



## U.S. Charter Schools' Median Ratios Reveal A Young Sector Growing Rapidly But With Volatility

10-Aug-2015

Standard & Poor's Ratings Services' view of the U.S. charter school sector is mixed. The growth and volatility of charter school ratings exceed that of our other public finance sectors and we expect that to continue as this one evolves, schools adapt to local political climates, new financing opportunities emerge, and schools continue to access the capital markets to secure funding for facility needs. However, the charter schools' small size and relatively short operating history and limited financial flexibility present performance uncertainty and potential for rating changes.

We believe the long-term general environment for charter schools is improving gradually. However, with exceptions that vary by state, we expect downgrades will continue to outpace upgrades in 2015 because of the difficulties individual schools face. In our opinion, charter school margins and balance sheets will remain slim throughout their institutional lifetime, either intentionally as part of their mission, or unintentionally as a reflection of school performance. In either case, this limits the potential for upgrades. In addition, increased competition for enrollment, covenant violations, and debt and capital plans for many schools continue to put pressure on individual credit profiles, which we believe leads to increased ratings volatility and the potential to lower ratings.

The factors that will most influence performance are the schools' management, charter environment, financial performance, covenant violations, and financial obligations.

### Overview

- Sector performance is mixed, with greater growth and volatility than other public finance sectors.
- The schools' small sizes and short operating histories present uncertainties about future performance.
- We expect downgrades to outpace upgrades in 2015.
- Charter school margins and balance sheets will remain thin for various reasons.

## Factors Leading To Rating Changes In 2015

### Management

As the number of schools we rate has increased, a disparity between strong and weak management teams has become evident. Given the sector's volatile nature, we expect rating activity will largely reflect management's response to a school's credit risks. Most charter schools are essentially small non-profit start-ups, and management teams have varying risk tolerances and financial thresholds. These are subject to change with leadership transitions and bring into question a school's ability and willingness to meet its financial obligations. Charter school managers who are sophisticated and diverse in their knowledge of finance, education policy, and administration are better positioned to navigate the many changes in the sector. We expect schools with strong management teams will respond to challenges with timely and decisive actions that will ensure preservation of the school's charter and fiscal health.

### Charter Environment

Charter authorizers in many states are taking steps to increase charter school accountability, including revoking charters and closing academically failing schools. In other states, authorization has shifted away from local authorizers

to nominally more independent state authorizers. We believe legislative activity will be mixed in 2015, depending on the political climate of the local area. Some areas continue to broaden options for charter schools including making expansion easier through mechanisms such as replicating charters, lifting charter enrollment caps, and lengthening possible renewal terms. But, other areas are tightening charter requirements, revoking charters more frequently, putting caps on the number of new charters authorized, or shortening charter lengths. Examples of this include Texas, which recently passed legislation to increase the number of charters granted and to give the state authorizer more flexibility to fast-track charter renewals for successful schools. The Texas authorizer also has enhanced authority to revoke academically failing charters after just three years of unsatisfactory performance instead of four. California's governor signed into law a new funding formula allocating more dollars to schools with a high disadvantaged student population. Although the new funding formula will affect charter schools differently based on demographics, we still view these changes positively because many California charters serve underprivileged students.

### **Financial Performance**

After years of state funding cuts and holdbacks due to the Great Recession, per-pupil funding levels have stabilized or slowly increased from historical lows as many state budgets increased in the past two years. As a result, we expect better operating margins and cash flow in fiscal 2015 for schools with stable enrollment levels and manageable expense growth.

As our ratings reflect our opinion of a school's ability and willingness to repay debt, an increase in leverage or weakening of debt service coverage (DSC) or other debt measures remain the primary catalysts for negative rating actions.

