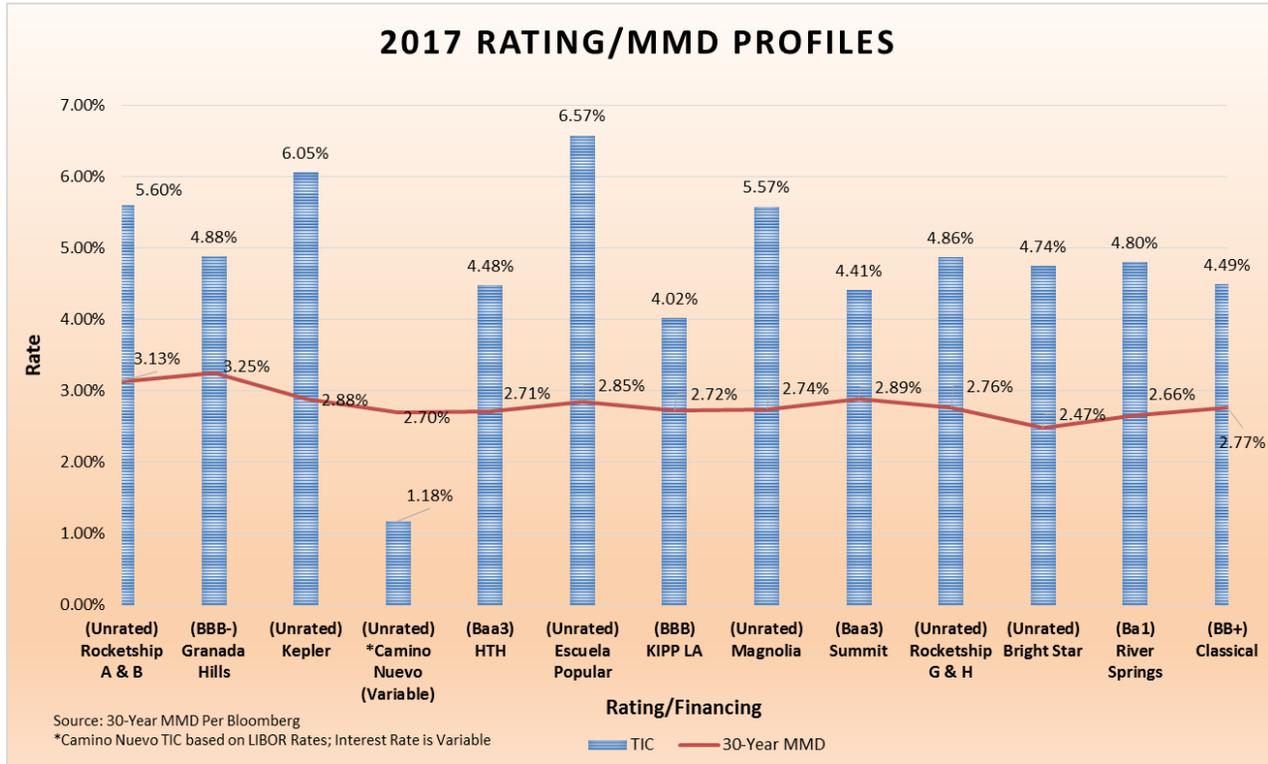


Total Interest Cost (TIC) for bond transactions issued in 2017 are shown below in relation to the 30-Year MMD and each transaction’s respective rating. In total, CSFA issued four investment-grade rated transactions, two non-investment-grade rated transactions, and seven unrated transactions of which one carried a variable interest rate. The investment-grade rated transactions averaged a TIC of 4.45 percent while the non-investment-grade rated transactions and unrated transactions—excluding the variable rate transaction—averaged a total TIC of 4.64 percent and 5.57 percent, respectively.

¹ This average includes a 0.00% estimated TIC for the Camino Nuevo transaction, which carried a variable interest rate, as reported to the California Debt and Investment Advisory Commission (CDIAC). The 2017 Average TIC when excluding the Camino Nuevo transaction is 5.04%.

