

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F, 57563U, 021430A

Date: September 2, 2022

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 September 2, 2022, the Program Administrator entered into a School Loan (the “Valor Collegiate Academies Loan”) with Valor Collegiate Academies, a Tennessee nonprofit corporation. Upon closing, the Valor Collegiate Academies Loan was sold to Equitable Revolving Fund LLC (“ESRF”), 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 2022A, and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2022B, dated August 30, 2022.

Attached as Appendix A hereto is a summary of the Valor Collegiate Academies 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 counsel has undertaken any responsibility for the accuracy or completeness of the information provided in Appendix A. Certain information may have changed since the Valor Collegiate Academies Loan closing date and may be subject to future changes.***

Commented [WB1]: This may have to change depending on dates.

**Valor Collegiate Academies
Nashville, Tennessee**

\$32,298,197.74 EFF Financing / Closed: September 2, 2022 / Final Maturity: September 1, 2052

Obligor Overview

Valor Collegiate Academies (Valor), a Tennessee nonprofit corporation founded in 2014, is a three-school network serving 1,859 (FY22) students in grades 5-12 on a multifacility campus located in Southeast Nashville. As of FY22, Valor has reached full enrollment and expects to maintain this level of students for the foreseeable future.

Valor’s mission statement is “*We exist to empower our diverse community to live inspired, purposeful lives.*”

Charter Contract Term

School	Opened (Fall)	Authorizer	Charter Expiration
Valor Flagship	2014	Metro Nashville Public Schools (MNPS)	June 30, 2024
Valor College Prep	2018		
Valor Voyager	2015		June 30, 2025

Valor operates under two ten-year charters, both authorized by MNPS. Valor Flagship and Valor College Prep operate under one charter and Valor Voyager operates under its own charter. Neither charter has been renewed.

Management & Governance

Valor is governed by an eight-person board of directors. As per the bylaws, the number of directors may never be less than five and no more than thirty. Each director’s term is three years, and no director can serve for more than three consecutive terms. The board operates with three officers—chair, treasurer, and secretary. Current board members bring experience in law, education, public relations, finance, non-profit management, and construction. The average tenure on the board is approximately four years.

Valor’s CEO has been with the organization since its inception in 2014. He brings over 20 years of education (teaching and administration) experience. Other key members of the senior management team include the COO, director of finance, and chief academic officer. Leadership (including principals) average 14 years of education experience and a tenure of six years at Valor.

Valor has a codified succession plan to address a short-term emergency situation as well as to find a permanent replacement.

Enrollment & Student Information

The student count for Valor the past three fiscal years is as follows:

**Valor Collegiate Academies
Grades served and Historical Student Enrollment
FY20 – FY22**

School	Grades Served	FY20	FY21	FY22
Valor Flagship	5-8	484	514	501
Valor College Prep	5-8	484	528	501
Valor Voyager	9-12	440	653	857
Total	NA	1,408	1,695	1,859

For FY22, Valor was at full enrollment of 1,859 students. Valor expects to maintain this level of enrollment going forward.

Between FY19 and FY22, Valor's student retention has averaged 90%; in FY22 student retention was 90%. Between FY20 and FY22, Valor's waitlist as a percentage of current enrollment averaged 77%; for FY22 waitlist as a percentage of current enrollment was 42%. Leadership attributes the lower waitlist in FY22 to the opening of the high school (Valor Voyager) and the disruptions around in-person outreach due to Covid-19.

In FY22, 60% of Valor's students were economically-disadvantaged, 69% were students of color, 8% were English language learners, and 11% received special education services.

Academic Program & Results

Valor's schools are designed around its "Compass Model", centered on Social Emotional Learning (SEL), and described as "a human development model that is grounded in the foundational elements of what it means to be human." Through this model students "work the compass", meaning growing body, heart, mind, and spirit and developing their own "inner compass". This model has led to strong academic results in the Valor community and has been adopted or applied to some degree by other charter schools. The majority of the programmatic training occurs at a standalone facility on the campus – the "Compass Center".

Due to Covid-19, districts and schools in Tennessee that had 80% of students or more participate in the Tennessee Comprehensive Assessment Program (TCAP) in FY21, were "held harmless". Test results were not used by the district, state, or authorizers to evaluate performance.

The percentage of students at Valor meeting or exceeding expectations on the TCAP tests has exceeded that of the district and state from FY18-FY21 in both ELA and math. In FY21, proficient and advanced rates for ELA and math at the highest grade tested (grade 12) were 233.4% and 225.4%, respectively, as a percentage of the district results.

The Project

Proceeds of the loan will be used to: 1) refinance outstanding debt with Self-Help, Charter School Growth Fund, and Pinnacle Bank; 2) complete minor improvements across Valor's existing buildings; and 3) pay costs associated with this transaction.

Valor Flagship



Valor College Prep



Valor Voyager



Compass Center



Valor’s three buildings are all located on the same campus with approximately 112,000 sq. ft. of space. Valor Flagship is located at 4527 Nolensville Pike; Valor College Prep and Valor Voyager are located at 4531 Nolensville Pike; and the Compass Center is located at 4523 Nolensville Pike, Nashville, TN 37211.

Financial Information

Certain historical financial information for Valor is listed below.

Historical Financial Information

Metric	FY19	FY20	FY21
Total Revenue (TR)	\$19,146,981	\$20,851,325	\$29,376,935
DS Coverage Ratio	1.74x	1.61x	1.60x
Debt Burden (% of TR)	14.1%	10.5%	18.9%
Days Cash on Hand	94.4	107.3	150.6

Rating S&P: “BBB-“

Website <https://valorcollegiate.org/>

**Valor Collegiate Academies
Security and Loan Covenants**

Security	Secured by an Obligation issued pursuant to a Master Trust Indenture establishing Borrower's Obligated Group, including a pledge of and lien on Borrower's revenues; and a first priority deed of trust on all existing real property owned by Valor. Valor will enter into a Deposit Account Control Agreement covering its gross revenues for the benefit of the Master Trustee, as applicable.
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	DSCR of 1.10x on all Indebtedness for the most recently completed Fiscal Year and 1.20x projected DSCR on Indebtedness Outstanding and the proposed additional Indebtedness in the first fiscal year following the issuance of the additional Indebtedness. Or in lieu of this requirement, Valor may deliver an Officer's Certificate stating that, based on the audited results of the operations for the most recently completed Fiscal Year, the Available Revenues equal at least 1.20 times Maximum Annual Debt Service on all parity Debt then Outstanding as well as the additional Debt;
Liquidity Covenant	Minimum 60 Days Cash on Hand
Academic Covenant	Valor shall meet or exceed (i) the percentage of students in their district scoring proficient in math and ELA on the Tennessee Comprehensive Assessment Program; (ii) the percentage of students in their district who surpass the ACT benchmark used by the Tennessee Department of Education; and (iii) the district four-year high school graduation rate used by the Tennessee Department of Education. Additionally, Valor shall not receive a Tennessee Value-Added Assessment System Level 2 or lower for two consecutive years or have a school classified as a Priority School.
Enrollment Covenant	Valor shall maintain an annual enrollment level of at least 1,800 students, as reported by the State each October ("Enrollment Requirement") as reported to the Lender by November 15.