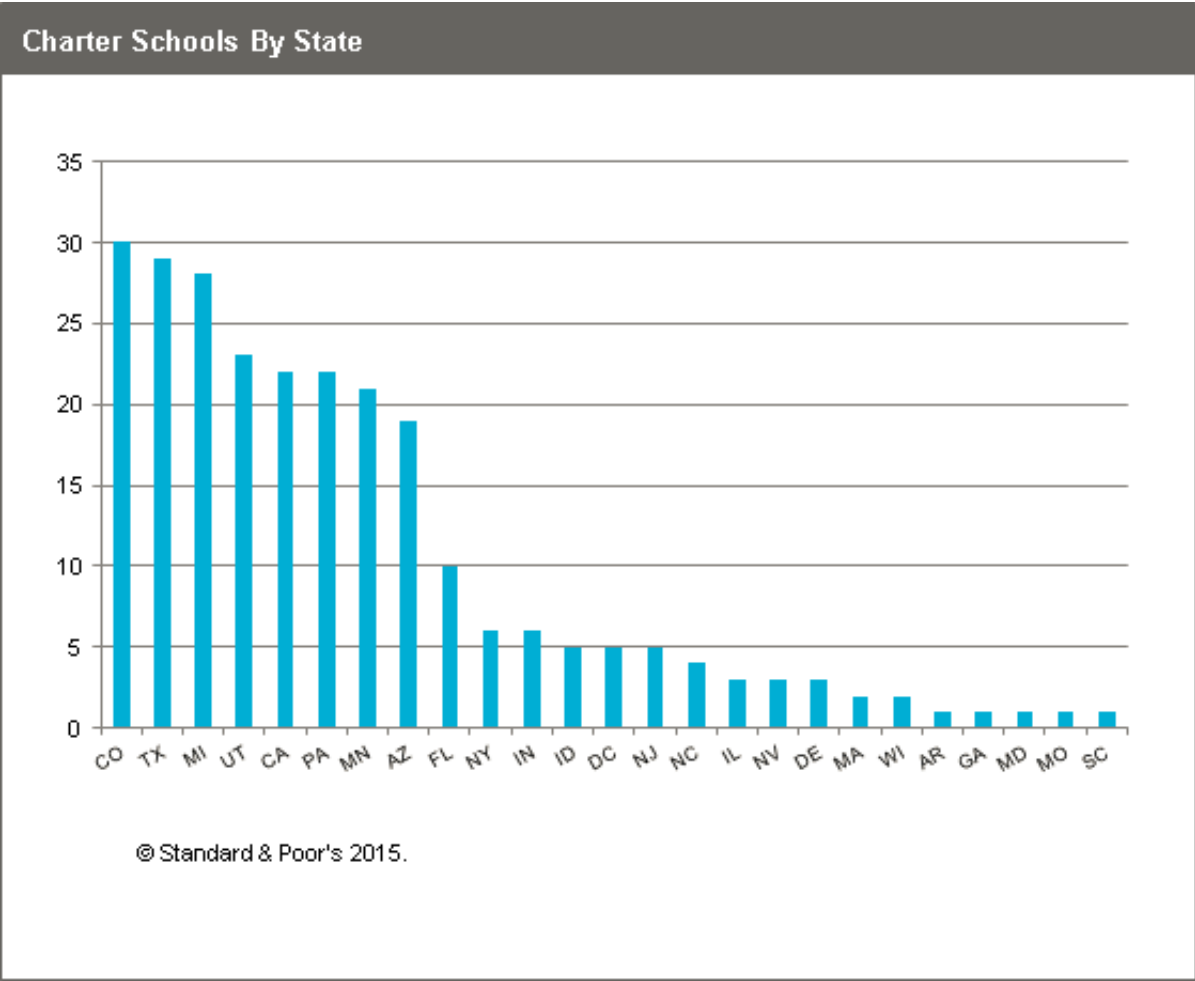
### **Covenants And Financial Metrics Get Close Scrutiny**

As more charter schools access the debt markets, bond structures appear to have become more complex with a proliferation of building companies, single-purpose entities, and limited liability companies involved in issuing debt. We believe the market is paying closer attention to bond covenants and projected key financial metrics. We will continue to monitor covenant violations. In addition, the financial cushion a school maintains relative to covenanted levels is important. Given the potential for immediate debt acceleration and the ability for credit quality to decrease quickly, if a charter school has little room before triggering covenant violations, we might not wait to take a negative rating action--potentially by multiple notches.

### **Sample Size And Rating Distribution**

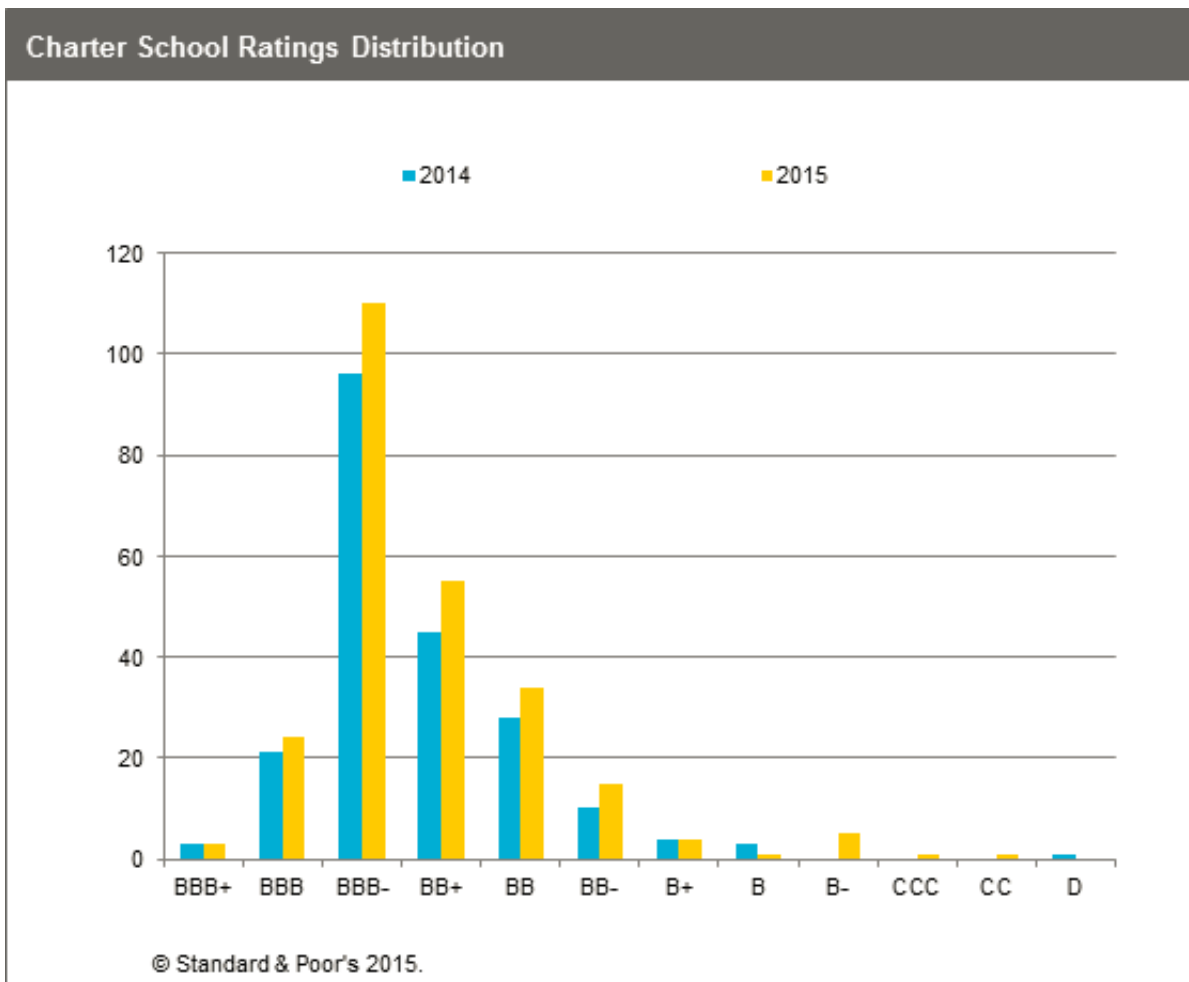
As of July 10, 2015, we publicly rate 253 charter schools, including 45 new charter schools since our last median report published June, 25, 2014. We rate schools in 24 states and Washington, D.C. Our ratings are concentrated in three states: Colorado (30), Texas (29), and Michigan (28).