California School Finance Authority

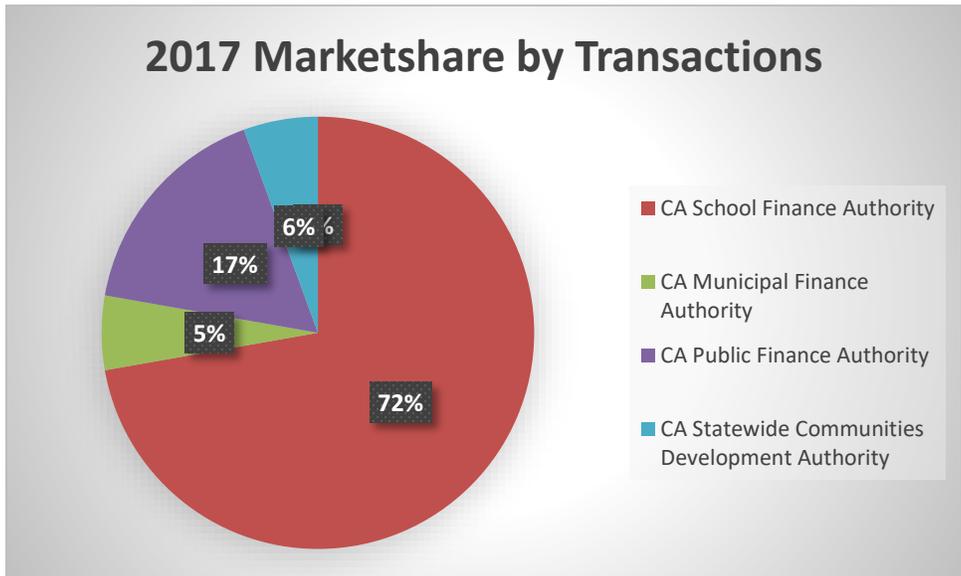
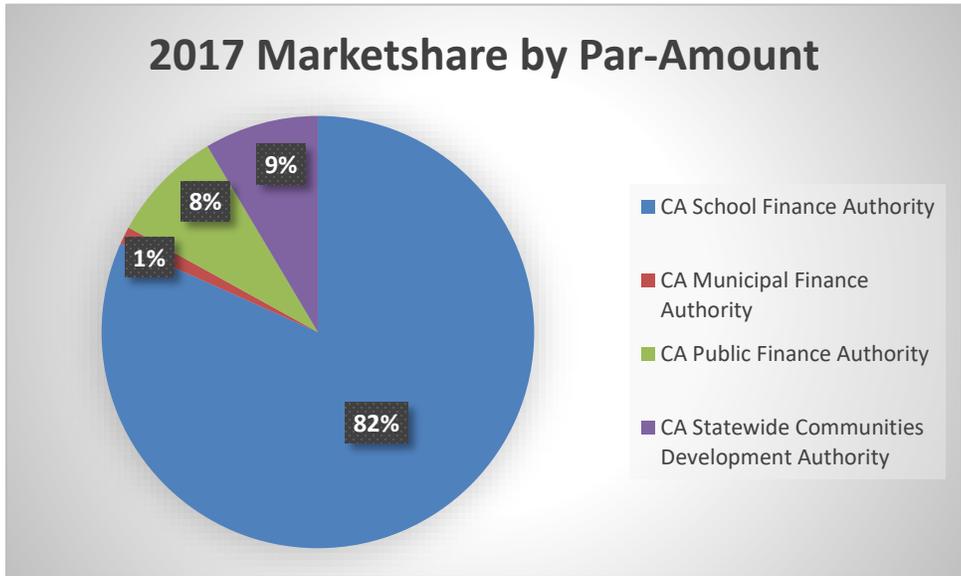
True Interest Cost versus MMD Rate



Additionally, of the 18 charter school transactions issued in California in 2017, CSFA issued 13, which accounts for 82 percent of the market share by par amount of bonds issued, and approximately 72 percent of market share based on number of transactions closed.

California School Finance Authority

Share of State-wide Charter School Transactions



Another aspect worth noting about the financings issued by CSFA in 2017 is the geographic diversity of the projects – from the Bay Area, to Central Valley to Southern California. Approximately \$169,000,000 of bonds issued in 2017 went toward projects located in Los Angeles and Santa Clara counties.

**California School Finance Authority
Charter School Conduit Bond Financings by County**



CSFA Historical Conduit Bond Issuance

CSFA has issued 69 transactions since 2010, comprised of 13 revenue anticipation or grant anticipation notes, and 56 bonds (Conduit Revenue Bonds, Qualified School Construction Bonds, and Qualified Zone Academy Bonds). In 2016 and 2017 we saw a near-doubling of the volume of conduit revenue bonds issued compared to 2014 and 2015. At the same time, the volume of other transactions waned as federal program capacity was exhausted in the case of the QSCB and QZAB programs, and the need for cash-flow financing was reduced by the elimination of state revenue deferrals. Moreover, CSFA does not expect to issue QSCB or QZAB bonds in the future, given that these types of bonds were eliminated in the federal tax law that took effect January 1, 2018. Current refundings (refunding of bonds after their call date so they can be immediately called with the proceeds of the new bonds) are still permitted under federal tax law.

**California School Finance Authority
Total Number of Transactions Issued (2010 – 2017)**

| Types of Transactions | Years | | | | | | | | |
|-----------------------------------|-------|------|------|------|------|------|------|------|-----------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Totals |
| Conduit Revenue Bonds | | | 2 | 6 | 7 | 7 | 12 | 13 | 47 |
| QSCB / QZAB | 3 | 3 | | 2 | 1 | * | * | * | 9 |
| Revenue Anticipation Notes | 2 | 1 | 6 | 2 | 1 | | | | 12 |
| Grant Anticipation Notes | | | | | | | 1 | | 1 |
| Total | | | | | | | | | 69 |

* California’s QSCB allocation for charter schools was exhausted in 2014.

Calendar year 2017 saw CSFA cross the billion-dollar issuance threshold, achieving a total of \$1,175,288,959 issued since 2010. Below is an annual break down of taxable and tax-exempt issuance over the life of the program.

