

California School Finance Authority

2020 Conduit Financing Program Report

February 25, 2021

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Introduction

The California School Finance Authority Act of 1985¹ 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.

In 2006, Assembly Bill (AB) 2717 amended 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.

In 2010, CSFA began serving as a conduit issuer for non-profit charter schools to provide qualifying applicants 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.

In 2016, CSFA published a first comprehensive report on its conduit financing program for charter schools. That report discussed the facility financing needs of charter schools, CSFA's guidelines for bond issuance, historical bond issuance statistics, comparisons to national charter financing trends, and market factors affecting CSFA's charter school financings. Since then CSFA has presented an annual end-of-year report on macro and local trends.

The 2020 conduit financing program report provides year-in-review statistics for the charter school transactions issued by the Authority, describes municipal market conditions and their effect on bond pricing, and provides a summary of each of CSFA's bond transactions.

¹ http://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=EDC&division=1.&title=1.&part=10.&chapter=18.&article

Municipal Market 2020 Year in Review

As with all personal and professional realities in 2020, the United States municipal bond market was greatly impacted by the two major events of last year, the COVID-19 pandemic and the Presidential election. While municipal markets ended the year in excellent condition, that does not fully reflect overall market tumult throughout the course of 2020. Specifically the March market crash, and subsequent municipal-bond-fund outflows, and a late fall rush to price prior to the election leading to a market surplus and higher yields, serving as low points in what was otherwise a strong year for investor demand and consequent rates.

By late-December of 2020, a record high of \$465 billion in municipal debt had been issued nationally, up 12% from 2019. Approximately \$69.2 billion in debt was issued by California public entities in 2020, an increase of a little less than \$10 billion from 2019, accounting for about 14.6% of all municipal debt issued in the United States. Four states specifically, California, New Jersey, New York and Illinois, account for about 60% of the US municipal market.

Taxable municipal issuance in 2020 was six times higher than the historical average, totaling \$142 billion.² Much of the increase was attributable to advance refundings that currently, as a result of the 2017 tax reform, can only be issued on a taxable basis. There is some expectation that the tax law specific to advanced refundings may change during the Biden Administration, allowing those issuances to be issued on a tax-exempt basis.

Specific to the national charter school market, charter debt in general was well received by investors in 2020. Despite the economic and academic tumult related to the onset of COVID, charter schools in many cases had a smoother transition to remote and hybrid learning than their traditional public school counterparts; this led to increased demand and larger waiting lists for charter schools. This reality, paired with the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Paycheck Protection Program funding many charter networks received, allowed for financial flexibility and liquidity that offset state budget cuts and strengthened or maintained credits.

² <https://www.nuveen.com/en-us/thinking/municipal-bond-investing/municipal-market-update>

CSFA Bond Program 2020 Year in Review

The year 2020 was effectively the 11th year of the CSFA Conduit Program, which began in earnest in 2010. Fitting for the beginning of the Program's second decade, 2020 also marked records for number of CSFA issuances, 17, and total issuance amount, \$389,485,671.

The reasons for that record-breaking amount are myriad, and attributable to factors both macro-economic and CSFA specific. On a macro level, while the COVID landfall in the first quarter of 2020 created significant economic uncertainty and market stagnation, by mid-second quarter investor demand for municipal debt was high while inventory was comparatively low. As such, a backlog in transactions and a generally favorable interest rate environment lead to an issuance surge from July through the end of the year. Specific to those favorable interest rates, the \$37,435,000 Aspire financing set the record for a charter school issuance in November, before being replaced by the \$33,410,000 KIPP financing in December. The all-time CSFA record for rates and yields was also set in 2020, by a non-charter, and is discussed a few paragraphs below.

Specific to CSFA, early year market activity was owed in part to a few holdover financings from 2019 (specifically Arts in Action and Alta). End of year market activity, alternatively, was owed in part to state and national political issues (specifically the November Presidential election) and the diligence of the CSFA Board, staff, and the financing teams.

While 2019 saw something of an uptick in the issuance of shorter term working capital specific financings, most of 2020's activity centered on long-term bond issuance for acquisition, construction and redevelopment costs for facilities.

Moreover, 2020 saw CSFA issuance activity extend beyond the typical focus of charter schools. In July, the Authority closed \$33,185,000 in lease revenue bonds for the construction of a new transportation yard for the Grossmont Union High School District, located in San Diego County. The first non-charter issuance for CSFA in nearly a decade, the highest-ever rated CSFA issuance, the strength of the credit, and all of this paired with market demand, led to all-time lows in rates and yields (transaction specifics can be found a little later in this report). Additionally the Board approved issuance of bonds for construction of student housing on the campus of Santa Rosa

Junior College, which was another CSFA first. That financing is scheduled to price and close in April 2021.

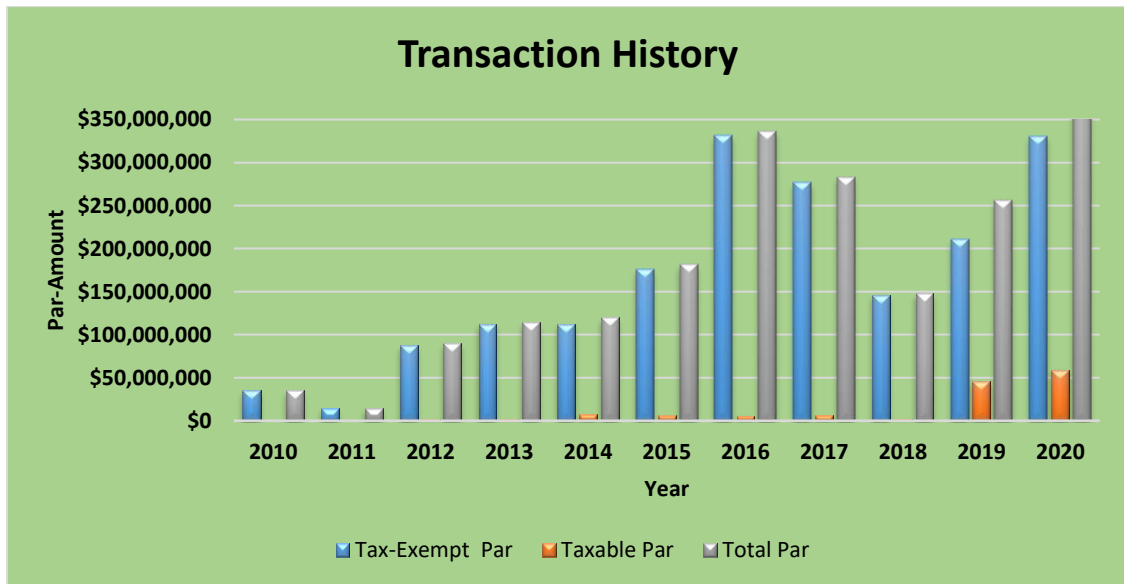
Lastly, in June of 2020, while acting under unprecedented circumstances in the midst of a global pandemic, Governor Newsom and California legislative leaders reached a 2020-21 budget agreement that included substantial apportionment deferrals for education funding and announced that 36% of State aid for California public schools would be deferred. Anticipating the financial strain this would put on both traditional public and charter schools, CSFA laid the groundwork for two 2021 Tax and Revenue Anticipation Notes (TRAN) programs on behalf of K-12 public school districts and charter schools. CSFA's issuance of these two separate, pooled, short-term financing notes will help these districts and schools weather the deferrals of state-issued funding attributed to the COVID crisis by providing schools and districts with a financing option that offers both the affordability of the state intercept and the safety and security of issuance through an agency of the State of California.