#### **Chart 1**



Standard & Poor's has added charter school ratings in two new states since our last report: Missouri and South Carolina. States with the largest rating growth include Colorado (eight), California (seven), and Minnesota (seven).

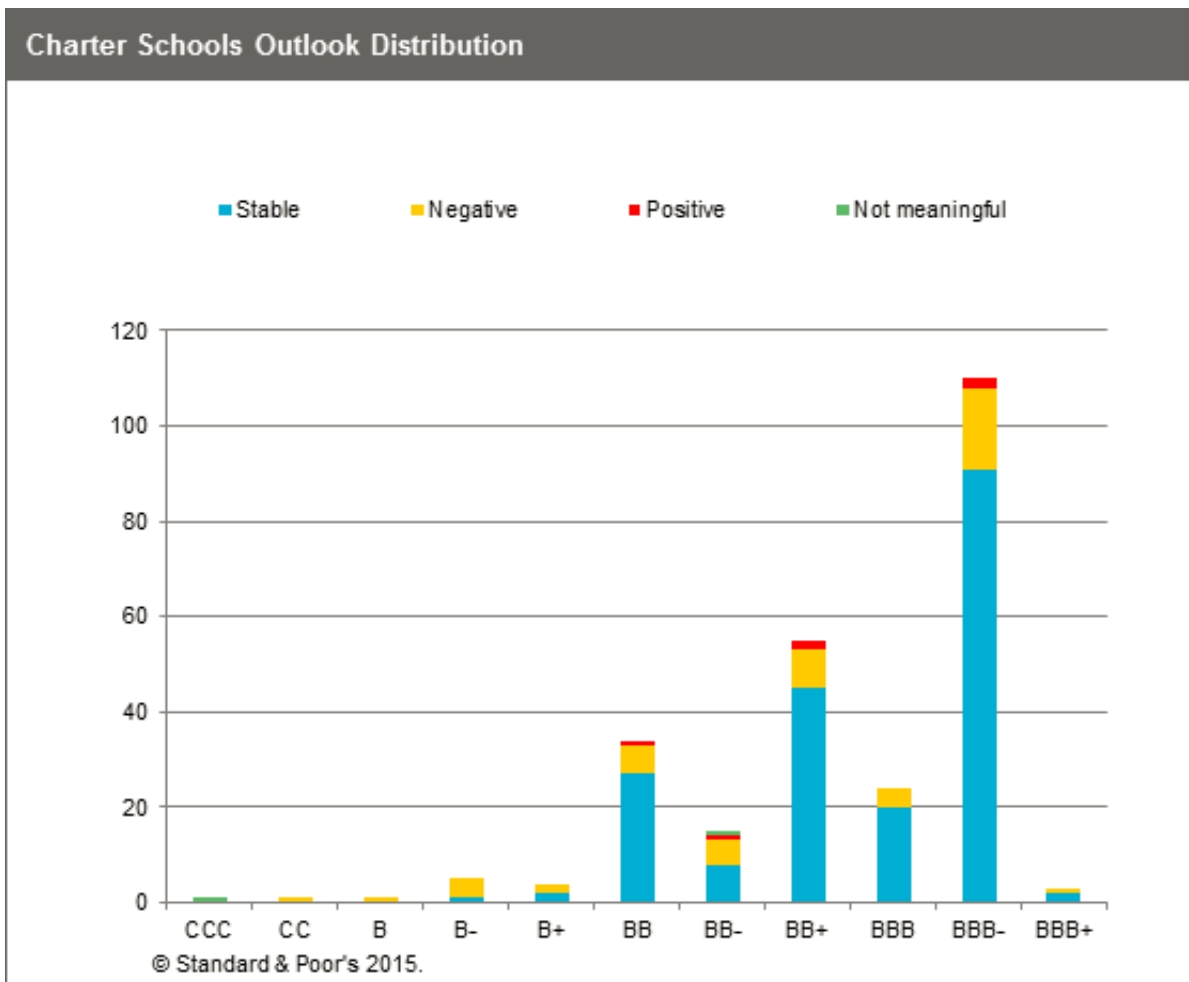
**Chart 2**



Despite the risks inherent to the sector, such as the need for charter schools to be reauthorized or reviewed at regular intervals well before their bonds mature, the majority of our public charter school ratings are investment grade ('BBB-' or higher). However, the proportion of speculative-grade ratings has risen since our last report. As of July 10, 2015, 54% of our charter school ratings are investment grade, down from 58% last year. Less than half (44%, or 110 schools) are at 'BBB-', the lowest investment-grade rating, a drop from 46%, or 98 schools, in 2014. The percentage of schools at the upper end of our rating spectrum changed minimally with 26 (10.3%) 'BBB' and 'BBB+' charter school ratings versus 24 (12.1%) during the previous period. As of July 10, 2015, just three schools carried a 'BBB+' rating, our highest unenhanced charter school rating, one less than in 2014. These ratings do not reflect bonds issued under guarantee or moral obligation programs, but instead reflect the underlying rating of the charter schools.

