

CORRECTION TO NOTICE OF VOLUNTARY FILING

FOR CONTINUING DISCLOSURE PURPOSES

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F

Date: November 19, 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.

On June 29, 2020, a notice (the “Original KIPP Nashville Loan Notice” was posted by the Equitable School Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) on the Electronic Municipal Market Access (EMMA) website that on June 22, 2020, the Program Administrator entered into a School Loan (the “KIPP Nashville Loan”) with KIPP Nashville, a Tennessee charter school. Upon closing, the KIPP Nashville 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 27, 2020.

The Original KIPP Nashville Loan Notice contained, as Appendix A thereto, a summary of the KIPP Nashville Loan that included a description of loan covenants that have been updated. This notice contains updated information that describes the loan covenants agreed to by the obligor, KIPP Nashville.

Notice is hereby given that the attached Appendix A is a revised summary of the KIPP Nashville Loan, including a description of the obligor’s loan covenants, charter contract, management and governance, enrollment information, academic performance, financed project, and financial. 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 hereto. Certain information may have changed since the KIPP Nashville Loan closing date and may be subject to future changes.

KIPP Nashville
Nashville, Tennessee
\$16,991,882.89 EFF Financing / Closed: June 18, 2020 / Final Maturity: July 1, 2050

Obligor Overview

KIPP Nashville was the second charter school to open in Nashville, opening its middle school (KIPP Academy Nashville) in 2005. Since then, KIPP Nashville has founded seven schools and has a total enrollment of 2,337 students across grades K – 12 for the 2019-2020 academic year (FY 20). KIPP Nashville currently operates its schools in a mix of leased and owned facilities, composed of clusters located on the north and east sides of Nashville (Highland Heights, Kilpatrick, and Ewing Park) and on the southeast side of Nashville (Antioch).

The mission of KIPP Nashville is to “prepare our students with the character and academic skills needed to succeed in top colleges and life beyond.” The vision of KIPP Nashville is “that one day every student in Nashville will have access to a high-quality, college-preparatory seat in a public school”.

Charter Contract

KIPP Nashville has seven charter school agreements with two different authorizers. The first school, KIPP Academy Nashville was renewed in 2015 with the remainder schools scheduled for renewals between 2024 and 2026. The term of the initial charter contract in Tennessee is ten years. The term of a renewal contract is ten years.

School	Founded	Authorizer	Next Renewal
KIPP Academy Nashville (“KAN”)	2005	Metro Nashville Public Schools	2025
KIPP Nashville Collegiate HS (“KNCH”)	2014	Metro Nashville Public Schools	2024
KIPP Kirkpatrick ES (“KIRK”)	2015	Metro Nashville Public Schools	2025
KIPP Nashville College Prep MS (“KNCP”)	2014	Metro Nashville Public Schools	2024
KIPP Nashville College Prep ES (“KNCPE”)	2014	Metro Nashville Public Schools	2024
KIPP Antioch College Prep ES	2016	TN State Board of Education	2026
KIPP Antioch College Prep MS	2016	TN State Board of Education	2026

Based on 2019 state testing results, three KIPP Nashville schools achieved Reward status with two Level 5 scores and one Level 1 score under the TN Value Added Assessment System (TVAAS). KIPP Antioch College Prep ES and MS, the two newest schools, will have scores in future years.

Management & Governance

KIPP Nashville is governed by a sixteen-person Board of Directors (the “KIPP Nashville Board”), comprising professionals and community leaders with ties to Nashville and the philanthropic community. The members of the KIPP Nashville Board bring leadership experience across a wide range of sectors, including education, law, finance, nonprofit management, operations, real estate, and government. The KIPP Nashville Board has a formal conflict of interest policy and no KIPP Nashville Board member or senior staff is considered a related party.

KIPP Nashville is led by a four-person regional and senior leadership, including the Executive Director who joined the organization in 2005. Other team members include the Chief of Schools, Chief of Finance, Chief of Operations, Director of Development, Chief Talent Officer, and Director of KIPP Through College. Biographies of board members and senior staff are included on the KIPP Nashville website.

Enrollment & Student Information

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

**KIPP Nashville
Historical Student Enrollment
FY17 – FY19**

FY17	FY18	FY19	FY20
1,310	1,544	2,038	2,337

KIPP Nashville expects enrollment to continue to grow as KIPP Nashville expands existing schools, and builds three new schools, reaching full enrollment of approximately 4,500 students in academic year 2027-2028 (FY 28). For the past several years, gross student retention has ranged between 88% and 91%, with “first choice” waitlists averaging 17.3% and a FY 20 waitlist of 16.3%, as well as total submitted applications exceeding enrollment levels.