2010 – 2020 CSFA Transactions

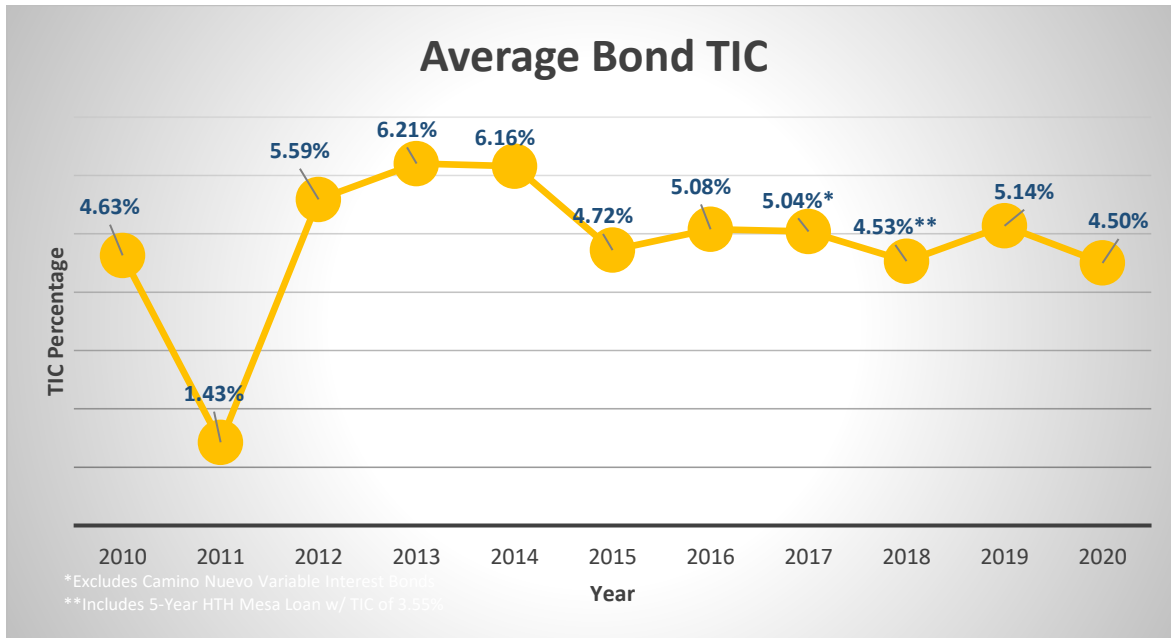
Year	Tax-Exempt Par	Taxable Par	Total Par	% Change in Par	Taxable as % of Total
2010	\$35,350,000	\$0	\$35,350,000	--	0.00%
2011	\$14,065,000	\$0	\$14,065,000	-60%	0.00%
2012	\$87,743,959	\$2,035,000	\$89,778,959	538%	2.27%
2013	\$112,690,000	\$1,665,000	\$114,355,000	27%	1.46%
2014	\$112,545,000	\$7,570,000	\$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%
2018	\$146,130,000	\$2,110,000	\$148,240,000	-48%	1.42%
2019	\$210,715,000	\$45,880,000	\$256,595,000	73%	17.88%
2020	\$330,335,000	\$59,180,671	\$389,515,671	52%	15.19%
Total	\$1,833,323,959	\$136,315,671	\$1,969,639,630		6.92%

The \$389,515,671 issued by CSFA in 2020 brings the total amount issued by the Authority as of December 31, 2020 to \$1,969,639,630. Below and above are an annual break down of taxable and tax-exempt issuance over the life of the program.

2010 – 2020 CSFA Transactions Total Par Amount



2010 – 2020 CSFA Transactions Average Bond True Interest Cost (TIC)



The average True Interest Cost (TIC) in 2020 was 4.50%, down from 5.14% in 2019. This is a record low in TIC for CSFA (saved the 1.43% in 2011, attributed to shorter term, lower yielding debt) and a particular reflection of the strength of both the muni market and charter bonds specifically given that in 2019, CSFA issued five long-term bond financings and in 2020, CSFA issued 14. The graph above shows average TIC by year for CSFA transactions.

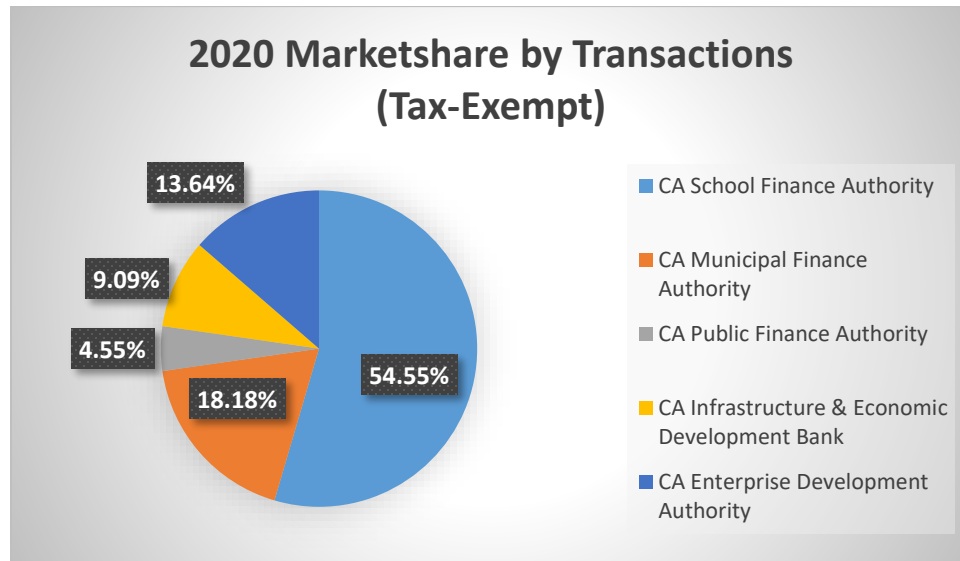
Total Type of Transactions Issued by CSFA (2010 – 2020)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Conduit Revenue Bonds			2	6	7	7	12	13	4	5	14	70
QSCBs / QZABs	3	3	1	2	1							10
Revenue Anticipation Notes	2	1	6	2	1					3		15
Grant Anticipation Notes							1					1
Bank Loan Program									1	2	3	6
Total	5	4	9	10	9	7	13	13	5	10	17	102

