AUSTIN ACHIEVE
PUBLIC SCHOOLS

Austin, TX

Enrollment:	**2,187** students
Loan Amount:	$**29.7** million
School Savings:	$**7.9** million

Equitable Facilities Fund

Austin Achieve Public Schools, INC.
Austin, Texas
$29,756,423.26 EFF Financing / Closed: March 5, 2021 / Final Maturity: June 01, 2048

Obligor Overview

The legal borrower is Austin Achieve Public Schools, Inc. (“AAPS”), a nonprofit corporation operating in Austin, Texas. AAPS was founded in 2012 with Austin Achieve Middle (“AAM") and now serves PK-12 at three schools across two campuses operating under a single charter. Austin Achieve High (“AAH”) opened in fall of 2016 and Austin Achieve Elementary (“AAE”) opened in fall of 2018. As of fall 2020, AAPS served 2,187 students across all campuses.

AAPS’s mission is to prepare the youth of East Austin to attend and excel at the nation’s top colleges and universities. AAPS’s mission is founded on the belief that all students, regardless of socioeconomic status, should receive an excellent education.

Charter Contract

AAPS is authorized by the Texas Education Authority (“TEA”). The charter was last renewed in March 2017 for a ten-year period through July 31, 2027. Currently, the charter allows for 2,352 students, above the full enrollment target of 2,325.

Management & Governance

AAPS’s board comprises 11 members with leadership and professional experience in law, finance, business, education, non-profit management, and real estate. AAPS bylaws call for the board to have at least three members at all times, as appointed by resolution of the board. Members serve for three-year terms for up to three consecutive terms. Members do not need to be residents of Texas. Officers are elected at the annual meeting by fellow members and hold office for one year.

AAPS’s founder and CEO, John Armbrust, has led the organization since it opened in 2012. Senior management includes the CEO, a Chief Achievement Officer, and four principals (two at AAE and one each at AAM and AAH). AAPS outsources CFO duties to BookReport Inc, a Texas-based back-office provider.

Enrollment & Student Information

AAPS's student count for the past five fiscal years is as follows:

Austin Achieve Public Schools, Inc.
Historical Student Enrollment
FY17 – FY21

FY17	FY18	FY19	FY20	FY21
680	796	1,540	1,891	2,187

In FY17, AAPS operated two schools, AAM and AAH, with AAH in its first year of operations. AAH grew organically from the matriculation of 8th graders at AAM to 9th graders at AAH. In FY19, AAPS continued growing enrollment at AAM and AAH in addition to opening AAE, which added 465 students across grades K-5 in its first year of operations. AAE added all grades in the first year to meet demand from the community and existing AAPS families. AAPS is expected to reach its full enrollment target of 2,325 students in FY25.

Between FY17 and FY21, student retention averaged 94%. The waitlist, as a percentage of enrollment, averaged 18%, improving from 11% in FY17 to 26% in FY21.

Both AAPS campuses are in Northeast Austin and are approved to accept students from 18 surrounding independent school districts, with Austin Independent School District ("Austin ISD") supplying the majority of students.

Academic Program & Results

Academically, AAPS's current curriculum aligns with the Texas Essential Knowledges and Skills (TEKS) grade-level standards in all required courses. Key principals of the curriculum are academic rigor, digital literacy, emotional intelligence, and extracurricular involvement.

Table 1: School FRL Population Compared with District & State

FY19 FRL Populations	
Austin Achieve	95.1%
Austin ISD	53.5%
State	60.6%

AAPS serves a higher percentage of FRL students than its host district, Austin ISD, and the State of Texas, as seen in Table 1. Therefore, academic analysis was completed by comparing the performance of the FRL populations of AAPS, Austin ISD, and the state. AAPS students demonstrate positive trends in performance against the district and state year-over-year, and out-perform both at the highest grade tested. In FY19, the last year the STAAR exam was administered, AAPS students outperformed Austin ISD and the state by 123% and 113%, respectively, in ELA at the highest grade tested. In math, AAPS outperformed the district and state by 112% and 126%, respectively, at the highest grade tested. In FY19, AAPS earned a "C" rating on the state "A" through "F" rating scale.

The Project

EFF financing will be used to (i) advance refund the $22,460,000 Newark Higher Education Finance Corporation Education Revenue Bonds (Austin Achieve Public Schools, Inc.) Series 2017A used to finance and refinance the acquisition, construction, renovation, and equipping of land and buildings for AAE; (i) advance refund $5,160,000 Austin Achieve Public Schools, Inc. Taxable Bonds, Series 2017B used to refinance the leverage loan portion of a January 2015 New Market Tax Credit deal ("NMTC Financing") used to finance the acquisition, construction and equipping of land and buildings for AAM; (iii) finance the land acquisition and site work of a new bus lot; and (iv) finance costs of issuance.

