

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

**NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS**

**CUSIP Prefix: 13035A, 04052F**

**Date: July 24, 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 July 24, 2020, the Program Administrator entered into a School Loan (the “Dayspring Loan”) with Creation Foundation, Inc., dba Dayspring Academy for Education and the Arts, a Florida not-for-profit corporation. Upon closing, the Dayspring 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 2019A and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2019B, dated August 8, 2019.

Attached as Appendix A hereto is a summary of the Dayspring 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 Dayspring Loan closing date and may be subject to future changes.*

**Dayspring Academy Charter School  
New Port Richey, Florida**

**\$10,638,198.63 EFF Financing / Closed: July 24, 2020 / Final Maturity: July 1, 2050**

**Obligor Overview**

The legal borrower is **Creation Foundation, Inc.** doing business as Dayspring Academy, a Florida not-for-profit corporation. Dayspring Academy is Pasco County's oldest charter schools and one of the State's oldest, opening its first school in 2000. Since then, Dayspring has expanded to five campuses, all located outside Tampa in Port Richey, Florida. For the School Year 2019-2020, Dayspring schools educated 911 students in grades PK-12.

The transaction's legal structure includes a first mortgage on all five Dayspring campuses and a first lien pledge of all Dayspring revenue.

The mission of Dayspring Academy is *"To prepare learners of Pasco County, Pre-K through 12th grade for high school, college, and for the work force by delivering a world class education through the arts in a collaborative environment fueled by a passion for learning."*

The vision of Dayspring Academy is, *"To create an educational family, which develops character driven, culturally literate, life-long learners who bring value to their community."*

Dayspring's programs focus on six areas:

- Content
- Creativity
- Collaboration
- Character
- Customization
- Community

**Charter Contract**

All Dayspring Academy schools operate under a single charter provided by their authorizer, the Pasco County School District. Dayspring's current charter expires on June 30, 2033.

**Management & Governance**

Dayspring Academy is governed by a seven member Board of Directors with backgrounds and expertise in law enforcement, education, finance, major gift development, and ministry. Each of the current Board members is either a parent or grandparent of a Dayspring student. Of note is that children of Dayspring Board members receive priority enrollment status which helps the school recruit stronger board members with backgrounds that align with what the School is seeking in Board subject matter expertise.

Dayspring Academy’s administrative leadership team comprises personnel with credentialed and relevant experience in academics, operations, and financial administration.

### **Enrollment & Student Information**

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

**Dayspring Academy  
Historical Student Enrollment  
FY17 – FY20**

FY17	FY18	FY19	FY20
798	854	873	911

For the 2019-2020 academic year, Dayspring Academy’s enrollment stood at 911, comprising 826 charter school students with the balance representing Pre-K children. The school has shown an increase in enrollment in each year since at least 2015. Moreover, the school reported a wait list of approximately 1,161, representing approximately 127% of current enrollment.

Due to student retention rates that exceeded 90% last year, the Academy’s preferential treatment of children enrolled in the PreK program, as well as priority enrollment for the offspring of Board members, staff, and siblings, it has become rare for a seat to be made available to an unaffiliated student. Last year, the School had such high demand from siblings for kindergarten spots, it expanded seats in that grade and housed the new class at its PreK facility.

It is this overall robust demand that Dayspring is trying to address with the financing and opening of two additional facilities, one to house elementary students and the other for high school students. Once the new high school facility is operating, more room will be created for middle school students in the facility that currently serves all middle school grades as well as 9<sup>th</sup> and 10<sup>th</sup> grades. These two new facilities will allow for the planned growth of approximately 100 students each year until student count reaches approximately 1300 in 2025, representing an increase of approximately 40% from the SY19-20 enrollment figure.

Dayspring’s student body comes from socioeconomically and ethnically diverse backgrounds. In School Year 2019-20, 51% of students were eligible for free and reduced lunch and 27% were non-white. Approximately 10% of its student body receives special education services.

