

**NOTICE OF VOLUNTARY FILING
FOR CONTINUING DISCLOSURE PURPOSES**

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F

Date: October 30, 2020

Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Program Administrator”), was established in 2017 to operate a pooled revolving loan program for the benefit of a class of public charities that operate to support public charter school facilities. The Program Administrator originates loans to qualifying public charter schools across the country, including a nine-step lending process from loan sourcing to portfolio management (“School Loans”), for the purpose of financing and refinancing the costs of the acquisition, construction, improvement, equipping, and furnishing of public charter school facilities.

Notice is hereby given that on October 30, 2020, the Program Administrator entered into a School Loan (the “IDEA Innovation Loan”) with IPS Innovation, LLC, a Texas limited liability corporation. Upon closing, the IDEA Innovation Loan was sold to Equitable Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) for inclusion in the ESRF Loan Pool under the Master Trust Indenture. Capitalized terms used but not defined herein have the meanings set forth in the Official Statement relating to the Arizona Industrial Development Authority National Charter School Revolving Loan Fund Revenue Bonds, Series 2020A and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2020B, dated August 12, 2020.

Attached as Appendix A hereto is a summary of the IDEA Innovation Loan, including a description of the obligor’s charter contract, management and governance, enrollment information, academic performance, financed project, and financial information. ***None of the Revolving Fund, the Program Administrator, or their counsels has undertaken any responsibility for the accuracy or completeness of the information provided in Appendix A. Certain information may have changed since the IDEA Innovation Loan closing date and may be subject to future changes.***

IDEA INNOVATION
Baton Rouge, Louisiana

\$17,500,000.00 EFF Financing / Closed: October 30, 2020 / Final Maturity: November 1, 2050

Obligor Overview

IPS Innovation, LLC, the Borrower and owner of the land and facility at 7800 Innovation Park Drive, Baton Rouge, Louisiana, was founded in 2020 and will lease its facility to IDEA Public Schools Louisiana, Inc. (“IDEA Louisiana”). IDEA Louisiana, a nonprofit corporation founded in 2016, opened the first IDEA Louisiana schools, including IDEA Innovation in 2018. IDEA Innovation had a School Year 2019-2020 enrollment of 578 serving students in grades K–3 and 6-7 at a single campus in Baton Rouge, Louisiana.

IDEA Innovation’s mission is to: *“set high expectations for every student and go the extra mile to make sure every student realizes their own potential. Personalized learning, critical thinking skills, mastery of core subjects is our secret to success.”*

IDEA Louisiana receives management services and operational support from IPS Enterprises, Inc. IPS Enterprises, Inc. was created by IDEA Academy, Inc. DBA IDEA Public Schools (IDEA), a nonprofit Texas corporation formed in 2000, to manage and expand their curriculum and framework in states outside of Texas. In 2020, IDEA served more than 56,313 college-bound students in 120 schools across Texas and Southern Louisiana. In October 2019, IDEA was upgraded to an “A-” rating by S&P due to “IDEA’s brand recognition, long operating history, position as the largest charter school network in the U.S. based on enrollment, and management’s demonstrated ability to continue to attract significant gifts.”

Charter Contract

IDEA Louisiana operates under a charter contract with the East Baton Rouge Parish School Board. IDEA Louisiana’s current four-year charter contract expires on July 1, 2022.

Management & Governance

IDEA Louisiana is governed by a Board of Directors (the “Board”) of at least three persons under its bylaws. IDEA Louisiana currently has a seven-member board which has experience in education, law, accounting, and human resources. The Board has a formal conflict of interest policy and no Board member or senior staff member is considered a related party.

Senior staff includes the Executive Director, who is IDEA’s leader in Louisiana and responsible for successfully launching IDEA’s first charter schools outside of Texas and for building a network of high-performing college preparatory charter schools to serve families across south Louisiana. Additionally, there are two Principals with one who oversees the elementary school grades and the other who oversees the middle school grades.