CSFA has issued 102 transactions since 2010, comprised of 16 revenue anticipation or grant anticipation notes, and 70 bonds (tax-exempt/taxable conduit revenue bonds, Qualified School Construction Bonds (QSCBs), and Qualified Zone Academy Bonds (QZABs)) and six conduit bank loans. In 2020, there was a near tripling of conduit bond issuance over 2019. The volume of

other transactions, meanwhile, has 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 changes in state funding schedules.

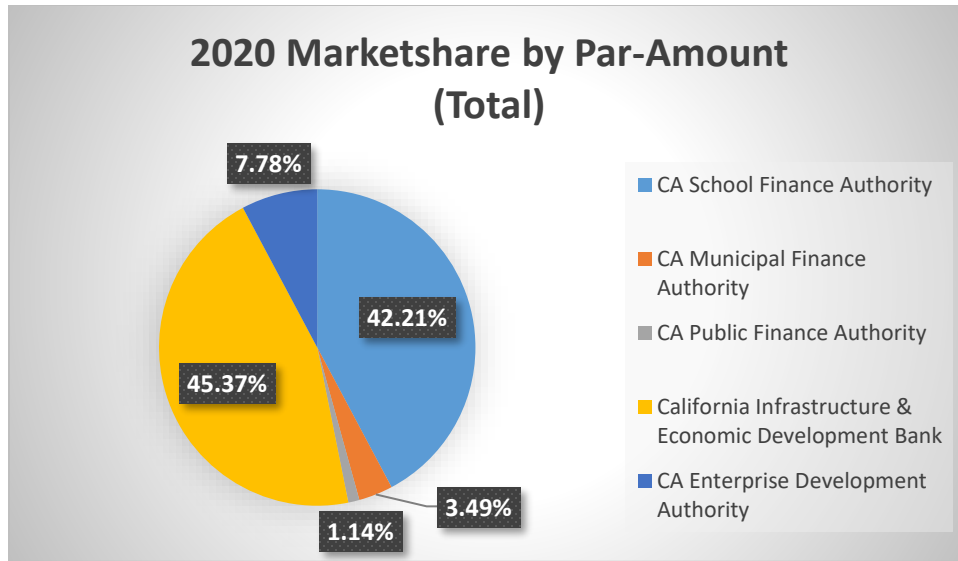
2020 California Market Share for CSFA and other Issuers (by transaction)



Of the 22 tax-exempt charter school bond and Revenue Anticipated Notes issued in California in 2020, and reported on the Electronic Municipal Market Access System (EMMA), CSFA issued 12 (approximately 54.55%), the California Municipal Finance Authority issued four (approximately 18.18%), the California Enterprise Development Authority issued three (approximately 13.64%), the California Infrastructure and Economic Development Bank (IBank) issued two (approximately 9.09%), and the California Public Finance Authority issued one³ (approximately 4.55%).

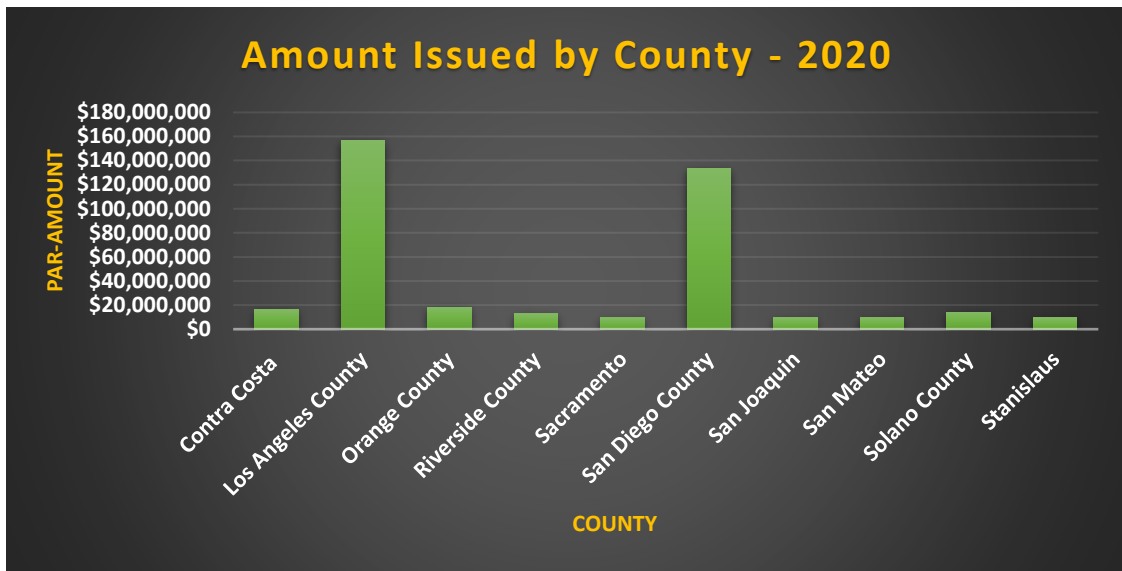
³ Source: Municipal Securities Rulemaking Board (EMMA)

2020 California Market Share for CSFA and other Issuers (by par amount)



While the previous table factors in bonds and notes, it does not factor in secured bank loans made through CSFA as those are not reported on EMMA. Accounting additionally for the four loans issued by CSFA total charter school issuance across all agencies is \$843,803,067. Of that amount, IBank issued 45.37% of total par, CSFA 42.21% and the other three agencies 12.41% cumulatively. Of note, despite issuing only two financings in 2020, IBank’s issuances were for large-scale multi-facility acquisitions totaling \$212,167,396 and \$170,825,000, respectively. Additionally, the \$33,185,000 Grossmont financing issued by CSFA cannot be included as it was for a school district, not a charter school, as the charts reflect above.