Figure 1: Aerial View of AAE and AAH

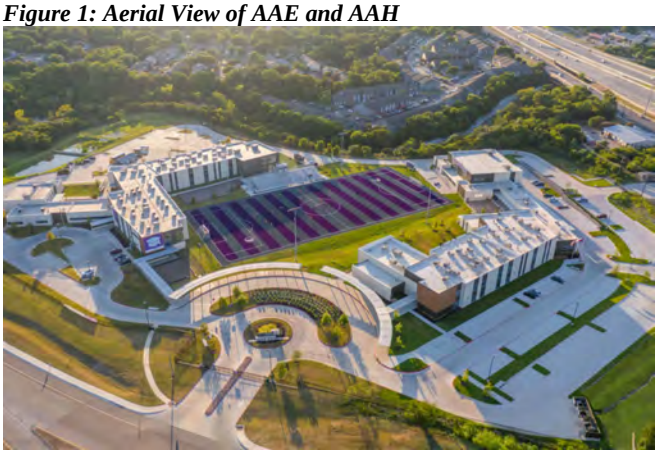

Figure 2: Aerial View of AAM

Financial Information

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

AAPS

Historical Financial Information

Metric	FY18	FY19	FY20
Total Revenue (TR)	$11,461,484	$20,786,073	$27,636,125
DS Coverage Ratio	2.23x	2.80x	2.51x
Debt Burden (% of TR)	12.4%	12.2%	9.8%
Days Cash on Hand	163.1	138.7	146.5

Ratings S&P: "BBB-"

Website https://austinachieve.org/

AAPS
Security and Loan Covenants

Security	Secured by a master note issued pursuant to the Austin Achieve Public Schools, Inc.'s ("Borrower") existing master trust indenture ("Master Indenture"), including a parity pledge of and lien on Borrower's Revenues and deed of trust on Borrower's current real property, except for the AAM campus, and other properties to be secured by the Master Indenture in the future (by mutual agreement of the parties)(the "Property"), on a parity basis with $17,750,000 series 2018 bonds and related notes thereto. Title to the AAM campus is held separately as a necessary part of the financing structures associated with the Borrower's NMTC Financing. Upon discharge of the NMTC Financing, not prior to January 30, 2022, the AAM campus will be pledged to the Master Indenture via a first lien acceptable to Program Administrator no later than June 1, 2022. Failure to comply with the previous sentence shall be an event of default under the loan agreement.
Debt Service Coverage Ratio	1.1x
Additional Bonds Test	1.2x
Liquidity Covenant	45 DCOH
Academic Covenant	Borrower covenants to maintain (i) a TEA overall accountability letter grade assigned to the Borrower's school district (the "District"), and only to the extent such metric is required by the TEA, or a similar metric as agreed upon by the Borrower and the Lender, of a "C" or better for the school year ending 2021, and a "B" or better commencing with the school year ending 2022 and thereafter (hereinafter referred to as "Standard 1"); and (ii) a proficiency rate in English Language Arts and Math on the State of Texas Assessments of Academic Readiness ("STAAR") standardized test that exceeds the same metric for the Austin ISD at the highest grade tested for all economically disadvantaged students, as measured by free and reduced lunch participation, in the specified grade versus all economically disadvantaged students at the District, as measured by free and reduced lunch participation, in the same grade ("Like Population Group"), or a similar metric as agreed upon by the Borrower and the Program Administrator (hereinafter referred to as "Standard 2"); and (iii) average SAT Math and SAT Verbal, or ACT equivalent, scores that exceed the Austin ISD's average scores for Like Population Groups, or a similar metric as agreed upon by the Borrower and the Lender (hereinafter referred to as "Standard 3").

<table>
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<td>Enrollment Covenant</td>
<td>AAPS shall maintain aggregate annual enrollment levels on the three schools, AAE, AAM, and AAH, according to fall census day enrollment count, corresponding to the below table.
<table>
<tr><th>Academic Year Ending June 30</th><th>Enrollment Requirement</th></tr>
<tr><td>2021</td><td>2,123</td></tr>
<tr><td>2022</td><td>2,175</td></tr>
<tr><td>2023</td><td>2,190</td></tr>
<tr><td>2024</td><td>2,199</td></tr>
<tr><td>2025 and thereafter</td><td>2,209</td></tr>
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