**California School Finance Authority
Total Par Amount of Transactions Issued (2010 – 2017)**

| Year | Tax-Exempt Par | Taxable Par | Total Par | % Change in Deals | Taxable as % of Total |
|--------------|------------------------|---------------------|------------------------|-------------------|-----------------------|
| 2010 | \$35,350,000 | \$0 | \$35,350,000 | | |
| 2011 | \$14,065,000 | \$0 | \$14,065,000 | -60% | N/A |
| 2012 | \$87,743,959 | \$2,035,000 | \$89,778,959 | 538% | 2.27% |
| 2013 | \$112,690,000 | \$1,665,000 | \$114,355,000 | 27% | 1.46% |
| 2014 | \$112,545,000 | \$7,570,000 | \$120,115,000 | 5% | 6.30% |
| 2015 | \$175,570,000 | \$5,835,000 | \$181,405,000 | 51% | 3.22% |
| 2016 | \$331,159,000 | \$5,695,000 | \$336,854,000 | 86% | 1.69% |
| 2017 | \$277,021,000 | \$6,345,000 | \$283,366,000 | -16% | 2.24% |
| Total | \$1,146,143,959 | \$29,145,000 | \$1,175,288,959 | | 2.48% |

CSFA Bond Program – 2018 Expectations

In all likelihood, anticipated rate hikes by the Federal Reserve over the course of 2018 will translate to higher municipal market yields. Despite advance refundings for non-profit borrowers no longer being eligible for tax-exempt issuance under the recently implemented tax law, the law retained eligibility for new money tax-exempt issuance for non-profit borrowers. Furthermore, given the \$500 million funding round currently underway through the Charter School Facilities Program, CSFA estimates that more CMOs and stand-alone charters will seek out those funds before contemplating accessing facility financing through bond issuances. Overall, there may be fewer CMOs and charters accessing the capital markets in 2018. Regardless of market conditions, CSFA remains committed to emphasizing quality, not quantity, in both transaction size and number of transactions.

Transaction Snapshots

In 2017, the charter market became more appealing to direct investors and high-net worth individuals who are increasingly confident in the credit-worthiness of schools and charter management organizations (CMOs) accessing the bond market. At a time when rates on Treasury bonds and conventional municipal securities were near historic lows, charter school bonds remained appealing to some investors for their higher return relative to risk.²

Presented below are highlights from the 13 bond transactions priced and closed by CSFA in 2017. The 30-year True Issuance Cost yield reflects the real cost of borrowing, including all ancillary fees and costs, such as finance charges, discount points and prepaid interest, along with factors related to the time value of money. The spread reflects, in basis points, the rate difference between the CSFA-issued securities and the average for AAA-rated municipal securities for the day. Additionally, we have included the major purchasers involved in each transaction and the

² Risk remains an element of the charter school bond market. In 2017, Tri-Valley Learning Corporation (Tri Valley) declared bankruptcy and defaulted on unrated bonds issued through CSFA in 2012. The Fiscal Crisis & Management Assistance Team report confirmed issues of organizational mismanagement and self-dealing at Tri Valley. These conclusions reinforce the importance of the Authority's continuing work to enhance CSFA oversight regulations, applicant governance requirements, and adherence to CSFA issuance guidelines.

pricing date's market situation and how that influenced pricing. The data illustrates 2017's bond market volatility, particularly in the early months of the year, with some stabilization of rates in the fall/early winter.

Real-time market information at pricing was provided by underwriters via conference calls and documents. True Issuance Cost (TIC) yields, AAA benchmark yields, and spreads were provided by the Public Finance Division of the California State Treasurer's Office (with TIC yields rounded to the nearest hundredths of one percent).

1. Rocketship Education (Series 2017 A & B)

Market Trends at Time of Pricing: Monies were moving out of fixed income and into equities, but transaction still was oversubscribed.

| | |
|---------------------------------|---|
| Date of Pricing | 2/9/2017 |
| Par Amount | \$26,760,000 |
| <i>Tax-Exempt (Series A)</i> | <i>\$23,095,000</i> |
| <i>Taxable (Series B)</i> | <i>\$3,665,000</i> |
| Rating | Not Rated |
| 30-Year Tax-Exempt Yield | 5.61% |
| 30-Year MMD (AAA) | 3.06% |
| Spread (basis points) | 255 bps |
| Purchasers | Nuveen, Oppenheimer, Franklin Templeton, MacKay Shields, American Century, Capital Research, Alliance Bernstein |
| Uses | New construction, Facility Improvements, Takeout of Existing Loan |

2. Granada Hills (Series 2017 A & B)

Market Trends at Time of Pricing: Transaction priced into elevated market volatility. Market interest rates had seen a 20 bps increase in the week before pricing. Then a surprising jump in the Feb ADP payroll survey sent 10-year Treasury bond yields up to levels not seen since December 2016. Municipal bonds followed.

| | |
|---------------------------------|---|
| Date of Pricing | 3/8/2017 |
| Par Amount | \$5,790,000 |
| <i>Tax-Exempt (Series A)</i> | <i>\$5,420,000</i> |
| <i>Taxable (Series B)</i> | <i>\$370,000</i> |
| Rating | BBB- |
| 30-Year Tax-Exempt Yield | 5.47% |
| 30-Year MMD (AAA) | 3.23% |
| Spread (basis points) | 224 bps |
| Purchasers | Nuveen, Avalon |
| Uses | Facility Improvements, Refinancing of an Outstanding Loan |