2020 CSFA Transactions – Amount Issued (by County)



In 2020, proceeds from bonds issued by CSFA benefited ten different counties across the state including southern, central, and northern regions, with a significant portion concentrated in the greater Los Angeles and San Diego areas.

Continuing momentum from 2018 and 2019, CSFA’s rated and unrated charter transactions remained appealing to a diverse group of investors, including JP Morgan, Black Rock and Goldman Sachs. The investor universe has broadened, thanks to both an increased understanding of charter school transactions in general and the search for assets offering additional yield in the current low-interest rate environment.

2021 Municipal Market and CSFA Bond Program Expectations

It is anticipated that the national economy will slowly reopen as increased numbers of people get vaccinated, and as such interest rates will remain low, and investor demand will remain high. All of these factors will be advantageous for borrowers. Specific to CSFA, owed to the influx in financings to close out 2020, and cost uncertainty after enactment of legislation that requires all California charter school projects to pay prevailing wage, there is some expectation of a slower year than 2020. Thus far, three financings approved by the Board at the end of 2020 will price and close in 2021, including the Santa Rosa Junior College transaction, and the iLEAD Lancaster financing, which was recently designated as a Social Impact bond. At least one new financing, a

KIPP Bay Area loan through Equitable Facilities Fund (EFF), is scheduled to come before the Board in March.

Despite global and national market factors, charter school financings may not fare as well as in previous cycles. In their *Charter Schools Outlook 2021* dated January 7, 2021, S&P Global projects a negative outlook for charter school credits in 2021; stating that 85% of its roughly 298 charter school ratings had a stable credit outlook, up from 82% last year, 41 ratings had a negative outlook, and three had a positive outlook. California has the highest number of credit worthy schools, with 37 in the BB+ to A- range. In regards to risk and opportunity in the general charter-rating universe, S&P's report identified the following specifics:

- While expenses will likely increase for charters, state funding will decrease owed to COVID related budgetary cuts and deferrals, creating operating pressure in 2021 and beyond.
- To that point, charters, unlike school districts, do not have the authority to levy taxes and are consequently more dependent on state funding/harmed by state cuts and deferrals.
- Many charter school and networks have already incorporated salary freezes, expense cuts, and delays in capital projects.
- Budgetary issues may exacerbate ongoing tensions between schools and their charter authorizers.
- Budgetary issues may also exacerbate the ongoing disparity between large network, strongly rated schools and their lower rated counterparts.
- Federal support for charters could change with the new Administration.
- Additional Federal stimulus, as well as short term borrowing programs (including the TRAN and ASAP programs), could improve funding levels.⁴

To begin 2021, CSFA debriefed with our varying Conduit Program stakeholders, including underwriters, back office providers, lenders, bond counsel, borrower's counsel, and financial advisors. These robust conversations centered on the current and future state of charter school issuance in California as well as best practices and policies and procedures industry-wide, and CSFA-specific.

⁴ S&P Global's Charter Schools Outlook 2021

Thanks to insights gleaned from these conversations, the Authority intends to modify certain operational aspects of the financing process as well as potentially making more granular adjustments to CSFA policy to make the issuance experience more efficient and user-friendly. Additionally, also owed to feedback received from the briefings, CSFA plans to convene a larger stakeholder working group for a broader conversation on industry best practices.

The Authority continues to pursue innovative financing opportunities for charter schools, as well as school districts, community colleges, and other educational entities that may benefit from CSFA's conduit financing program and the expertise of the State Treasurer's Office.

As mentioned previously, 2021 will see the issuance of CSFA's TRAN and ASAP programs, with the first issuances of both coming before the Board in February.

The Social Impact designation is also included amongst CSFA's innovation opportunities. In January the CSFA Board approved a fee reduction for the iLEAD Lancaster financing pending the decision to designate those bonds as having a social impact. CSFA plans to bring an item to the Board in February or March that would provide a new fee schedule for all bonds that pursue the Social Impact designation.

- Demand for Environmental, Social Impact, and Governance (ESG) bonds has increased with high net worth individuals as well as pension funds, who appreciate the investment's societal impact beyond simply the investment's return. Because of the student populations many California charter schools serve, certain charter school bond issuances qualify for the Social Impact designation. The Social Impact designation opens an issuance to a broader range of investment funds, specifically those funds dedicated to ESG. The Social Impact designation requires upfront documentation and subsequent annual attestation by the borrower and underwriter confirming bond proceeds are serving a social good.
- While the Social Impact designation opens an issuance to an additional pool of investors, there is no guarantee those investors will purchase, particularly as many investor funds are directed to a specific facet of ESG, primarily on the environmental and governance sides. Additionally, depending on the credit, there is no guarantee that the Social Impact designation will additively impact the credit even if there is interest from ESG funds. The reality that designation does not translate to reduced rates, paired with upfront and

ongoing costs for initial documentation and annual attestation, may dissuade charter borrowers from pursuing the Social Impact designation. As such, CSFA is trying to create an incentive to test and subsequently broaden the charter ESG market.

2020 Transaction Snapshots

Presented below are highlights from the 17 transactions CSFA issued in 2020. The true interest costs (TICs) provided reflect the present value of interest payments plus underwriter's discount. The spread reflects, in basis points, the rate difference between the yield on the financing's final maturity and the comparable AAA-rated, MMD Index yield for the sale date. Additionally, we have included the major purchasers involved in each transaction and the pricing date's market situation and its impact on pricing. Real-time market information at pricing was provided by underwriters via conference calls and documents. True Interest Costs, 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).⁵

1. Arts in Action (Bonds)

Market Trends at Time of Pricing: Market momentum priced deal 40 basis points (bps) than predicted at pre-pricing.

Date of Pricing	1/9/2020
Final Maturity Date	6/1/2059
Par Amount	\$32,340,000
<i>Tax-Exempt</i>	<i>\$31,140,000</i>
<i>Taxable</i>	<i>\$1,000,000</i>
Rating	Not Rated
Coupon (All Maturities)	5%
30 Year Tax Exempt Yield	3.57%
30 Year MMD (AAA)	1.97%
Spread (Basis Points)	160
True Interest Cost	4.70%

⁵ Rate and spread numbers are approximations based on pre-pricing and/or pricing dates and times, which may vary slightly from sources like Bloomberg.

Purchasers	Blackrock, Nuveen, High Net-Worth Retail Orders
Uses	Facility acquisition & improvements

2. Alta Public Schools (Bonds)

Market Trends at Time of Pricing: Bonds went to holders of previously issued Alta debt, interest rate negotiated prior to pricing with Purchaser's Counsel.