The portion of 'BB+' rated charter schools remained stable at 22% of the total (55 schools) compared with last year's 21% (45). Schools at the lower end of our rating spectrum at 'BB' and below, constituted 24.1% of ratings (61) as of July 10, 2015, compared with 21.5% of schools (46) in our previous report.

**Chart 3**



The rise of speculative-grade ratings and downgrades in the past couple of years highlights the difficulties in the charter school sector. Although we affirmed the majority of our ratings (131) in the past year, we downgraded 32 schools and upgraded just three. In addition, we placed 22 ratings on negative outlook compared with 12 on positive outlook.

**Table 1**

Rating Actions Between June 15, 2014 And July 10, 2015

<b>New Ratings</b>	45
Rating affirmations	131
Positive outlook revisions	12
Negative outlook revisions	22
Upgrades	3
Downgrades*	32

\*Includes ratings placed on CreditWatch with negative implications.

### A Snapshot Of Charter Schools' Median Performance Ratios

These median ratios are based on the fiscal 2014 and 2013 audited results for the schools with public ratings as of July 10, 2015 (table 3), and are the outcome of Standard & Poor's analysis of charter schools according to our rating criteria. While we view ratio analysis as an important tool in our assessment of a charter school's credit quality, it is just one of the components we assess. We incorporate several qualitative factors into our analysis, along with our view of the short- and long-term stability of a particular school. Various enterprise profile factors related to trends in demand, competition, academic performance, management and governance, growth plans, local area demographics, state legislatures, and charter structure are all key components of our rating analysis.

Median ratios offer a snapshot of the financial position of all rated schools and help when making credit comparisons across rating categories. In addition, we believe tracking median ratios over time allows for a clearer understanding of sector-wide trends and provides analysts and investors with a tool to better assess the sector's future credit quality.

**Table 2****Charter School Medians\***

	BBB+/BBB		BBB-		BB+		BB/BB-	
	2014	2013	2014	2013	2014	2013	2014	2013
No. of schools	26	24	110	96	55	45	49	38
Enrollment	1,962	1,531	771	799	1,014	935	1,105	957
EBIDA margin (%)	15.9	17.9	16.7	14.44	16.2	12.94	10.4	11.43
Excess margin (%)	4.5	3.8	3.3	1.26	4.8	1.54	1.8	1.13
Lease adjusted annual debt service coverage (x)	1.7	1.6	1.5	1.36	1.4	1.21	1.3	1.26
MADS (\$000)	2,194	2,090	994	930	1,309	1,013	1,368	1,300
Lease adjusted MADS coverage (x)	1.5	1.6	1.4	1.32	1.2	1.15	1.1	1.02
Lease adjusted MADS as a percent of state aid (%)	13.7	14.8	15.5	16.28	18.5	19.79	17.4	18.56
Lease adjusted MADS debt burden (%)	11.1	12.2	13.4	13.08	15.9	15.18	13.8	15.46
Unrestricted days' cash on hand	134	153	111	99	74	69	47	35
Unrestricted cash to debt (%)	35.9	27.5	18.1	15.85	11.6	12.19	6.7	6.79
Unreserved net assets as a percent of operating expenses (%)	36.2	36.6	28.2	25.71	19.4	19.54	13	10.9

\*Fiscal year. MADS--Maximum annual debt service.

**Demand is steadily rising**

Median enrollment levels from fiscal 2013 to 2014 increased across all rating categories. The only decrease occurred in the 'BBB-' rating, with a 4% decline in the median enrollment in fiscal 2014, to 771 from 799 in fiscal 2013. This reflects the addition of schools with smaller enrollment to the rating category rather than evidence of a declining enrollment trend. We rate a wide range of obligors from single-site schools with a headcount of 200 to large school systems with more than 25,000. The popularity and comparative academics of charter schools as an alternative choice for parents have fueled the growth in the headcount and number of schools across the nation. We expect that enrollment medians will continue to increase for investment-grade schools, which have stronger demand profiles and longer waiting lists compared with speculative-grade schools.

**Financial performance is improving**

Based on the medians, most of the schools can operate with positive results, generating sufficient income to cover debt service payments. Overall, through fiscal year 2014, the medians for most of our key financial metrics across rating categories improved.

Excess margins increased across all rating categories. We credit this to rising state funding and increased demand, which allows revenue growth to outpace expense growth at most schools. The 'BB+' category had the largest improvement in margins. Interestingly, the 'BB+' median generates higher excess margins than in the investment-grade category. Instead of excess margins, the key factors distinguishing investment-grade from speculative-grade schools in fiscal 2014 were debt burden and DSC. We believe this reflects the 'BB+' rated schools entering the market earlier in their life cycles, requiring better margins to compensate for lack of institutional reserves needed for debt service payments in times of financial stress.