3. Kepler Neighborhood Schools (Series 2017 A & B)

Market Trends at Time of Pricing: Bond market affected by equity market concerns with North Korea, Brexit after-effects, poor geo-political climate, and the Dow Jones average being off 148 points, after lower than expected Goldman Sachs earnings.

| | |
|---------------------------------|---|
| Date of Pricing | 4/18/2017 |
| Par Amount | \$10,230,000 |
| <i>Tax-Exempt (Series A)</i> | <i>\$9,840,000</i> |
| <i>Taxable (Series B)</i> | <i>\$390,000</i> |
| Rating | Not Rated |
| 30-Year Tax-Exempt Yield | 6.46% |
| 30-Year MMD (AAA) | 2.86% |
| Spread (basis points) | 360 bps |
| Purchasers | American Century, ASA, Nuveen, Oppenheimer, Silvercrest |
| Uses | Acquisition, Project Reimbursement Costs |

4. High Tech High (Series 2017 A & B)

Market Trends at Time of Pricing: Treasury curve flattened on Federal Reserve talk of rate normalization. Municipal bonds looked mixed, as participants focused on a wide variety of negotiated deals, as well as large sales of Georgia GO's and Massachusetts GO's.

| | |
|---------------------------------|-------------------------------|
| Date of Pricing | 6/20/2017 |
| Par Amount | \$,22,835,000 |
| <i>Tax-Exempt (Series A)</i> | <i>\$22,505,000</i> |
| <i>Taxable (Series B)</i> | <i>\$330,000</i> |
| Rating | Baa3 |
| 30-Year Tax-Exempt Yield | 4.67% |
| 30-Year MMD (AAA) | 2.70% |
| Spread (basis points) | 197 bps |
| Purchasers | Oppenheimer, Capital Research |
| Uses | Projects, Advanced Refunding |

5. Camino Nuevo Charter Academy (Series 2017)

Market Trends at Time of Pricing: Not applicable as this was a private placement to a single investor.

| | |
|------------------------|---|
| Date of Pricing | 6/22/2017 |
| Par Amount | \$5,311,000 |
| <i>Tax-Exempt</i> | <i>\$5,311,000</i> |
| <i>Taxable</i> | <i>N/A</i> |
| Rating | Not Rated |
| Yield | Variable Rate, 66.8% of 1 month LIBOR + 157 bps |
| Purchasers | Wells Fargo, N.A. |
| Uses | Refinancing of Outstanding Loans |

6. Escuela Popular (Series 2017)

Market Trends at Time of Pricing: Rates increased 3 bps in the week leading up to pricing. Fed Chair Yellen was not as hawkish in her Congressional testimony as markets feared, causing Treasury bonds to rally.

| | |
|---------------------------------|--|
| Date of Pricing | 7/12/17 |
| Par Amount | \$24,040,000 |
| <i>Tax-Exempt</i> | \$24,040,000 |
| <i>Taxable</i> | N/A |
| Rating | Not Rated |
| 30-Year Tax Exempt Yield | 6.75% |
| 30-Year MMD (AAA) | 2.83% |
| Spread (basis points) | 392 bps |
| Purchasers | Oppenheimer, Nuveen, Macquarie |
| Uses | New Construction, Modular Units, Closing Costs |

7. KIPP LA (Series 2017 A)

Market Trends at Time of Pricing: Conditions were stable, with ample investable cash available from buyers.

| | |
|---------------------------------|--------------------------------------|
| Date of Pricing | 8/3/2017 |
| Par Amount | \$40,750,000 |
| <i>Tax-Exempt</i> | \$40,750,000 |
| <i>Taxable</i> | N/A |
| Rating | BBB |
| 30-Year Tax-Exempt Yield | 4.16% |
| 30-Year MMD (AAA) | 2.71% |
| Spread (basis points) | 144 bps |
| Purchasers | Not disclosed by underwriter (Baird) |
| Uses | Land Acquisition, New Construction |

8. Magnolia Public Schools (Series 2017 A)

Market Trends at Time of Pricing: Sole Investor transaction.

| | |
|---------------------------------|--|
| Date of Pricing | 8/30/2017 |
| Par Amount | \$25,000,000 |
| <i>Tax-Exempt</i> | \$25,000,000 |
| <i>Taxable</i> | N/A |
| Rating | Not Rated |
| 27-Year Tax-Exempt Yield | 5.88% |
| 27-Year MMD (AAA) | 2.71% |
| Spread (basis points) | 317 bps |
| Purchasers | Hamlin |
| Uses | New Construction, Refinancing of an Outstanding Loan |

9. Summit Public Schools

Market Trends at Time of Pricing: The Trump Tax Plan bounced the capital market. Municipal market was highly liquid and in some cases outperforming Treasury bonds.

| | |
|---------------------------------|--|
| Date of Pricing | 10/4/2017 |
| Par Amount | \$28,640,000 |
| <i>Tax-Exempt</i> | \$28,640,000 |
| <i>Taxable</i> | N/A |
| Rating | Baa3 |
| 30-Year Tax-Exempt Yield | 4.55% |
| 30-Year MMD (AAA) | 2.82% |
| Spread (basis points) | 95 bps |
| Purchasers | American Century, Avalon, Boston First Trust |
| Uses | Acquisition, Construction, Renovation, Facility Improvements |