Date of Pricing	2/6/2020
Final Maturity Date	6/1/2059
Par Amount	\$19,320,000
<i>Tax-Exempt (Series A)</i>	\$17,855,000
<i>Taxable (Series B)</i>	\$1,465,000
Rating	Not Rated
Coupon (All Maturities)	6%
Yield	N/A
30 Year MMD (AAA)	N/A
Spread (Basis Points)	N/A
True Interest Cost	6.68%
Purchasers	Blackrock & Nuveen
Uses	New Construction & Loan Refinancing

3. Fenton Charter (Bonds)

Market Trends at Time of Pricing: COVID concerns on a global level have yet to hit US. Social Impact designation of bonds created additional interest in the market.

Date of Pricing	2/12/2020
Final Maturity Date	7/1/2058
Par Amount	\$21,370,000
<i>Tax-Exempt (Series A)</i>	\$19,495,000
<i>Taxable (Series B)</i>	\$1,875,000
Rating	BB+
Coupon	4% & 5% (Tax Exempt) 4.25% (Taxable)
30-Year Tax-Exempt Yield	2.790%

30-Year MMD (AAA)	1.83%
Spread (basis points)	96 bps
True Interest Cost	4.21%
Purchasers	Goldman, Alliance Bernstein, Wells, Nuveen, 16th Amendment Advisors
Uses	Refinancing

4. Caliber Schools (EFF Loan)

Market Trends at Time of Pricing: Loan through EFF. As such rate agreed upon with EFF ahead of time.

Date of Pricing	2/28/2020
Final Maturity Date	3/1/2050
Par Amount	\$14,219,406
<i>Tax-Exempt (Series A)</i>	\$0
<i>Taxable (Series B)</i>	\$14,219,406
Rating	BB+
Rate	3.60%
30-Year Yield	N/A
30-Year Tax Exempt Yield	N/A
Spread (basis points)	N/A
True Interest Cost	3.63%
Purchasers	EFF
Uses	Facility Acquisition & Improvements

5. Encore Education (Loan)

Market Trends at Time of Pricing: Direct Loan with Charter Asset Management (CAM) with repayment intercepted.

Date of Pricing	3/20/2020
Final Maturity Date	2/1/2021
Par Amount	\$2,500,000
<i>Tax-Exempt (Series A)</i>	\$2,500,000
<i>Taxable (Series B)</i>	\$0

Rating	N/A
Rate	6.95%
30-Year Tax Exempt Yield	N/A
30-Year MMD (AAA)	N/A
Spread (basis points)	N/A
True Interest Cost	N/A
Purchasers	CAM
Uses	Working Capital

6. Grossmont Union High School District (Lease Revenue Bonds)

Market Trends at Time of Pricing: Government pricing entity vs. non-profit borrower, highest rated CSFA issuance ever, and lowest rates on a CSFA transaction

Date of Pricing	7/21/2020
Final Maturity Date	7/1/2040
Par Amount	\$33,185,000
<i>Tax-Exempt (Series A)</i>	<i>\$33,185,000</i>
<i>Taxable (Series B)</i>	<i>\$0</i>
Rating	AA3
Coupon (All Maturities)	4%
30-Year Tax-Exempt Yield	1.9%
30-Year MMD (AAA)	1.25%
Spread (basis points)	75 bps
True Interest Cost	2.14%
Purchasers	Blackrock, Goldman, Vanguard, First Republic, JP Morgan, Eagle Asset Management
Uses	Construction of a New transportation Facility for Grossmont Unified School District.

7. HTH (Variable Rate Bonds)

Market Trends at Time of Pricing: City National purchased/refinanced all of the outstanding CSFA issued HTH debt save one issuance. Providing lower ongoing rate for HTH while allowing City to retain all their bonds.

Date of Pricing	7/1/2020
Final Maturity Date	2/27/2050
Par Amount	\$71,225,000
<i>Tax-Exempt (Series A)</i>	<i>\$71,225,000</i>
<i>Taxable (Series B)</i>	<i>\$0</i>
Rating	N/A
Coupon	Variable rate but swap fixed at 2.57%
30-Year Tax-Exempt Yield	N/A
30-Year MMD (AAA)	N/A
Spread (basis points)	N/A
True Interest Cost	N/A
Purchasers	City National Banking
Uses	Refinancing

8. College Preparatory Middle School (Bonds)

Market Trends at Time of Pricing: Affiliated entity of current facility owner (Rosemawr) converted purchase option on lease to bonds. Bonds deposited in Roswmawr created trust that issued two tranches of certificates that received interest payments from the bond trustee. One tranche was guaranteed by Mizuho Bank, the other purchased by Rosemawr. Rate set in advance.

Date of Closing	7/20/2020
Final Maturity Date	6/15/2055
Par Amount	\$12,080,000
<i>Tax-Exempt</i>	<i>\$11,750,000</i>
<i>Taxable</i>	<i>\$330,000</i>
Rating	Not Rated
Coupon	5% Tax Exempt, 7% Taxable
Yield	5% Tax Exempt, 7% Taxable

30-Year MMD (AAA)	N/A
Spread (basis points)	N/A
True Interest Cost	5.39%
Purchasers	Rosemawr, Mizuho Bank
Uses	Facility Acquisition from Rosemawr Ownership

9. *Contra Costa School of Performing Arts (Bonds)*

Market Trends at Time of Pricing: Affiliated entity of current facility owner (Rosemawr) converted purchase option on lease to bonds. Bonds deposited in Roswmawr created trust that issued two tranches of certificates that received interest payments from the bond trustee. One tranche was guaranteed by Mizuho Bank, the other purchased by Rosemawr. Rate set in advance.

Date of Pricing	9/8/2020
Final Maturity Date	6/15/2058
Par Amount	\$16,350,000
<i>Tax-Exempt (Series A)</i>	<i>\$16,065,000</i>
<i>Taxable (Series B)</i>	<i>\$285,000</i>
Rating	Not Rated
Coupon	5.5% (Tax-Exempt) 7.5% (Taxable)
Yield	5.898 (Tax-Exempt) 8.847% (Taxable)
30-Year MMD (AAA)	N/A
Spread (basis points)	N/A
True Interest Cost	6.41%
Purchasers	Rosemawr, Mizuho Bank
Uses	Facility Acquisition from Rosemawr Ownership

10. *REAL Journey Academies (Bonds)*

Market Trends at Time of Pricing: No meaningful stimulus package prior to election equaled marketplace anxiety. COVID credit crunch ongoing. Good market for unrated munis, CSFA record low yields for an unrated issuance.

