

THE SOULSVILLE CHARTER SCHOOL

Memphis, Tennessee

\$10,330,105.94 EFF Financing / Closed: October 12, 2018 / Final Maturity: October 1, 2048

Obligor Overview

The Soulsville Charter School (“TSCS”) was founded in 2005 and in School Year 2018-2019 served approximately 660 students in grades 6-12 at a single campus in the Soulsville neighborhood of Memphis, Tennessee in the 2018-2019 academic year.

The mission of TSCS is to “prepare students for success in college and life in an academically rigorous, music-rich environment.”

Charter Contract

TSCS operates under a charter contract with the Shelby County Schools (“SCS”). TSCS was initially awarded a five-year charter in 2005 and renewed the charter for ten years in 2010 (to June of 2020). For academic year 2017-2018, TSCS received a rating of “Excellent”, the highest achievement available, from SCS based on academic rating and operations/finance/compliance rating.

Management & Governance

TSCS is governed by a Board of Directors (the “TSCS Board”) of at least five persons pursuant to its bylaws. TSCS currently has seven board members. The TSCS Board has a formal conflict of interest policy and no TSCS Board members or senior staff is considered a related party.

Senior staff includes an Executive Director, who has led TSCS for thirteen years, and a Chief Finance Officer, who has been assisting TSCS since 2012. Senior management for both the high school and middle school includes a Director (Principal), two Dean of Students, Dean of Curriculum and Instruction, Director of Operations, Managing School Director, and an Operations Manager.

Enrollment & Student Information

TSCS’s student count for the past four fiscal years is as follows:

**The Soulsville Charter School
Historical Student Enrollment
FY16 – FY19**

<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
636	639	643	660

TSCS is at capacity and expects its enrollment to remain relatively stable. For the past several years, student retention has been over 90% and waitlists have been in the 110 to 244 student range, representing 17% to 38% of total enrollment.

Nearly all of TSCS students are considered at-risk, with 51% direct certification. In addition, the student profile is 99% African American. The School has an over 95% graduation rate and a 100% college acceptance rate for graduates. TSCS’s free and reduced lunch (based on direct certification) and special education student populations are approximately 95% and 8%, respectively.

Academic Program & Results

TSCS believe that when rigorous, college-preparatory instructions in core academic areas is combined with robust musical experiences and unique enrichment opportunities in a highly structured environment with dedicated administrators, teachers, and staff, a school will motivate students to learn and inspire them to achieve greatness through varied life opportunities. This founding belief can be summarized as follows:

Academics + Music + Enrichment + Environment ----> Learning & Achievement

Based on its Shelby County School Performance Framework, TSCS earned top scores with an overall rating of “Excellent” for the past three school years. Over the same time period, TSCS also earned the highest rating overall under the Tennessee Value-Added Assessment System of Level 5. For the 2017-2018 academic year, TSCS students scored an average of 19.7 on the ACT exam vs. the average Shelby County score of 17.8.

The Project

TSCS operates on a single campus located at 1115 College Street in the Soulsville neighborhood of Memphis, Tennessee. The campus comprises two buildings (approximately 60,300 total square feet) on 1.67 acres of land.

The EFF financing was completed for the purpose of refinancing a SunTrust Bank Loan which bridged TSCS from an NMTC exit to permanent long-term financing. The NMTC financing was initially used to acquire, construct and renovate the campus buildings.

Financial Information

Certain historical financial information for TSCS is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

**The Soulsville Charter School
Historical Financial Information**

<u>Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$7,008,520	\$7,186,473	\$6,756,098
DS Coverage Ratio	4.05x	3.63x	1.34x
Debt Burden (% of TR)	3.6%	3.2%	3.5%
Days Cash on Hand	296.6	330.6	286.1

Rating: S&P: Not Rated*

Website: <https://soulsvillecharterschool.org>[†]

* A third-party rating was not obtained for TSCS as it was EFF’s first loan and was closed prior to EFF instituting a rating requirement for the majority of the loans in the Loan Program.

[†] Information contained on the TSCS website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**The Soulsville Charter School
Security and Loan Covenants**

Security	First lien deed of trust on the current campus, owned by the Soulsville Foundation, and a pledge of and lien on gross revenues
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	60 days cash on hand
Academic Covenant	Tennessee Value Added Assessment System Level 3 or higher and a Good (3.00) or higher on the Shelby County Academic Component of the School Performance Framework
Enrollment Covenant	Minimum 640 students
Other	Conditional Grant Agreement from Poplar Foundation

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