### **Academic Program & Results**

Dayspring Academy has a consistent history of solid academic results, despite having half of its students eligible for free or reduced lunch. For the most recent academic year with available scores, 2018-2019, Dayspring’s students materially outperformed both the State and the District in every grade tested and reported with more than three quarters of Dayspring’s students having met the

passing standard compared to the State average of 55.4% in ELA assessments. In addition to this overall ELA proficiency rate, results improved as students rose in grades. Indeed, 92% of students in 10<sup>th</sup> grade passed the standardized test—well exceeding the State average of 52.5% for the same grade.

In math, a similar percentage of Dayspring students, 77.9%, met the standard school-wide (all grades combined) compared to the State average of 57.6%. Unlike ELA results, however, high school proficiency rates were not reported for the school, the State, or the District. The highest grade with reported results from all jurisdictions was 7<sup>th</sup> grade where 81.3% of students met proficiency standard—as with ELA scores, significantly higher than the State average of 54%.

Based in large part to these robust test scores, Dayspring Academy has achieved an “A” rating from the State of Florida Department of Education since at least 2003 with one exception, 2013, when the State made a change to its criteria that affected all schools. Despite this 2013 “B” rating, it represented the highest point total of any school in Pasco County. Florida reversed the change the following year.

Moreover, Dayspring Academy is one of only 16 schools in the State of Florida with a 100% high school graduation rate. This compares favorably with the host Pasco County School District’s graduation rate of 87% and the State average of 86.1%.

A material part of Dayspring’s draw to families is its Early College Program. Dayspring is the only school in the State that has a program designed to grant all high schoolers with both a high school diploma and an associate’s degree—either in arts or science. Dayspring has partnered with Pasco Hernando State College to implement the program. Currently, freshmen and sophomores study at the middle school/high school campus while the two upper classes study at Pasco Hernando for three days and attend the Early College Campus for the balance of the week. Dayspring covers the cost of tuition, books, labs, etc. and thus students get a two year degree at no cost to their families.

In addition to the Early College Program, each student leaving middle-school has completed at least one Industry Certification such as Cisco or Adobe.

## **The Project**

On the date of closing, loan proceeds were disbursed to: (1) refinance all of its existing debt; (2) construct a new 22,000 square foot high school facility on a donated site of approximately three acres; (3) rehabilitate a property to house elementary students; (4) fund a Debt Service Reserve Fund; and (5) pay costs of issuance.

After Dayspring’s construction is completed, it will move its lower high school grades, 9-10, to join the upper grades to the new high school campus. The cost of new project is approximately

\$282 per square foot. The School is hoping to break ground on the new Early College High School facility in late July and open by August 2021. There is also an existing building on the high school campus which the school is already occupying.



**Financial Information**

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

**Dayspring Academy  
Historical Financial Information**

Metric	FY17	FY18	FY19
Total Revenue (TR)	\$5,730,191	\$6,165,811	\$7,864,220
DS Coverage Ratio	1.01x	1.03x	4.77x
Debt Burden (% of TR)	5.6%	5.5%	3.6%
Days Cash on Hand	15.4	15.9	19.4

**Rating:** S&P: BB

**Website:** <https://dayspring.academy/>

## Security and Loan Covenants

Security and Loan Covenants	
Security	First lien deed of trust on five existing properties and first lien on Dayspring gross revenue.
Debt Service Coverage Covenant	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	Not less than thirty (30) Days Cash on Hand in the fiscal year ending June 30, 2021, not less than forty-five (45) Days Cash on Hand in the fiscal year ending June 30, 2022 and not less than sixty (60) Days Cash on Hand for each fiscal year thereafter.
Academic Covenant	(i) Maintain a Florida Department of Education overall accountability letter grade of B or better; and (ii) a percentage of students' passing rate on the State's standardized tests, at least 75% of all grade levels must meet or exceed the English Language Arts and Math for the state's average passing rate.
Enrollment Covenant	Minimum of 800 students