Date of Pricing	9/15/2020
Final Maturity Date	7/1/2059
Par Amount	\$10,140,000
<i>Tax-Exempt (Series A)</i>	<i>\$9,640,000</i>
<i>Taxable (Series B)</i>	<i>\$500,000</i>
Rating	Not Rated
Coupon	5% (Tax-Exempt) 4.25% (Taxable)
30-Year Tax-Exempt Yield	3.88%
30-Year MMD (AAA)	1.58%
Spread (basis points)	240 bps
True Interest Cost	4.61%
Purchasers	Nuveen
Uses	Facility Acquisition & Improvements

11. Classical Academies (Bonds)

Market Trends at Time of Pricing: In August low supply and high demand led to rock bottom rates, demand is still strong but now more inflows. Some concern specific to Classical on being primarily a virtual school and Governor's budget recognizing enrollment caps (Governor froze enrollment inflows/outflows to help schools with declining enrollment, but hurt schools with surging enrollment, like Classical).

Date of Pricing	9/10/20
Final Maturity Date	10/1/2050
Par Amount	\$17,165,000
<i>Tax-Exempt (Series A)</i>	<i>\$17,165,000</i>
<i>Taxable (Series B)</i>	<i>\$0</i>
Rating	BB+
Coupon	3% (10-Year), 5% (20/30-Year)
30-Year Tax-Exempt Yield	3.42%
30-Year MMD (AAA)	1.56%
Spread (basis points)	192 bps

True Interest Cost	4.45%
Purchasers	Putnam, Alliance Bernstein, Franklin, Blackrock, Goldman
Uses	Facility Acquisition & Improvements

12. Everest Values (2020)

Market Trends at Time of Pricing: High number of transactions in market trying to price prior to election.

Date of Pricing	10/29/2020
Final Maturity Date	6/1/2058
Par Amount	\$22,310,000
<i>Tax-Exempt (Series A)</i>	\$22,060,000
<i>Taxable (Series B)</i>	\$250,000
Rating	BB+
Coupon	3.25% & 5% (Tax Exempt) 4% (Taxable)
30-Year Tax-Exempt Yield	3.47%
30-Year MMD (AAA)	2.02%
Spread (basis points)	145 bps
True Interest Cost	4.49%
Purchasers	American Century, Black Rock, Nuveen, Goldman Sachs, Invesco, Scutter
Uses	New Construction

13. Aspire (2020)

Market Trends at Time of Pricing: High demand for muni debt, limited inventory (rush to price prior to election), strength of credit and demand in market gave transaction record low yields (until KIPP pricing a few weeks later).

Date of Pricing	11/24/2020
Final Maturity Date	8/1/2059
Par Amount	\$37,435,000
<i>Tax-Exempt (Series A)</i>	\$32,180,000

<i>Taxable (Series B)</i>	<i>\$5,255,000</i>
Rating	BBB
Coupon	5% (Tax Exempt) 3% & 4% (Taxable)
30-Year Tax-Exempt Yield	2.36%
30-Year MMD (AAA)	1.42%
Spread (basis points)	94 bps
True Interest Cost	4.11%
Purchasers	Vanguard, Putnam, Nuveen, Delaware Funds
Uses	Facility Acquisition, Additional Improvements, Some New Construction

14. Equitas (EFF Loan)

Market Trends at Time of Pricing: Loan through Educational Facilities Fund (EFF). Rate set ahead of time with EFF.

Date of Pricing	12/22/2020
Final Maturity Date	6/1/2058
Par Amount	\$30,811,625
<i>Tax-Exempt (Series A)</i>	<i>\$0</i>
<i>Taxable (Series B)</i>	<i>\$30,811,625</i>
Rating	BB+
Rate	3.17%
30-Year Tax-Exempt Yield	N/A
30-Year MMD (AAA)	N/A
Spread (basis points)	N/A
True Interest Cost	3.19%
Purchasers	EFF
Uses	Facility Acquisition and Improvements

15. Scholarship Prep (Bonds)

Market Trends at Time of Pricing: Bonds placed directly/exclusively with Nuveen owed to turnaround time of transaction and prior conversations with Nuveen.

Date of Pricing	12/14/2020
Final Maturity Date	6/1/2060
Par Amount	\$18,320,000
<i>Tax-Exempt (Series A)</i>	<i>\$17,745,000</i>
<i>Taxable (Series B)</i>	<i>\$575,000</i>
Rating	Not Rated
Coupon	5% (Tax Exempt) 5% (Taxable)
30-Year Tax-Exempt Yield	5% (Tax Exempt) 5% (Taxable)
30-Year MMD (AAA)	N/A
Spread (basis points)	N/A
True Interest Cost	5.33%
Purchasers	Nuveen
Uses	Facility Acquisition and Improvements, Some New Construction

16. Lifeline (Bonds)

Market Trends at Time of Pricing: High demand for muni debt, limited inventory (rush to price prior to election). Wind down of supply (last week for bond pricings). Price of risk has gone up (credit spread). Vaccine news.

Date of Pricing	12/15/2020
Final Maturity Date	7/1/2055
Par Amount	\$10,500,000
<i>Tax-Exempt (Series A)</i>	<i>\$10,135,000</i>
<i>Taxable (Series B)</i>	<i>\$365,000</i>
Rating	BB
Coupon (All Maturities)	5%
30-Year Tax-Exempt Yield	3.65%
30-Year MMD (AAA)	1.38%
Spread (basis points)	227 bps
True Interest Cost	4.70%

Purchasers	Goldman, Vanguard, T Rowe Price, Blackrock, Nuveen
Uses	New Construction, Refinancing

17. KIPP SoCal (Bonds)

Market Trends at Time of Pricing: High demand for muni debt, limited inventory (rush to price prior to election), strength of credit and demand in market gave transaction record low yields.