KIPP Nashville’s students come from a range of cultures, neighborhoods, and socio-economic backgrounds. In the 2019-2020 academic year (FY 20), 89% of students were African American or Latino. KIPP Nashville’s economically disadvantaged and special education student populations are approximately 88% and 113%, respectively. While most children live in or near neighborhoods where schools are strategically placed, children travel from thirty-three zip codes.

Academic Program & Results

KIPP Nashville is part of a national network of KIPP schools that strive to offer a rigorous college preparatory program. The model emphasizes the “KIPP difference” that aims to emphasize high expectations; safe, structured, and nurturing environments; highly effective teachers and leaders; focus on character; and KIPP Through College. KIPP Nashville’s approach is directed at leveraging small group learning; independent thinking; individualized counseling; enrichment activities; and the balancing of academics, arts, physical education, and extracurricular activities. KIPP Nashville schools feature an extended day and longer calendar year as compared to the District.

Academic performance across the network has generally outperformed the district and state in math and reading. Academic achievements include:

- KAN and KNCP achieved the highest year to year growth (level 5) in academic year 2018.
- KIRK was recognized as a 2019 Tennessee Reward School
- The KNCH class of 2019 had an average ACT score of 21.1. KIPP Nashville’s goal is for students to exceed an ACT score of a 21 – the minimum requirement to be eligible for Tennessee’s HOPE Scholarship. Within the class of 2019, 60% of students had an ACT composite score of 21 or better. Additionally, 86% entered college in the Fall and 91% graduated high school.
- KIPP Nashville students by select subgroups (economically disadvantaged and minority) outperformed comparable groups on a district and state level by at least 20%.
- KIPP Nashville’s averages perform above the average of the KIPP National Network on the NWEA/MAP exam.

The Project

Proceeds of the EFF financing were used to: 1) continue the planned expansion of the Antioch campus to build a new school facility and conduct site work to house KIPP Antioch College Prep MS; and 2) refinance an existing loan used to finance a portion of the KIPP Antioch College Prep ES.

The Antioch campus is located at 3655 Murfreesboro Pike, Antioch TN 37013. The approximately 42,300 sq. ft. building will be constructed on the existing 23-acre campus where KIPP Antioch College Prep ES is also located.

This financing represents the second loan from EFF to KIPP Nashville. KIPP Nashville borrowed \$10.5 million loan in June 2019, which has amortized to ~ \$10.3 million; combined, maximum total loan amount outstanding would be approximately \$27.3 million.

Financial Information

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

**KIPP Nashville
Historical Financial Information**

<u>Metric</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Revenue (TR)	\$16,215,111	\$21,313,777	\$28,316,779
DS Coverage Ratio	3.97x	4.09x	4.19x
Debt Burden (% of TR)	4.3%	4.3%	5.7%
Days Cash on Hand	172.2	137.0	226.0

Ratings: S&P: BBB-

Website: <https://kippnashville.org>

**KIPP Nashville
Security and Loan Covenants**

Security	Loan is secured by Master Note issued pursuant to the Borrower’s Master Trust Indenture, including a parity pledge of and lien on Borrower’s Revenues; and a first priority deed of trust on all existing real property pledged by the Borrower, including the Antioch campus and any property as may be secured by the Master Indenture in the future.									
Debt Service Coverage Covenant	1.10x									
Additional Bonds Test	1.20x									
Liquidity Covenant	45 days cash on hand									
Academic Covenant	If Borrower (a) (i) fails to earn at least a Tennessee Value-Added Assessment System Level 3 for two consecutive years, and (ii) has math and reading achievement levels below the district average; or (b) if a school is classified as a Priority School, the Borrower agrees that it shall (i) within thirty (30) days of such failure, at its own expense, engage an Independent Management Consultant, acceptable to the Lender; (ii) within sixty (60) days of engaging the Independent Management Consultant, provide the Lender a detailed written report of such Independent Management Consultant of all action taken or to be taken to address and correct such deficiency; and (iii) within forty-five (45) days after receipt of the Independent Management Consultant’s report, the Borrower shall implement or begin to implement all the recommendations of the Independent Management Consultant, to the extent legally permissible.									
Enrollment Covenant	<table border="1"> <thead> <tr> <th>Academic Year Ending June 30</th> <th>Enrollment Minimum</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>2,100</td> </tr> <tr> <td>2021</td> <td>2,400</td> </tr> <tr> <td>2022 and thereafter</td> <td>2,550</td> </tr> </tbody> </table>		Academic Year Ending June 30	Enrollment Minimum	2020	2,100	2021	2,400	2022 and thereafter	2,550
Academic Year Ending June 30	Enrollment Minimum									
2020	2,100									
2021	2,400									
2022 and thereafter	2,550									