EBIDA weakened in fiscal 2014 for 'BBB+', 'BBB', 'BB', and 'BB-' schools. The sample size in these rating categories is relatively small and we acknowledge minor fluctuations at the schools in these categories have a larger effect on the medians. Both the 'BBB-' and 'BB+' medians indicate solid improvement in EBIDA and excess margins. Enrollment at schools in the 'BB/BB-' rating category is significantly larger than in the 'BB+' and 'BBB-' category. We believe this is

because a larger portion of these schools is affected by Group Rating Methodology (GRM) where only a smaller group of schools within a wider system are obligated to pay debt. After removing the seven schools affected by GRM from the 'BB/BB-' category the median enrollment declined to 834 students. We found GRM had very little effect on other key rating metrics across all rating categories.

Lease adjusted annual DSC increased across all rating categories in fiscal 2014, ranging from 1.7x for higher rated schools to 1.3x for schools rated 'BB' and lower. In addition, maximum annual debt service (MADS) coverage improved for all rating medians in fiscal 2014 except 'BBB/BBB+' A majority of the schools we rate can generate at least 1x MADS coverage. However, given bond covenanted requirements, we expect coverage above covenanted levels for investment-grade credits as 1.0x coverage does not provide any flexibility for financial stresses or enrollment fluctuations. In the past year, a handful of speculative-grade schools with slim coverage experienced technical defaults and covenant violations that resulted in downgrades and negative outlook revisions. Given stable to improving per-pupil funding levels for the sector, we expect that coverage for the sector will increase marginally in the next few years.

### Cash levels are slowly growing

Cash levels and their trends are an important factor in our analysis because they provide an indication of each school's ability to address various situations or unexpected events. Thanks to enrollment growth, stable to increasing state funding and generally positive financial performance, cash levels have slowly grown across all rating categories. The only negative change occurred in the 'BBB+' and 'BBB' ratings, with a decline in days' cash in fiscal 2014, to 134 from 153 days in fiscal 2013. The change does not indicate a real decline of cash at individual schools in the category, but instead reflects the cash levels at new schools added to the category. Excluding these additional schools, cash levels remained stable for 'BBB+' and 'BBB' rated schools. For the 'BBB-' and speculative-grade ratings, cash levels have increased year-over-year as certain states (primarily Minnesota and California) that had instituted funding holdbacks returned to normal distributions, thus allowing the schools to improve their liquidity. Given stable to improving state funding for the sector in fiscal 2015, we expect days' cash on hand will increase for most of the schools, provided management teams maintain good expense control.

### Small Size And Short Operating History Mean Uncertainty

Though we expect more downgrades than upgrades for publicly rated charter schools in 2015, we expect an increase in the number of charter schools looking to be rated as funding and legislative support for the overall sector continues to improve. The small size of many schools, their short operating history, and modest financial profiles contribute to the sector's high volatility. As the sector grows, increased competition becomes a more pertinent factor and local demographics and population trends will likely affect market position. Stresses on debt to capital continue to pressure financial profiles, and covenant violations remain a viable concern.

**Table 3**

Charter Schools Standard & Poor's Rates Publicly\*

Obligor	Obligor State	Rating	Outlook
<a href="#">21st Century Charter School of Gary Inc.</a>	IN	BB-	Stable
<a href="#">A.W. Brown-Fellowship Charter School</a>	TX	BBB-	Stable
<a href="#">Academia Cesar Chavez</a>	MN	BB+	Stable
<a href="#">Advanced Technology Academy</a>	MI	BBB-	Negative
<a href="#">Albert Einstein Academies</a>	CA	BB	Stable
<a href="#">Allen Academy</a>	MI	BB+	Negative
<a href="#">Allen Village School</a>	MO	BBB-	Stable
<a href="#">Alliance for College-Ready Public Schools</a>	CA	BBB-	Stable
<a href="#">Alliance for College-Ready Public Schools (Obligated Group)</a>	CA	BB+	Stable
<a href="#">American Heritage Education Foundation</a>	CA	BBB-	Stable
<a href="#">Arizona Agribusiness &amp; Equine Center Inc.</a>	AZ	BB+	Stable

