

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

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Date: September 23, 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 23, 2022, the Program Administrator entered into two School Loans with Wonderland Educational Estate Association, Inc., d/b/a Beatrice Mayes Institute Charter School (“BMI”), a Texas nonprofit corporation. Upon closing, the BMI Loans were 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 BMI loans, 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 BMI closing date and may be subject to future changes.*

**Wonderland Educational Estate Association, Inc. (“dba Beatrice Mayes Institute”)
Houston, Texas**

(\$16,792,883.82)

\$9,492,883.82 EFF Financing / Closed: September 23, 2022 / Final Maturity: October 1, 2052

\$7,300,000.00 EFF Financing / Closed: September 23, 2022 / Final Maturity: October 1, 2029

Obligor Overview

Wonderland Educational Estate Association (Wonderland), d/b/a Beatrice Mayes Institute (BMI), is a Kindergarten to 8th grade charter school dedicated to serving the needs of students in the Houston community. BMI is one of the oldest African American founded schools within Houston. Wonderland’s history began with the establishment of the Wonderland Private School in 1966 when it served a total enrollment of 30 students. Wonderland grew in subsequent years, most notably in 1985 when it became legally incorporated. In that same year, a new building named Beatrice Mayes Institute was established to meet the demands of the growing organization. Located at 5807 Calhoun, the facility is in the heart of Houston’s historic Third Ward and across the street from the original school location. In 2001, Wonderland became an educational organization that transformed into an independent charter holder.

Members of the BMI family, including administrators and educators, work to create an environment that is safe and welcoming to ensure that students can acquire the knowledge and skills necessary to succeed.

BMI’s mission is: *“Expand minds, build character, and inspire community action.”*

Charter Contract

| School | Opened | Authorizer | Charter Expiration | |
|---|--------|--------------------------------|--------------------|---------------|
| | | | Prior | Next |
| Beatrice Mayes Institute Charter School | 2001 | Texas State Board of Education | 2 | July 31, 2025 |

BMI is under a single charter, with one campus located in Houston, Texas. BMI received a “C” overall rating for FY22 from the Texas Education Agency. Additionally, BMI is appealing its FY22 Charter FIRST financial accountability rating. BMI received an “F” rating due to a clerical error when submitting its Annual Financial Report. BMI received a perfect score on the remainder of the Charter FIRST framework.

Management & Governance

As per BMI’s bylaws, the board can include between three and eleven directors. It is currently governed by seven board members who bring senior-level leadership experience in areas including law, business, education, and fundraising.

Christopher Mayes is the current Superintendent of Beatrice Mayes Institute. Mr. Mayes is assisted by Terrance Watts, Chief Financial Officer and Dedra Johnson, Dean of Instruction.

Enrollment & Student Information

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

| BMI | | |
|--------------------------------------|--------------------|--------------------|
| Historical Student Enrollment | | |
| FY20 – FY22 | | |
| <u>FY20</u> | <u>FY21</u> | <u>FY22</u> |
| 457 | 469 | 462 |

BMI's enrollment is expected to increase from 457 to 732 student over the next six years. Enrollment increases are expected to be driven by strong retention, a solid waitlist and new, increased marketing efforts, particularly relating to the new campus building.

BMI's student retention has strengthened overtime and remains favorable at over 90% except for FY20. Student withdrawals were unusually high in FY20 due to the Covid-19 pandemic and parents pulling their students out of school for safety reasons, but enrollment and retention rates have rebounded.

BMI maintained a waitlist of approximately 25% of enrollment at the start of FY22. BMI draws its students from 32 different zip codes across the Greater Houston area. BMI has invested very few resources in marketing and student recruitment to date, historically relying on reputation and word-of-mouth to generate demand. BMI plans to significantly improve its marketing campaign to meet future enrollment projections by formalizing a student recruitment plan based on peer school best practices and building a student recruitment database to inform targeted marketing to families.

Academic Program & Results

Beatrice Mayes Institute is located in the Historic Third Ward, which services a high percentage of African American (99%) and Economically Disadvantaged students ("FRL" 67.7%). In Texas, 3rd to 8th graders are required to participate in the State of Texas Assessments of Academic Readiness, or STAAR. STAAR is a state testing program, designed to measure academic proficiency for various subjects including ELA and Math. No testing was administered in 2020 due to COVID and 2021 results were not required for all students so state results are unreliable for comparison purposes.