Enrollment & Student Information

IDEA Innovation’s student count for the past three fiscal years is as follows:

IDEA Innovation		
Historical Student Enrollment		
FY17 – FY20		
<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
0	321	578

IDEA Innovation’s facility is at 58% capacity. For FY19, IDEA Innovation’s student retention was 89% and the waitlist was 58% of enrollment.

In FY20, IDEA Innovation’s free and reduced lunch and English learner populations were approximately 100% and 21%, respectively and 93% of students identified as ethnic minorities.

Academic Program & Results

IDEA places great emphasis on college readiness and requires that its students be accepted to a four-year college or university in order to receive a high school diploma. In keeping with this requirement, almost all of IDEA’s graduates have gone on to a four-year college or university, with a majority of those students representing first generation college students. IDEA Innovation strives to prepare students in underserved communities for success in college and citizenship, thereby helping to break the cycle of poverty by empowering students and families to help themselves.

To launch IDEA Innovation, IDEA Louisiana secured an Excellence Fund award from New Schools for Baton Rouge, a nonprofit organization that attracts proven high-performing schools to expand in Baton Rouge. IDEA Louisiana also received grants from the Louis Calder Foundation and the Charter School Growth Fund.

The Project

IDEA Innovation operates on a single campus located at 7800 Innovation Park Drive, Baton Rouge, Louisiana 70820 and comprises one building (approximately 73,026 total square feet) on 10 acres of land.

Proceeds of the EFF loan purchase the IDEA Innovation campus from New Schools for Baton Rouge to be owned by.

Financial Information

Certain historical financial information for IDEA Innovation is listed below. These metrics will be updated and included in EFF’s continuing disclosure annual report. IDEA Innovation initiated its first school year in 2018.

IDEA Innovation Historical Financial Information

<u>Metric</u>	<u>FY19</u>
Total Revenue (TR)	\$4,246,429
DS Coverage Ratio	0.08x ¹
Debt Burden (% of TR)	27.7% ²
Days Cash on Hand	20.1

Ratings S&P: Not Rated

Website <https://ideapublicschools.org/our-schools/idea-innovation/>

¹ In FY19, IDEA Innovation completed its first year of school operations. IDEA Innovation serviced a lease payment in FY19 with revenues from 321 students for a facility with a student capacity of 1,120. As IDEA Innovation continues to increase its enrollment, and by securing a low-cost EFF loan, Lease Payment Coverage Ratio is projected to reach 1.1x by FY21.

² As IDEA Innovation is expecting to surpass 1,000 students by FY22 and EFF annual debt service averages \$878,000 less than current lease payments, debt burden is projected to decrease materially to ~9% by FY21.

IPS Innovation, LLC
Security and Loan Covenants

Security	Gross Revenues of Members of the Obligated Group (IPS Innovation, LLC and IPS Enterprises, Inc.) related to any Pledge Campus Facilities and a first lien mortgage on the land and real estate on which the school is located pledge to the Master Indenture
Lease Payment Coverage Ratio	1.10x of IDEA LA related to Pledge Campus Facilities Revenues
Additional Bonds Test	1.20x
Liquidity Covenant	IDEA Louisiana will maintain 30 days cash on hand for FY21, 45 days cash on hand for FY22, and 60 days cash on hand for each FY thereafter.
Academic Covenant	IDEA Innovation will maintain State grade of “C” or better that is sufficient for charter renewal ³ .
Enrollment Covenant	IDEA Innovation will maintain a minimum of 700 students in FY21, 810 students in FY22, 895 students in FY23, and 1,000 students for each FY thereafter.

³ A letter grade of “C” was determined as performing given the results of IDEA Innovation’s host district, East Baton Rouge Parish (EBRP). In 2019, EBRP reported 63 elementary/middle schools of which only 25% earned an A or B letter grade and 35% of which earned a D or F letter grade.