10. Rocketship Education (Series G & H)

Market Trends at Time of Pricing: Pricing before end of year in anticipation of Trump Tax Plan. Some stimulus impact anticipated. Municipal bonds had been outperforming Treasury bonds before inflow of muni market supply (\$3 billion current week, as much as \$15-\$20 billion anticipated the following week) triggered a mild run to Treasury bonds.

| | |
|---------------------------------|---|
| Date of Pricing | 12/1/2017 |
| Par Amount | \$16,225,000 |
| <i>Tax-Exempt (Series G)</i> | \$15,560,000 |
| <i>Taxable (Series H)</i> | \$665,000 |
| Rating | Not Rated |
| 30-Year Tax Exempt Yield | 5.03% |
| 30-Year MMD (AAA) | 2.68% |
| Spread (basis points) | 235 bps |
| Purchasers | Alliance Bernstein, First Trust, Nuveen, American Century, Oppenheimer |
| Uses | Takeout of existing LIIF loan, Acquisition, Construction, Development, Facility Improvements |

11. Bright Star Schools (Series 2017)

Market Trends at Time of Pricing: Deal pricing before end of year in anticipation of Trump Tax Plan. Market trading at narrow range, with expectation of Fed raising rates. Strong divergence from Treasury market (due to tax reform). Supply imbalances, and market was down from “euphoric” tone in previous week, leading to back-up in rates.

| | |
|---------------------------------|--------------|
| Date of Pricing | 12/12/2017 |
| Par Amount | \$24,965,000 |
| <i>Tax-Exempt</i> | \$24,965,000 |
| <i>Taxable</i> | N/A |
| Rating | Not Rated |
| 30-Year Tax-Exempt Yield | 4.91% |
| 30-Year MMD (AAA) | 2.68% |

| | |
|------------------------------|--|
| Spread (basis points) | 223 bps |
| Purchasers | Federated, American Century, T Rowe Price, Capital Research, Oppenheimer, Alliance Bernstein, Nuveen, Wells, Scutter |
| Uses | Purchase of Vacant Land, Facility Development & Improvements, Purchase of School District Facility, Construction of New Building |

12. *River Springs Charter School (Series 2017 A & B)*

Market Trends at Time of Pricing: Deal pricing before end of year in anticipation of Trump Tax Plan. Fed raised rates, with anticipated future increases in 2018 leading to flattening of yield curve. Municipal market had outperformed Treasury market, with lower volatility. There was \$20 billion in new municipal issuance in the last few weeks of 2017 owed to uncertainty over tax law changes.

| | |
|---------------------------------|--|
| Date of Pricing | 12/14/2017 |
| Par Amount | \$23,995,000 |
| <i>Tax Exempt (Series A)</i> | \$23,335,000 |
| <i>Taxable (Series B)</i> | \$660,000 |
| Rating | Ba1 |
| 30-Year Tax-Exempt Yield | 4.95% |
| 30-Year MMD (AAA) | 2.57% |
| Spread (basis points) | 238 bps |
| Purchasers | American Century, Franklin, Wadell & Reed, Capital Research, Columbia |
| Uses | Acquisition of Existing Facilities, Installation of 12 Modular Classroom Buildings, A 4,000 Sq. Foot Airplane Hanger, Site Improvement |

13. Classical Academies (Series 2017 A & B)

Market Trends at Time of Pricing: Deal pricing before end of year in anticipation of Trump Tax Plan. Supply similar to 2016. PAB's will stay, advanced refunding will not. Rates have come down.

| | |
|---------------------------------|---|
| Date of Pricing | 12/20/2017 |
| Par Amount | \$28,825,000 |
| <i>Tax-Exempt (Series A)</i> | <i>\$28,560,000</i> |
| <i>Taxable (Series B)</i> | <i>\$265,000</i> |
| Rating | BB+ |
| 27-Year Tax-Exempt Yield | 4.61% |
| 27-Year MMD (AAA) | 2.73% |
| Spread (basis points) | 188 bps |
| Purchasers | MaKay Shields, Capital Research, Nuveen, Franklin, Wells Fargo |
| Uses | Acquire an Existing Leased Site, Refinance Outstanding Bonds |

Appendix A

CSFA Conduit Bond Program History

2010

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|---|-----------------------|---------------|---------------------|------|---|--------------------|---------------------|--------|---------------|
| 2010 | 1 | Birmingham | 8/3/2010 | \$3,000,000 | RAN | Los Angeles | \$3,000,000 | \$0 | N/A | 11/1/2011 |
| | 2 | Aspire 2010A | 8/24/2010 | \$6,850,000 | RAN | Alameda, Sacramento, San Mateo, San Joaquin | \$6,850,000 | \$0 | N/A | 11/15/2011 |
| | 3 | HTH - Chula Vista | 8/11/2010 | \$12,000,000 | QSCB | San Diego | \$0 | \$12,000,000 | AAA | 7/1/2020 |
| | 4 | Vaughn Next Century | 10/14/2010 | \$8,500,000 | QSCB | Los Angeles | \$0 | \$8,500,000 | AAA | 7/1/2020 |
| | 5 | Granada Hills Charter | 10/14/2010 | \$5,000,000 | QSCB | Los Angeles | \$0 | \$5,000,000 | AAA | 7/1/2020 |
| | | | | \$35,350,000 | | | \$9,850,000 | \$25,500,000 | | |