<a href="#">Arlington Classics Academy</a>	TX	BB+	Stable
<a href="#">Ashland School Inc.</a>	NJ	BBB	Stable
<a href="#">Aspen Ridge Preparatory School</a>	CO	BB+	Stable
<a href="#">Avon Grove Charter School</a>	PA	BBB-	Stable
<a href="#">BASIS Schools Inc.</a>	AZ	BB	Stable
<a href="#">Bay Haven Charter Academy Inc.</a>	FL	BBB-	Stable
<a href="#">Benton County Charter School Organization Inc.</a>	AR	BBB-	Stable
<a href="#">Bronx Charter School for Excellence</a>	NY	BBB-	Stable
<a href="#">Campus Community School</a>	DE	BBB-	Negative
<a href="#">Candeo Schools Inc.</a>	AZ	BB+	Stable
<a href="#">Career Success Charter School</a>	AZ	BB	Stable
<a href="#">Carolina International School</a>	NC	BB+	Stable
<a href="#">Castle Rock Lifelong Learning Center</a>	CO	BBB (ICR)	Stable
<a href="#">Center for Academic Success Inc.</a>	AZ	BBB-	Stable
<a href="#">Cesar Chavez Academy</a>	MI	BB+	Negative
<a href="#">Cesar Chavez Public Charter School</a>	DC	BBB-	Stable
<a href="#">Chandler Park Academy</a>	MI	BBB	Stable
<a href="#">Charter Facilities Management - Indianapolis LLC</a>	IN	BB-	Negative
<a href="#">Charter Facilities Management -- Northwest Indiana LLC</a>	IN	BB-	Negative
<a href="#">Charter High School for Architecture and Design</a>	PA	BBB-	Stable
<a href="#">Charter School for Applied Technologies</a>	NY	BBB-	Negative
<a href="#">Charter School of Boynton Beach</a>	FL	CC	Negative
<a href="#">Charter School of Educational Excellence</a>	NY	BB	Stable
<a href="#">Cheyenne Mountain Charter Academy</a>	CO	BBB- (ICR)	Stable
<a href="#">Chicago Charter School Foundation</a>	IL	BBB	Stable
<a href="#">Children of Promise Preparatory Academy</a>	CA	BB+	Stable
<a href="#">Choice Academies Inc.</a>	AZ	BB+	Stable
<a href="#">Choices in Learning Elementary Charter School</a>	FL	BBB-	Stable
<a href="#">Classical Academy Charter School</a>	CO	BBB (ICR)	Stable
<a href="#">Classical Academy, Inc.</a>	CA	BB+	Stable
<a href="#">Coastal Academy Charter School Inc.</a>	CA	BBB-	Stable
<a href="#">Collegiate Academy Charter School</a>	CO	B+ (ICR)	Negative
<a href="#">Collegium Charter School</a>	PA	BBB-	Stable
<a href="#">Cologne Academy</a>	MN	BBB-	Stable
<a href="#">Colorado Springs Charter Academy</a>	CO	BB (ICR)	Stable
<a href="#">Community Academy Public Charter School</a>	DC	CCC (SPUR)	NM
<a href="#">Community Leadership Academy</a>	CO	BB	Stable
<a href="#">Community of Peace Academy</a>	MN	BBB-	Stable
<a href="#">Compass Public Charter School</a>	ID	BB+	Stable
<a href="#">Conner Creek Academy East</a>	MI	B+	Negative
<a href="#">Coral Academy of Science-Las Vegas</a>	NV	BBB-	Stable
<a href="#">Cornerstone Schools</a>	FL	BB+	Positive
<a href="#">Creative Montessori Academy</a>	MI	BBB-	Stable
<a href="#">Crossroads Charter Academy</a>	MI	BB	Negative
<a href="#">DaVinci Academy of Science &amp; the Arts</a>	UT	BBB-	Stable
<a href="#">DCS Montessori Charter School</a>	CO	BBB-	Stable



<b>DeKalb Academy of Technology &amp; Environment</b>	GA	BBB-	Stable
<b>Delaware Military Academy</b>	DE	BBB-	Stable
<b>Detroit Community High School</b>	MI	B-	Negative
<b>Detroit Service Learning Academy</b>	MI	BB-	Stable
<b>Discovery Charter School</b>	PA	BB+	Negative
<b>Discovery Charter School</b>	IN	BB-	Stable
<b>Dr. Joseph F. Pollack Academy Center of Excellence</b>	MI	BB	Negative
<b>Duluth Public School Academy</b>	MN	BBB-	Stable
<b>Eagle Advantage Schools Inc.</b>	TX	BBB- (ICR)	Stable
<b>Eagle Ridge Academy</b>	MN	BB+	Stable
<b>Eagle South Mountain Properties (Eagle College Prep)</b>	WI	BB+	Stable
<b>Early Light Academy</b>	UT	BB+	Stable
<b>Edkey Inc.</b>	AZ	BB	Negative
<b>Educational Resource Center Inc.</b>	TX	BBB-	Stable
<b>Entheos Academy</b>	UT	BB+	Stable
<b>Evolution Academy Charter School</b>	TX	B-	Negative
<b>Explore Knowledge Academy</b>	NV	BBB-	Stable
<b>Faith Family Academy</b>	TX	BB+ (SPUR)	Negative
<b>First Philadelphia Preparatory Charter School</b>	PA	BB	Stable
<b>Foxborough Regional Charter School</b>	MA	BBB	Stable
<b>Freedom Academy</b>	AZ	BB	Stable
<b>Friendship Public Charter School</b>	DC	BBB	Negative
<b>Frontier Academy High School</b>	CO	BBB- (ICR)	Stable
<b>George Washington Academy</b>	UT	BBB-	Stable
<b>Gertz-Ressler Richard Merkin 6-12 Complex</b>	CA	BBB-	Stable
<b>Global Concepts Charter School</b>	NY	BBB-	Positive
<b>Global Leadership Academy Charter School</b>	PA	BBB-	Stable
<b>Golden Rule Charter School</b>	TX	BBB-	Stable
<b>Grand Traverse Academy</b>	MI	BB+	Negative
<b>Great Hearts Academies</b>	AZ	BB+	Stable
<b>Greater Brunswick Charter School</b>	NJ	BB	Stable
<b>Green Woods Charter School</b>	PA	BB	Stable
<b>Hanley International Academy</b>	MI	BBB-	Stable
<b>Harmony Public Schools</b>	TX	BBB (ICR)	Stable
<b>Harvest Preparatory Academy</b>	AZ	BBB-	Stable
<b>Hawthorn Academy</b>	UT	BBB- (ICR)	Stable
<b>Higher Ground Academy</b>	MN	BBB-	Stable
<b>Highline Academy Charter School</b>	CO	BBB-	Negative
<b>Hmong Education Reform Co.</b>	MN	BB+	Stable
<b>Holly Academy</b>	MI	BBB-	Stable
<b>HOPE Community Academy</b>	MN	BBB-	Stable
<b>Horizon Community Learning Center</b>	AZ	BBB	Negative
<b>ICEF Public School</b>	CA	BB	Stable
<b>Idaho Arts Charter School</b>	ID	BBB-	Negative
<b>Idea Public Schools</b>	TX	BBB	Stable