Date of Pricing	12/12/2019
Final Maturity Date	7/1/2055
Par Amount	\$33,410,000
<i>Tax-Exempt (Series A)</i>	<i>\$33,410,000</i>
<i>Taxable (Series B)</i>	<i>\$0</i>
Rating	BBB
Coupon	4% (Serial Bond) 5% (All Other Maturities)
30-Year Tax-Exempt Yield	2.19%
30-Year MMD (AAA)	1.38%
Spread (basis points)	86 bps
True Interest Cost	3.13%
Purchasers	Goldman, Vanguard, Franklin, Wells
Uses	Facility Improvements and New Construction

Appendix

CSFA Conduit Financing Program History

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

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

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2012	1	Working Capital 2012A	3/1/2012	\$4,841,000	RAN	Multiple	N/A	12/31/2012
	2	Aspire 2012A/2012B	4/18/2012	\$9,170,000	RAN	Multiple	N/A	3/1/2013
	3	Working Capital 2012B	4/18/2012	\$4,708,000	RAN	Multiple	N/A	12/31/2012
	4	Tri-Valley Learning Corporation	10/4/2012	\$27,500,000	Revenue Bonds	Alameda	N/A	6/1/2047
	5	Montevina Phase II - Tri-Valley		\$15,000,000	QSCB			10/1/2035

	6	New Designs Charter - Series A, B, & C	10/24/2012	\$19,865,000	Revenue Bonds	Los Angeles	BBB-	6/1/2042
	7	Working Capital 2012C	10/25/2012	\$800,580	RAN	Multiple	N/A	10/15/2013
	8	Rocketship Education	10/29/2012	\$6,037,881	RAN	Multiple	N/A	10/31/2013
	9	Working Capital 2012D	12/20/2012	\$1,856,498	RAN	Multiple	N/A	10/15/2013
				\$89,778,959				

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2013	1	Coastal Academy	2/7/2013	\$14,155,000	Revenue Bonds	San Diego	BBB-	10/1/2042
	2	Aspire 2013A/2013B	4/5/2013	\$3,250,000	RAN	Multiple	N/A	3/1/2014
	3	Working Capital 2013A	4/25/2013	\$3,410,000	RAN	Multiple	N/A	10/15/2013
	4	Value Schools	8/8/2013	\$12,870,000	Revenue Bonds	Los Angeles	BB+	7/1/2048
	5	HTH - North County Elementary	8/20/2013	\$11,500,000	QSCB	San Diego	N/A	7/1/2023
	6	Classical Academies	9/12/2013	\$25,175,000	Revenue Bonds	San Diego	BB+	10/1/2043
	7	Alliance Bloomfield	8/20/2013	\$10,750,000	QSCB	Los Angeles	N/A	6/15/2034
	8	Alliance Union	10/24/2013	\$15,775,000	Revenue Bonds	Los Angeles	BBB-	7/1/2048
	9	ICEF View Park HS	10/16/2013	\$10,225,000	Revenue Bonds	Los Angeles	BB	10/1/2048
	10	Camino Nuevo Charter	12/20/2013	\$7,245,000	Revenue Bonds	Los Angeles	N/A	1/1/2034
				\$114,355,000				

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2014	1	PUC Schools	3/12/2014	\$26,030,000	Revenue Bonds	Los Angeles	BB	8/1/2044

	2	Rocketship Education	4/11/2014	\$4,575,000	RAN	Multiple	N/A	10/31/2014
	3	Alliance for College Ready Public Schools	5/22/2014	\$8,975,000	QZAB	Los Angeles	N/A	3/15/2034
	4	KIPP Los Angeles Schools	6/25/2014	\$28,725,000	Revenue Bonds	Los Angeles	BB+	7/1/2044
	5	Magnolia Science Academy - Reseda	6/26/2014	\$6,020,000	Revenue Bonds	Los Angeles	BB	7/1/2044
	6	New Designs Charter	8/12/2014	\$7,380,000	Revenue Bonds	Los Angeles	BB+	6/1/2044
	7	Alta Public Schools	8/20/2014	\$7,600,000	Revenue Bonds	Los Angeles	N/A	11/1/2045
	8	ICEF View Park ES/MS	10/10/2014	\$19,810,000	Revenue Bonds	Los Angeles	BB	10/1/2049
	9	HTH Learning	11/6/2014	\$11,000,000	Revenue Bonds	San Diego	N/A	10/1/2029
				\$120,115,000				

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2015	1	Alliance for College Ready Public Schools	4/15/2015	\$55,590,000	Revenue Bonds	Los Angeles	BBB-	7/1/2045
	2	Rocketship Education	8/7/2015	\$6,385,000	Revenue Bonds	Santa Clara	N/A	3/1/2028
	3	KIPP Los Angeles Schools	9/17/2015	\$27,790,000	Revenue Bonds	Los Angeles	BBB-	7/1/2045
	4	Green Dot Public Schools	9/29/2015	\$31,105,000	Revenue Bonds	Los Angeles	BBB-	8/1/2045
	5	HTH Learning	10/27/2015	\$11,650,000	Revenue Bonds	San Diego	N/A	10/1/2030
	6	River Springs Charter	11/24/2015	\$28,350,000	Revenue Bonds	Riverside	BB	7/1/2046
	7	Aspire Public Schools	12/17/2015	\$20,535,000	Revenue Bonds	San Joaquin	BBB	8/1/2045
				\$181,405,000				

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2016	1	Rocketship Education	2/5/2016	\$28,605,000	Revenue Bonds	Santa Clara	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	BBB	8/1/2046
	3	HTH Learning	3/16/2016	\$3,269,000	Revenue Bonds	San Diego	N/A	1/1/2031
	4	Downtown College Prep	4/28/2016	\$36,405,000	Revenue Bonds	Santa Clara	N/A	6/1/2051
	5	Ocean Charter School	6/16/2016	\$18,500,000	GAN	Los Angeles	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	BBB-	7/1/2051
	7	City Charter Schools	9/2/2016	\$12,455,000	Revenue Bonds	Los Angeles	N/A	6/1/2052
	8	TEACH Public Schools	11/2/2016	\$12,530,000	Revenue Bonds	Los Angeles	N/A	6/1/2052
	9	Encore Education	11/2/2016	\$17,440,000	Revenue Bonds	San Bernardino	N/A	6/1/2052
	10	ACE Charter School	11/14/2016	\$13,330,000	Revenue Bonds	Santa Clara	N/A	6/1/2052
	11	Grimmway Charter School	11/18/2016	\$24,795,000	Revenue Bonds	Kern	BB+	7/1/2051
	12	Alliance for College Ready Public Schools - Series C & D	12/14/2016	\$58,330,000	Revenue Bonds	Los Angeles	BBB	7/1/2052
	13	Value Schools	12/29/2016	\$8,500,000	Revenue Bonds	Los Angeles	BB+	7/1/2051
				\$336,854,000				

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2017	1	Rocketship Education - Series A & B	2/22/2017	\$26,760,000	Revenue Bonds	Santa Clara	N/A	6/1/2052