Despite the recent pandemic, 8th grade student proficiency rates were 152% of Houston Independent School District average in ELA and 448% in Math in 2021. BMI's performance increased compared to FY18 and FY19 numbers, with testing paused in FY20. In FY18, student proficiency rates were 174% of the district average in ELA and 149% in Math. In FY19, proficiency rates were 86% of the district average in ELA and 142% in Math.

African American students make up 99% of BMI's enrollment and BMI is outperforming the Houston Independent School District in both ELA and Math. It is important to note that some 8th grade ELA and Math data was missing for BMI in FY21, due to FERPA constraints based on sample size. Overall, BMI African American students have outperformed their district peers in both ELA and Math testing from FY18 to FY21.

The Project

EFF loan proceeds will be used to construct a ground-up 86,000 square foot new K-8 facility on a parcel adjacent to the current school.

The transaction will create a new campus building to replace existing modulars. The existing modulars will either be sold or removed, and the land will be used for a planned future high school expansion. The new construction will consist of classrooms, a gymnasium, a cafeteria, and administrative offices. The facility is anticipated to open in December 2023 for the start of the 2024-2025 school year and will increase the capacity of their current campus by approximately 260 students over 4 years.



Financial Information

Certain historical financial information for BMI is listed below.

BMI Historical Financial Information

| Metric | FY19 | FY20 | FY21 |
|-----------------------|--------------|--------------|--------------|
| Total Revenue (TR) | \$ 5,026,323 | \$ 5,060,816 | \$ 5,938,353 |
| DS Coverage Ratio | 10.0x | 5.3x | 19.6x |
| Debt Burden (% of TR) | 2.0% | 3.0% | 1.0% |
| Days Cash on Hand | 534 | 599 | 614 |

Rating "BBB-"

Website <https://www.bmischool.org/>

**Beatrice Mayes Institute
Security and Loan Covenants**

| | |
|------------------------------------|--|
| Security | <p>Loans are secured by the following:</p> <ol style="list-style-type: none"> 1. Master Note issued pursuant to the Borrower’s new Master Trust Indenture, including a parity pledge of and lien on all of Borrower’s revenues from the Borrower’s current and future schools, a deed of trust on Borrower’s real property and an assignment of construction documents for construction project and other properties to be secured by the Master Indenture in the future. 2. A Deposit Account Control Agreement with its current depository bank, in the favor of the Master Trustee, under the new Master Trust Indenture, which Agreement will be a “springing” control account upon the default of the Borrower. |
| Debt Service Coverage Ratio | 1.10x |
| Additional Bonds Test | <p>(A) <u>Historical Coverage on Outstanding Debt.</u> Delivery of an Officer’s Certificate stating that, for either the Borrower’s most recently completed Fiscal Year or for any consecutive 12 months out of the most recent 18 months immediately preceding the issuance of the additional Debt, the Available Revenues equaled at least 1.10 times Annual Debt Service Requirements on all Debt Outstanding; and</p> <p>(B) <u>Projected Coverage for Additional Debt.</u> An Independent Management Consultant provides a written report setting stating that the estimated Available Revenues are equal to at least 1.20 times the Maximum Annual Debt Service for all Debt then Outstanding, plus the additional Debt and Facility Lease Payments to be incurred, in the Fiscal Year immediately following the completion of the Project being financed. The report shall take into account (i) the audited results of operations and verified enrollment of the Project for the most recently completed Fiscal Year and (ii) the projected enrollment for the Fiscal Year immediately following the completion of the new Project, and shall assume that the proposed additional Debt shall have been outstanding for the entire year; and</p> <p>(C) <u>Alternate Coverage for Additional Debt.</u> In lieu of the requirements described in Section 212(a)(2) above, the Borrower 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;</p> |
| Liquidity Covenant | 60 DCOH beginning in Fiscal Year 2023 and for each Fiscal Year thereafter. |
| Academic Covenant | <p>Borrower covenants to maintain:</p> <ol style="list-style-type: none"> i. a Texas Education Agency (the “TEA”) overall accountability letter grade assigned to the Borrower’s school district (the “District”), and only to the extent such |

| | |
|-----------------------------------|---|
| | <p>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 2023, and a “B” or better commencing with the school year ending 2024 and thereafter (hereinafter referred to as “Standard 1”);</p> <p>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 Houston Independent School District (the “Houston 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 Lender (hereinafter referred to as “Standard 2”).</p> |
| <p>Enrollment Covenant</p> | <p>BMI shall maintain an annual enrollment level, according to fall census day enrollment count (“Testing Date”) as reported to the Lender no later than November 15th, of at least 450 students.</p> |