<a href="#">Independence Academy</a>	CO	BBB- (ICR)	Stable
<a href="#">Independence Charter School</a>	PA	BBB-	Stable
<a href="#">Flint International Academy</a>	MI	BB+	Stable
<a href="#">Irvington Community School Inc</a>	IN	BB-	Watch Neg
<a href="#">John Adams Academies Inc.</a>	CA	BBB-	Negative
<a href="#">Julian Charter School</a>	CA	BB-	Stable
<a href="#">Kaleidoscope Charter School</a>	MN	BB+	Stable
<a href="#">Karl G. Maeser Preparatory Academy</a>	UT	BBB-	Stable
<a href="#">King Chavez Academies</a>	CA	BB+	Negative
<a href="#">KIPP Austin</a>	TX	BBB (ICR)	Stable
<a href="#">KIPP DC</a>	DC	BBB+	Stable
<a href="#">KIPP LA Schools</a>	CA	BB+	Stable
<a href="#">Kipp Inc.</a>	TX	BBB (ICR)	Negative
<a href="#">Lady Liberty Academy Charter School</a>	NJ	B	Negative
<a href="#">Lakes International Language Academy</a>	MN	BBB-	Stable
<a href="#">Lakeview Academy</a>	UT	BBB-	Stable
<a href="#">Landmark Academy</a>	MI	BB+	Stable
<a href="#">LEAP Academy University Charter School</a>	NJ	BB-	Stable
<a href="#">Learning Gate Community School</a>	FL	BB	Stable
<a href="#">Lee County Charter Schools</a>	FL	BB	Stable
<a href="#">Legacy Preparatory Academy</a>	UT	BBB- (ICR)	Stable
<a href="#">Legacy Traditional School</a>	AZ	BB	Stable
<a href="#">Liberty Charter School</a>	ID	BBB-	Stable
<a href="#">Liberty Common Charter School</a>	CO	BBB- (ICR)	Stable
<a href="#">Life School of Dallas</a>	TX	BBB- (ICR)	Stable
<a href="#">Lincoln Academy</a>	UT	BBB- (ICR)	Stable
<a href="#">Lincoln Academy Charter School</a>	CO	BBB- (ICR)	Stable
<a href="#">Literacy First Charter School</a>	CA	BBB-	Stable
<a href="#">Littleton Academy Charter School</a>	CO	BBB (ICR)	Stable
<a href="#">Littleton Preparatory Charter School</a>	CO	BB+	Stable
<a href="#">Magnolia Science Academy-1</a>	CA	BB	Stable
<a href="#">Mariana Bracetti Academy Charter School</a>	PA	BB	Stable
<a href="#">MaST Community Charter School</a>	PA	BBB+	Stable
<a href="#">Math &amp; Science Academy</a>	MN	BBB-	Stable
<a href="#">Meridian School</a>	TX	BB+	Stable
<a href="#">Milwaukee Academy of Science</a>	WI	BBB-	Stable
<a href="#">Monticello Academy</a>	UT	BBB- (ICR)	Stable
<a href="#">Monument Academy</a>	CO	BBB-	Negative
<a href="#">Mountainville Academy</a>	UT	BBB- (ICR)	Stable
<a href="#">Navigator Pointe Academy</a>	UT	BBB	Stable
<a href="#">New Branches School</a>	MI	BB-	Negative
<a href="#">New Designs Charter School</a>	CA	BB+	Stable
<a href="#">New Foundations Charter School</a>	PA	BB+	Stable
<a href="#">New Frontiers Charter School</a>	TX	BBB	Stable
<a href="#">Newark Charter School, Inc.</a>	DE	BBB	Stable
<a href="#">Noah Webster Basic Schools, Inc.</a>	AZ	BB+	Stable