2011

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|---|----------------------|---------------|---------------------|------|-------------|---------------------|--------------------|--------|---------------|
| 2011 | 1 | Oak Grove/Willowside | 2/24/2011 | \$2,015,000 | QSCB | Sonoma | \$870,000 | \$1,145,000 | A+ | 11/1/2025 |
| | 2 | New Jerusalem | 4/14/2011 | \$5,100,000 | QSCB | San Joaquin | \$2,195,000 | \$2,905,000 | A+ | 11/1/2025 |
| | 3 | HTH - North County | 4/28/2011 | \$3,950,000 | QSCB | San Diego | \$3,950,000 | \$0 | AAA | 1/1/2021 |
| | 4 | Aspire 2011B | 5/27/2011 | \$3,000,000 | RAN | Multiple | \$3,000,000 | \$0 | N/A | 11/15/2011 |
| | | | | \$14,065,000 | | | \$10,015,000 | \$4,050,000 | | |

2012

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|-----------------------|--|---------------|---------------------|---------------|-------------|---------------------|---------------------|------------|---------------|
| 2012 | 1 | Working Capital 2012A | 3/1/2012 | \$4,841,000 | RAN | Multiple | \$4,841,000 | \$0 | N/A | 12/31/2012 |
| | 2 | Aspire 2012A/2012B | 4/18/2012 | \$9,170,000 | RAN | Multiple | \$9,170,000 | \$0 | N/A | 3/1/2013 |
| | 3 | Working Capital 2012B | 4/18/2012 | \$4,708,000 | RAN | Multiple | \$4,708,000 | \$0 | N/A | 12/31/2012 |
| | 4 | Tri-Valley Learning Corporation | 10/4/2012 | \$27,500,000 | Revenue Bonds | Alameda | \$705,000 | \$26,795,000 | N/A | 6/1/2047 |
| | | Montevina Phase II - Tri-Valley | | \$15,000,000 | QSCB | | (\$315,000) | \$15,315,000 | | 10/1/2035 |
| | 5 | New Designs Charter - Series A, B, & C | 10/24/2012 | \$19,865,000 | Revenue Bonds | Los Angeles | \$1,255,000 | \$18,610,000 | BBB- | 6/1/2042 |
| | 6 | Working Capital 2012C | 10/25/2012 | \$800,580 | RAN | Multiple | \$800,580 | \$0 | N/A | 10/15/2013 |
| | 7 | Rocketship Education | 10/29/2012 | \$6,037,881 | RAN | Multiple | \$6,037,881 | \$0 | N/A | 10/31/2013 |
| 8 | Working Capital 2012D | 12/20/2012 | \$1,856,498 | RAN | Multiple | \$1,856,498 | \$0 | N/A | 10/15/2013 | |
| | | | | \$89,778,959 | | | \$29,058,959 | \$60,720,000 | | |

2013

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|---|-----------------------|---------------|--------------|---------------|-----------|-------------|--------------|--------|---------------|
| 2013 | 1 | Coastal Academy | 2/7/2013 | \$14,155,000 | Revenue Bonds | San Diego | \$710,000 | \$13,445,000 | BBB- | 10/1/2042 |
| | 2 | Aspire 2013A/2013B | 4/5/2013 | \$3,250,000 | RAN | Multiple | \$3,250,000 | \$0 | N/A | 3/1/2014 |
| | 3 | Working Capital 2013A | 4/25/2013 | \$3,410,000 | RAN | Multiple | \$3,410,000 | \$0 | N/A | 10/15/2013 |

| | | | | | | | | | | |
|--|----|-------------------------------|------------|----------------------|---------------|-------------|------------------------|-------------------------|------|-----------|
| | 4 | Value Schools | 8/8/2013 | \$12,870,000 | Revenue Bonds | Los Angeles | \$360,000 | \$12,510,000 | BB+ | 7/1/2048 |
| | 5 | HTH - North County Elementary | 8/20/2013 | \$11,500,000 | QSCB | San Diego | \$0 | \$11,500,000 | N/A | 7/1/2023 |
| | 6 | Classical Academies | 9/12/2013 | \$25,175,000 | Revenue Bonds | San Diego | \$795,000 | \$24,380,000 | BB+ | 10/1/2043 |
| | 7 | Alliance Bloomfield | 8/20/2013 | \$10,750,000 | QSCB | Los Angeles | \$0 | \$10,750,000 | N/A | 6/15/2034 |
| | 8 | Alliance Union | 10/24/2013 | \$15,775,000 | Revenue Bonds | Los Angeles | \$920,000 | \$14,855,000 | BBB- | 7/1/2048 |
| | 9 | ICEF View Park HS | 10/16/2013 | \$10,225,000 | Revenue Bonds | Los Angeles | \$325,000 | \$9,900,000 | BB | 10/1/2048 |
| | 10 | Camino Nuevo Charter | 12/20/2013 | \$7,245,000 | Revenue Bonds | Los Angeles | \$987,628.63 | \$6,257,371.37 | N/A | 1/1/2034 |
| | | | | \$114,355,000 | | | \$10,757,628.63 | \$103,597,371.37 | | |

