



For Immediate Release:

May 2, 2016

Harmony Public Schools Sells Record Breaking Low Interest Bonds

Houston – On April 25, 2016, Harmony Public Schools, the largest charter school system in Texas, sold approximately \$55 million of municipal bonds at 3.76% interest, which set a record low rate for 30 year financing of Texas charter schools. HPS has been issuing tax-exempt bonds since 2007 and has been BBB rated by Standard & Poor’s since 2009. This noteworthy financial profile has enabled Harmony Public Schools to issue bonds under the AAA rated Texas Permanent School Fund (PSF) Guarantee since 2014. Factors contributing to the low 3.76% interest cost of HPS were the PSF guarantee, a strong bond market, an efficient financing team and the proven track record of HPS with major bond investors.

Standard & Poor’s cited the following credit strengths for HPS bonds:

- Robust enrollment and demand characteristics highlighted by a total student headcount of about 30,000 students and a waitlist of over 38,000 students;
- Annual lease adjusted debt service coverage equal to 2.2x in its 2015 fiscal year (pro forma MADS was equal to 1.68x including leases); and
- Sustained favorable academic results--with 42 out of the 43 campuses receiving Texas Education Agency's (TEA) top rating of 'met standards' and majority of HPS campuses receiving at least one distinction

Drew Masterson from FirstSouthwest, the financial advisor for Harmony Public Schools, told the Board that they have never seen a 30 year PSF backed charter school bond sell at only 44 basis points over the AAA index, which means that HPS achieved the lowest long term rates compared to other charter school bond issuers. Raymond James Financial and Jefferies were the underwriters for Harmony Public Schools. Bond Counsel was Andrews Kurth LLP, and Regions Bank was the Trustee. The bonds were issued on behalf of HPS by the Arlington Higher Education Finance Corporation.

ABOUT HARMONY PUBLIC SCHOOLS:

Harmony Public Schools are 46 high performing K-12 college preparatory charter schools throughout Texas. Harmony blends the highest standards and expectations, with a rigorous math

and science-centered curriculum and dedicated and engaged teachers and families to cultivate excellence and prepare students to succeed in college, careers and life. To learn more about Harmony Public Schools and our 46 campuses across Texas, please visit www.harmonytx.org, and follow us on Twitter [@HarmonyEdu](https://twitter.com/HarmonyEdu) and “like” us on Facebook facebook.com/HarmonyTexas.

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