<b>Noble Academy</b>	MN	BBB-	Stable
<b>Noble Network of Charter Schools</b>	IL	BBB	Stable
<b>North Davis Preparatory Academy</b>	UT	BBB-	Stable
<b>North Star Academy</b>	CO	BBB- (ICR)	Stable
<b>North Star Academy</b>	UT	BBB-	Stable
<b>Nova Charter School</b>	TX	BBB- (ICR)	Stable
<b>Nova Classical Academy</b>	MN	BBB-	Stable
<b>NYOS Charter School</b>	TX	BB+	Stable
<b>Oakland International Academy</b>	MI	BBB-	Negative
<b>Odyssey Academy, Inc.</b>	TX	BBB-	Stable
<b>Ogden Preparatory Academy</b>	UT	BBB- (ICR)	Stable
<b>Old Redford Academy</b>	MI	BB	Negative
<b>Orenda Education</b>	TX	BBB-	Positive
<b>PACT Charter School</b>	MN	BBB-	Stable
<b>Palmetto Scholars Academy</b>	SC	BB	Stable
<b>Paradigm High School</b>	UT	BB-	Positive
<b>Paradise Education Center</b>	AZ	BB+	Stable
<b>Parker Core Knowledge Charter School</b>	CO	BBB- (ICR)	Stable
<b>Partnerships to Uplift Communities (PUC) PUC Valley</b>	CA	BB	Negative
<b>Paterson Charter School for Science &amp; Technology</b>	NJ	BB+	Stable
<b>Patterson Park Public Charter School</b>	MD	BBB-	Stable
<b>Peak to Peak Charter School</b>	CO	BBB+ (ICR)	Negative
<b>Philadelphia Performing Arts Charter School</b>	PA	BB-	Stable
<b>Phoenix Collegiate Academy</b>	AZ	BB+	Positive
<b>Pine Lake Preparatory</b>	NC	BB+	Stable
<b>Pinecrest Academy Inc.</b>	FL	BBB-	Stable
<b>Pinnacle Charter School</b>	CO	BBB (ICR)	Negative
<b>Platte River Academic Charter School</b>	CO	BBB (ICR)	Stable
<b>Plymouth Educational Center Charter School</b>	MI	B-	Negative
<b>Pointe Educational Services</b>	AZ	BBB-	Stable
<b>Prairie Seeds Academy</b>	MN	BBB-	Stable
<b>Propel Charter Schools - East</b>	PA	BBB-	Stable
<b>Propel Charter Schools - McKeesport</b>	PA	BBB-	Stable
<b>Propel Charter Schools - Montour</b>	PA	BBB-	Stable
<b>Propel Schools - Braddock Hills</b>	PA	BB+	Stable
<b>Providence Hall Charter School</b>	UT	BBB- (ICR)	Negative
<b>Renaissance Academy Charter School</b>	PA	BBB-	Stable
<b>Renaissance Public School Academy</b>	MI	BBB-	Negative
<b>Responsive Educational Solutions</b>	TX	BBB (ICR)	Stable
<b>Richard Allen Preparatory Charter School</b>	PA	BB+	Negative
<b>Richfield Public School Academy</b>	MI	BBB-	Stable
<b>Riverhead Charter School</b>	NY	BBB-	Stable
<b>Riverwalk Education Foundation Inc</b>	TX	BBB- (ICR)	Stable
<b>Rocklin Academy</b>	CA	BB+	Stable
<b>Rocky Mountain Academy of Evergreen</b>	CO	BBB- (ICR)	Stable
<b>Rocky Mountain Classical Academy</b>	CO	B+	Stable

Ronald Wilson Reagan Academy	UT	BB+	Stable
Russell Byers Charter School	PA	BBB-	Stable
SABIS International Charter School	MA	BBB	Stable
Saginaw Preparatory Academy	MI	BBB-	Negative
Santa Rosa Academy Inc	CA	BB	Negative
Sarasota School of Arts & Sciences	FL	BBB-	Stable
School Lane Charter School	PA	BBB-	Negative
School of Excellence in Education	TX	BB	Stable
Sculptor Charter School	FL	BBB-	Stable
SER-Ninos, Inc.	TX	BBB-	Negative
SkyView Academy	CO	BB+	Stable
Somerset Academy of Las Vegas	NV	BB	Stable
South Bronx Charter School for International Cultures and the Arts	NY	BB+	Stable
Spectrum High School	MN	BBB-	Stable
St. Croix Preparatory Academy	MN	BB	Positive
St. Paul Conservatory for Performing Arts	MN	BBB-	Stable
Star International Academy	MI	BBB	Stable
Stargate Charter School	CO	BBB- (ICR)	Negative
STEM School and Academy	CO	BB+	Stable
Summit Academy North	MI	BB-	Negative
Summit Academy	MI	BB	Stable
Summit Academy	UT	BBB-	Stable
Tacony Academy Charter School	PA	BB+	Stable
Tejano Center for Community Concerns, Inc.	TX	B+	Stable
Telesis Center for Learning, Inc.	AZ	BB	Stable
Terrace Community Middle School	FL	BB+	Stable
Texans Can Academies	TX	BBB (ICR)	Stable
Texas Leadership Charter Academy	TX	BB	Stable
Thea Bowman Charter School	IN	B-	Negative
Thomas Jefferson Classical Academy	NC	BBB-	Stable
Tucson Country Day School	AZ	BB-	Negative
Twin Cities Academy	MN	BB	Stable
Twin Cities German Immersion School	MN	BB+	Stable
Twin Peaks Charter Academy	CO	BBB- (ICR)	Stable
Universal Academy	MI	BBB-	Negative
Universal Academy	TX	BB-	Stable
Universal Learning Academy	MI	BBB-	Negative
University Laboratory School	CO	BB+	Stable
UNO Charter School Network	IL	BBB-	Stable
Uplift Education	TX	BBB-	Stable
Urban Discovery Academy	CA	BB	Stable
Utah Charter Academies	UT	BBB- (ICR)	Stable
Value Schools Inc.	CA	BB+	Stable
Venture Academy	UT	BBB- (ICR)	Stable
Victory Charter School	ID	BBB-	Stable

<a href="#">Vista at Entrada Charter School</a>	UT	BB+	Stable
<a href="#">Vista Charter Middle School</a>	CA	BB	Stable
<a href="#">Voyager Foundation Inc.</a>	NC	BB+	Stable
<a href="#">Voyageur Academy</a>	MI	B-	Stable
<a href="#">Wasatch Peak Academy</a>	UT	BBB- (ICR)	Stable
<a href="#">Wayside Schools</a>	TX	BB+	Stable
<a href="#">West Philadelphia Achievement Charter Elementary School</a>	PA	BB+	Negative
<a href="#">Windsor Charter Academy</a>	CO	BBB-	Negative
<a href="#">Winfree Academy Charter Schools</a>	TX	BB-	Stable
<a href="#">Woodrow Wilson Academy Charter Schools</a>	CO	BBB (ICR)	Stable
<a href="#">World Learner Charter School (Chaska)</a>	MN	BB+	Stable
<a href="#">Xavier Public Charter School</a>	ID	BBB-	Stable
<a href="#">Yinghua Academy</a>	DC	BB	Stable

\*As of July 10, 2015.

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