2014

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|---|---|---------------|--------------|---------------|-------------|-------------|--------------|--------|---------------|
| 2014 | 1 | PUC Schools | 3/12/2014 | \$26,030,000 | Revenue Bonds | Los Angeles | \$715,000 | \$25,315,000 | BB | 8/1/2044 |
| | 2 | Rocketship Education | 4/11/2014 | \$4,575,000 | RAN | Multiple | \$4,575,000 | \$0 | N/A | 10/31/2014 |
| | 3 | Alliance for College Ready Public Schools | 5/22/2014 | \$8,975,000 | QZAB | Los Angeles | \$74,586 | \$8,900,414 | N/A | 3/15/2034 |
| | 4 | KIPP Los Angeles Schools | 6/25/2014 | \$28,725,000 | Revenue Bonds | Los Angeles | \$1,000,000 | \$27,725,000 | BB+ | 7/1/2044 |
| | 5 | Magnolia Science Academy - Reseda | 6/26/2014 | \$6,020,000 | Revenue Bonds | Los Angeles | \$235,000 | \$5,785,000 | BB | 7/1/2044 |
| | 6 | New Designs Charter | 8/12/2014 | \$7,380,000 | Revenue Bonds | Los Angeles | \$305,000 | \$7,075,000 | BB+ | 6/1/2044 |
| | 7 | Alta Public Schools | 8/20/2014 | \$7,600,000 | Revenue Bonds | Los Angeles | \$330,000 | \$7,270,000 | N/A | 11/1/2045 |
| | 8 | ICEF View Park ES/MS | 10/10/2014 | \$19,810,000 | Revenue Bonds | Los Angeles | \$435,000 | \$19,375,000 | BB | 10/1/2049 |

| | | | | | | | | | | |
|--|---|--------------|-----------|----------------------|---------------|-----------|-----------------------|-------------------------|-----|-----------|
| | 9 | HTH Learning | 11/6/2014 | \$11,000,000 | Revenue Bonds | San Diego | \$1,718,665.51 | \$9,281,334.49 | N/A | 10/1/2029 |
| | | | | \$120,115,000 | | | \$9,388,251.51 | \$110,726,748.49 | | |

2015

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|---|---|---------------|----------------------|---------------|-------------|-----------------------|-------------------------|--------|---------------|
| 2015 | 1 | Alliance for College Ready Public Schools | 4/15/2015 | \$55,590,000 | Revenue Bonds | Los Angeles | \$840,000 | \$54,750,000 | BBB- | 7/1/2045 |
| | 2 | Rocketship Education | 8/7/2015 | \$6,385,000 | Revenue Bonds | Santa Clara | \$740,000 | \$5,645,000 | N/A | 3/1/2028 |
| | 3 | KIPP Los Angeles Schools | 9/17/2015 | \$27,790,000 | Revenue Bonds | Los Angeles | \$500,000 | \$27,290,000 | BBB- | 7/1/2045 |
| | 4 | Green Dot Public Schools | 9/29/2015 | \$31,105,000 | Revenue Bonds | Los Angeles | \$905,000 | \$30,200,000 | BBB- | 8/1/2045 |
| | 5 | HTH Learning | 10/27/2015 | \$11,650,000 | Revenue Bonds | San Diego | \$1,211,029.03 | \$10,438,970.97 | N/A | 10/1/2030 |
| | 6 | River Springs Charter | 11/24/2015 | \$28,350,000 | Revenue Bonds | Riverside | \$490,000 | \$27,860,000 | BB | 7/1/2046 |
| | 7 | Aspire Public Schools | 12/17/2015 | \$20,535,000 | Revenue Bonds | San Joaquin | \$390,000 | \$20,145,000 | BBB | 8/1/2045 |
| | | | | \$181,405,000 | | | \$5,076,029.03 | \$176,328,970.97 | | |

2016

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|---|----------------------|---------------|--------------|---------------|-------------|-------------|--------------|--------|---------------|
| 2016 | 1 | Rocketship Education | 2/5/2016 | \$28,605,000 | Revenue Bonds | Santa Clara | \$435,000 | \$28,170,000 | N/A | 6/1/2046 |