	2	Granada Hills Charter School	3/28/2017	\$5,790,000	Revenue Bonds	Los Angeles	BBB-	7/1/2048
	3	Kepler Neighborhood School	5/2/2017	\$10,230,000	Revenue Bonds	Fresno	N/A	5/1/2047
	4	Camino Nuevo Charter School	6/22/2017	\$5,311,000	Revenue Bonds	Los Angeles	N/A	6/1/2047
	5	HTH Learning	7/13/2017	\$22,835,000	Revenue Bonds	San Diego	Baa3	7/1/2049
	6	Escuela Popular Charter	7/27/2017	\$24,040,000	Revenue Bonds	Santa Clara	N/A	7/1/2050
	7	KIPP Los Angeles Schools	8/16/2017	\$40,750,000	Revenue Bonds	Los Angeles	BBB-	7/1/2047
	8	Magnolia Public Schools	9/6/2017	\$25,000,000	Revenue Bonds	Los Angeles	N/A	7/1/2044
	9	Summit Public Schools	10/17/2017	\$28,640,000	Revenue Bonds	San Mateo; Santa Clara	Baa3	6/1/2053
	10	Rocketship Education - Series G & H	12/18/2017	\$16,225,000	Revenue Bonds	Contra Costa; Santa Clara	N/A	6/1/2053
	11	Bright Star Schools	12/21/2017	\$24,965,000	Revenue Bonds	Los Angeles	N/A	6/1/2054
	12	River Springs Charter	12/28/2017	\$23,995,000	Revenue Bonds	Riverside	Ba1	7/1/2052
	13	Classical Academies	12/28/2017	\$28,825,000	Revenue Bonds	San Diego	BB+	10/1/2044
					\$283,366,000			

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2018	1	Ednovate	7/12/2018	\$15,155,000	Revenue Bonds	Orange	N/A	6/2/2056
	2	HTH Mesa Bank Loan	7/16/2018	\$31,500,000	Revenue Bank Loan	San Diego	N/A	7/1/2023
	3	Larchmont Charter Schools	8/29/2018	\$11,635,000	Revenue Bonds	Los Angeles	N/A	6/1/2055

	4	Green Dot Public Schools	10/11/2018	\$56,155,000	Revenue Bonds	Los Angeles	BBB-	8/1/2048
	5	Equitas Academy	11/30/2018	\$33,795,000	Revenue Bonds	Los Angeles	N/A	6/1/2056
				\$148,240,000				

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2019	1	Inspire Schools - 2019 A (Notes)	2/14/2019	\$25,040,000	RAN	El Dorado; Fresno; Kern; Los Angeles; San Diego	N/A	10/1/2042
	2	KIPP Bay Area Loan - 2019	3/14/2019	\$16,000,000	Revenue Bank Loan	Alameda; Santa Clara	N/A	3/1/2014
	3	KIPP SoCal - 2019	6/20/2019	\$47,715,000	Revenue Bonds	Los Angeles	BBB	10/15/2013
	4	Inspire Schools - 2019 B & C (Notes)	7/18/2019	\$45,720,000	RAN	Sutter; Fresno; San Diego; Kern	N/A	7/1/2048
	5	New Designs - 2019	7/15/2019	\$16,840,000	Revenue Bonds	Los Angeles	BB+	7/1/2023
	6	Encore Education Loan - 2019	9/19/2019	\$2,500,000	Revenue Bank Loan	Riverside	N/A	10/1/2043
	7	Encore Education - 2019 (Notes)	9/24/2019	\$3,920,000	RAN	San Bernardino	N/A	6/15/2034
	8	Granada Hills Charter - 2019	9/24/2019	\$47,845,000	Revenue Bonds	Los Angeles	BBB-	7/1/2048
	9	REAL Journey Academies - 2019	10/29/2019	\$28,705,000	Revenue Bonds	San Bernardino	N/A	10/1/2048
	10	TEACH Public Schools - 2019 (Bonds)	12/31/2019	\$22,310,000	Revenue Bonds	Los Angeles	N/A	1/1/2034
				\$256,595,000				

Year	#	School / Borrower	Issuance Date	Par-Amount	Type	County(ies)	Rating	Maturity Date
2020	1	Arts in Action (Bonds) - 2020 A&B	1/9/2020	\$32,340,000	Revenue Bonds	Los Angeles County	N/A	6/1/2059
	2	Alta Public Schools - 2020 A & B (Bonds)	2/6/2020	\$19,320,000	Revenue Bonds	Los Angeles County	N/A	6/1/2059
	3	Fenton Charter - 2020 A & B (Bonds)	2/12/2020	\$21,370,000	Revenue Bonds	Los Angeles County	BB+	7/1/2058
	4	Caliber Schools (Loan) - 2020	2/28/2020	\$14,219,046	Revenue Bank Loan	Solano County	BB+	3/1/2050
	5	Encore Education (Loan) - 2020	3/20/2020	\$2,500,000	Revenue Bank Loan	Riverside County	N/A	2/1/2021
	6	Grossmont Union High School District - 2020 (Lease Revenue Bonds)	7/21/2020	\$33,185,000	Lease Revenue Bonds	San Diego County	AA3	7/1/2040
	7	HTH - 2020 (Bonds)	7/1/2020	\$71,225,000	Revenue Bonds	San Diego County	N/A	2/27/2050
	8	College Preparatory Middle School - 2020 (Bonds)	7/20/2020	\$12,080,000	Revenue Bonds	San Diego County	N/A	6/15/2055
	9	Contra Costa School of Performing Arts - 2020 (Bonds)	9/8/2020	\$16,350,000	Revenue Bonds	Contra Costa	N/A	6/15/2058
	10	REAL Journey Academies - 2020 (Bonds)	9/15/2020	\$10,140,000	Revenue Bonds	Riverside County	N/A	7/1/2059
	11	Classical Academies - 2020 (Bonds)	9/10/2020	\$17,165,000	Revenue Bonds	San Diego County	BB+	10/1/2050
	12	Everest Values - 2020 (Bonds)	10/29/2020	\$9,145,000	Revenue Bonds	Los Angeles County	BB+	7/1/2059
	13	Aspire 2020 (Bonds)	11/24/2020	\$37,435,000	Revenue Bonds	Sacramento; San Joaquin; Stanislaus; San Mateo	BBB	8/1/2059
	14	Equitas 2020 (Loan)	12/22/2020	\$30,811,625	Revenue Bank Loan	Los Angeles County	BB+	12/1/2055

	15	Scholarship Prep 2020 (Bonds)	12/14/2020	\$18,320,000	Revenue Bonds	Orange County	N/A	6/1/2060
	16	Lifeline 2020 (Bonds)	12/15/2020	\$10,500,000	Revenue Bonds	Los Angeles County	BB	7/1/2055
	17	KIPP 2020 (Bonds)	12/17/2020	\$33,410,000	Revenue Bonds	Los Angeles County	BBB	7/1/2055
				\$389,515,671				