| | | | | | | | | | |
|----|--|------------|----------------------|---------------|--|------------------------|-------------------------|------|----------|
| 2 | Aspire Public Schools | 2/25/2016 | \$83,170,000 | Revenue Bonds | Alameda Los Angeles Sacramento San Joaquin San Mateo | \$2,620,000 | \$80,550,000 | BBB | 8/1/2046 |
| 3 | HTH Learning | 3/16/2016 | \$3,269,000 | Revenue Bonds | San Diego | \$258,160.44 | \$3,010,839.56 | N/A | 1/1/2031 |
| 4 | Downtown College Prep | 4/28/2016 | \$36,405,000 | Revenue Bonds | Santa Clara | \$0 | \$36,405,000 | N/A | 6/1/2051 |
| 5 | Ocean Charter School | 6/16/2016 | \$18,500,000 | GAN | Los Angeles | \$18,500,000 | \$0 | N/A | 1/1/2019 |
| 6 | Alliance for College Ready Public Schools - Series A & B | 7/28/2016 | \$19,525,000 | Revenue Bonds | Los Angeles | \$150,000 | \$19,375,000 | BBB- | 7/1/2051 |
| 7 | City Charter Schools | 9/2/2016 | \$12,455,000 | Revenue Bonds | Los Angeles | \$0 | \$12,455,000 | N/A | 6/1/2052 |
| 8 | TEACH Public Schools | 11/2/2016 | \$12,530,000 | Revenue Bonds | Los Angeles | \$0 | \$12,530,000 | N/A | 6/1/2052 |
| 9 | Encore Education | 11/2/2016 | \$17,440,000 | Revenue Bonds | San Bernardino | \$405,000 | \$17,035,000 | N/A | 6/1/2052 |
| 10 | ACE Charter School | 11/14/2016 | \$13,330,000 | Revenue Bonds | Santa Clara | \$0 | \$13,330,000 | N/A | 6/1/2052 |
| 11 | Grimmway Charter School | 11/18/2016 | \$24,795,000 | Revenue Bonds | Kern | \$0 | \$24,795,000 | BB+ | 7/1/2051 |
| 12 | Alliance for College Ready Public Schools - Series C & D | 12/14/2016 | \$58,330,000 | Revenue Bonds | Los Angeles | \$0 | \$58,330,000 | BBB | 7/1/2052 |
| 13 | Value Schools | 12/29/2016 | \$8,500,000 | Revenue Bonds | Los Angeles | \$0 | \$8,500,000 | BB+ | 7/1/2051 |
| | | | \$336,854,000 | | | \$22,368,160.44 | \$314,485,839.56 | | |

2017

| Year | # | School / Borrower | Issuance Date | Par-Amount | Type | County | Amount Paid | Balance | Rating | Maturity Date |
|------|----|-------------------------------------|---------------|----------------------|---------------|--------------------------|-----------------------|-------------------------|--------|---------------|
| 2017 | 1 | Rocketship Education - Series A & B | 2/22/2017 | \$26,760,000 | Revenue Bonds | Santa Clara | \$9,160,000 | \$17,600,000 | N/A | 6/1/2052 |
| | 2 | Granada Hills Charter School | 3/28/2017 | \$5,790,000 | Revenue Bonds | Los Angeles | \$0 | \$5,790,000 | BBB- | 7/1/2048 |
| | 3 | Kepler Neighborhood School | 5/2/2017 | \$10,230,000 | Revenue Bonds | Fresno | \$0 | \$10,230,000 | N/A | 5/1/2047 |
| | 4 | Camino Nuevo Charter School | 6/22/2017 | \$5,311,000 | Revenue Bonds | Los Angeles | \$98,901.06 | \$5,212,098.94 | N/A | 6/1/2047 |
| | 5 | HTH Learning | 7/13/2017 | \$22,835,000 | Revenue Bonds | San Diego | \$0 | \$22,835,000 | Baa3 | 7/1/2049 |
| | 6 | Escuela Popular Charter | 7/27/2017 | \$24,040,000 | Revenue Bonds | Santa Clara | \$0 | \$24,040,000 | N/A | 7/1/2050 |
| | 7 | KIPP Los Angeles Schools | 8/16/2017 | \$40,750,000 | Revenue Bonds | Los Angeles | \$0 | \$40,750,000 | BBB- | 7/1/2047 |
| | 8 | Magnolia Public Schools | 9/6/2017 | \$25,000,000 | Revenue Bonds | Los Angeles | \$0 | \$25,000,000 | N/A | 7/1/2044 |
| | 9 | Summit Public Schools | 10/17/2017 | \$28,640,000 | Revenue Bonds | San Mateo Santa Clara | \$0 | \$28,640,000 | Baa3 | 6/1/2053 |
| | 10 | Rocketship Education - Series G & H | 12/18/2017 | \$16,225,000 | Revenue Bonds | Contra Costa Santa Clara | \$0 | \$16,225,000 | N/A | 6/1/2053 |
| | 11 | Bright Star Schools | 12/21/2017 | \$24,965,000 | Revenue Bonds | Los Angeles | \$0 | \$24,965,000 | N/A | 6/1/2054 |
| | 12 | River Springs Charter | 12/28/2017 | \$23,995,000 | Revenue Bonds | Riverside | \$0 | \$23,995,000 | Ba1 | 7/1/2052 |
| | 13 | Classical Academies | 12/28/2017 | \$28,825,000 | Revenue Bonds | San Diego | \$0 | \$28,825,000 | BB+ | 10/1/2044 |
| | | | | \$283,366,000 | | | \$9,258,901.06 | \$274,107,098.94 | | |

Appendix B

Types of Debt Issued & Par Amounts / Issuance and Repayment Data (2010 – 2017)

| Types | Par Amount |
|-------------------------------|-------------------------------|
| QSCBs | \$73,815,000 |
| Bonds | \$1,031,475,000 |
| All Bonds | \$1,105,290 |
| Working Capital | \$15,616,078 |
| Revenue Anticipate Notes | \$35,882,881 |
| Grant Anticipation Notes | \$18,500,000 |
| All Notes | \$69,998,959 |
| All Transaction Issued | \$1,175,288,959 |
| | |
| Bonds Repaid in Full | \$70,393,959 |
| Bonds Repaid in Part | \$35,378,971 |
| Total Repaid | \$105,772,930 |
| Total Outstanding | <u>\$1,069,516,029</u> |