

**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 August 5, 2022, the Program Administrator entered into a School Loan (the “Compass Rose Legacy Loan”) with Compass Rose Education, Inc., a Texas not-for-profit corporation. On September 2, 2022, the Compass Rose Legacy Loan was assigned to Equitable Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) as a capital contribution 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 Compass Rose Legacy 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 Compass Rose Legacy Loan closing date and may be subject to future changes.***

**Compass Rose Public Schools
San Antonio & Austin, Texas**

\$30,000,000 EFF Financing / Closed: August 5, 2022 / Final Maturity: September 1, 2027

Obligor Overview

The legal borrower is Compass Rose Education Inc., a Texas nonprofit corporation, operating in San Antonio and Austin, Texas (“Compass Rose”).

Compass Rose is a single-charter, multi-site public charter network operating across four campuses in southeast, southwest, and northeast San Antonio as well as the Greater Austin Area. In FY23, Compass Rose expects to operate across six campuses. Compass Rose served 1,842 students in grades K-11 in the 2021-22 School Year and expects to serve 2,990 students in the 2022-23 School Year. Compass Rose opened its first location, Compass Rose Legacy (Legacy), in fall 2017, followed by Compass Rose Ingenuity (Ingenuity) in fall 2020, and Compass Rose Journey (Journey) and Compass Rose Destiny (Destiny) in fall 2021. In fall 2022, Compass Rose plans to open two more schools, Compass Rose Harvest (Harvest) and Compass Rose Dream (Dream). Compass Rose expects to reach full enrollment of 9,240 in grades PK-12 by FY29.

Mission

“Academic achievement coupled with personal growth is our “True North.” Everything we do is oriented in that direction.

We are resolute that every student will experience success in school, at every grade level and in every subject, so they can be academically prepared for college and the world beyond.

At the same time, we support our students as they learn the character traits necessary to be good citizens and effective advocates for themselves and others.”

Charter Contract Term

School	Opened (Fall)	Authorizer	Charter Expiration
Legacy	2017	Texas Education Agency (“TEA”)	July 31, 2032
Ingenuity	2020		
Journey	2021		
Destiny	2021		
Harvest	2022		
Dream	2022		

All Compass Rose schools operate under a single charter agreement that was authorized by the TEA in 2016 for a 5-year term. Compass Rose’s charter was just renewed for 10 years, the maximum term, through July 31, 2032.

Management & Governance

Compass Rose’s governing body comprises nine members who bring experience in finance, public relations, education, entrepreneurship, tech, immigration & civil law, equity, and strategic planning. Per the bylaws, directors serve three-year terms and there are no term limits.

Compass Rose’s founder and CEO has led the organization since 2017. Other key members of the senior management team include the executive director, chief academic officer, CFO, and chief talent officer.

While Compass Rose does not have a codified succession plan, the board expressed confidence that several members of senior leadership team could fill the role on an interim basis. The CEO has expressed a long-term commitment to Compass Rose, but in the event the role needs to be replaced on a permanent basis, board members expressed they would conduct a national search and that several internal candidates were qualified and would be considered.

Enrollment & Student Information

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

**Compass Rose Public Schools
Grades served and Historical Student Enrollment
FY20 – FY22**

School	Grades Served (Future)	FY 2020	FY 2021	FY 2022
Legacy	K-11 (K-12)	369	840	949
Ingenuity	K-7 (K-12)	N/A	314	432
Journey	K-6 (K-12)	N/A	N/A	345
Destiny	K-6 (K-12)	N/A	N/A	164
Harvest	(K-12)	N/A	N/A	N/A
Dream	(K-12)	N/A	N/A	N/A
Total	NA	369	1,154	1,842

As of FY22, Compass Rose is at 20% of full network enrollment and is projected to reach full enrollment of 9,240 students by FY29. Legacy is at 62% of full enrollment and is projected to reach full enrollment of 1,510 students by FY27. Ingenuity is projected to reach full enrollment by FY28. Journey and Destiny are projected to reach full enrollment by FY28. Harvest and Dream are projected to reach full enrollment by FY30.

Between FY18 and FY21, Compass Rose’s network student retention averaged 79%. Compass Rose does not currently hold a waitlist as the enrollment team is focused on growth and filling available seats. Compass Rose’s average applications to available budgeted seats in FY21 was 121%. This average improved by 35% for FY22, reaching 164%.

In FY21, 91% of Compass Rose’s students were economically-disadvantaged, 94% were non-white, 10% were English Learners, and 7% received special education services.

Academic Program & Results

Compass Rose students take the State of Texas Assessments of Academic Readiness (STAAR) each year to determine student proficiency. Due to the Covid-19 pandemic, STAAR was not administered in FY20, and schools received a label of *Not Rated: Declared State of Disaster*. STAAR was administered in FY21, but testing was inconsistent across schools and districts and schools were held harmless by the state. The most recent year with meaningful test data at the school level is FY19. Outside of testing, Texas gives schools a letter grade on an ‘A-F’ rating. Legacy was the only school in the network open in FY19, the last year grades were given, and received a ‘B’ rating.

EFF conducted an academic analysis that compared Compass Rose’s school proficiency rates against the San Antonio ISD and the state. As mentioned, Legacy was the only school open the last time meaningful results were available. Results, presented as a ratio of school performance against the state/district, for the highest grade tested in FY19 are shared below.

	Highest Grade Tested	ELA	Math
Legacy vs District	8	139%	193%
Legacy vs State	8	84%	139%

The Project

Proceeds of the loan will be used to: 1) refinance most of outstanding debt on the Legacy campus; 2) fund phase two construction of the Legacy campus; and 3) pay costs associated with this transaction.

Compass Rose Legacy (Phase 2 Rendering)



3300 Sidney Brooks, San Antonio, TX 78235

Phase 2 is to be constructed adjacent to the existing Legacy campus, and is expected to add approximately 50,000 square feet of instructional space, including 24 general classrooms, five special-purpose classrooms, a shared gym, cafeteria, and athletic field.

Financial Information

Certain historical financial information for Compass Rose is listed below.

Historical Financial Information¹

Metric	FY19	FY20	FY21
Total Revenue (TR)	\$3,687,172	\$7,285,910	\$19,413,467
DS Coverage Ratio	1.17x	1.55x	2.06x
Debt Burden (% of TR)	9.0%	6.1%	11.1%
Days Cash on Hand²	-15 days	120 days	112 days

Rating Compass Rose is expected to receive a S&P Issuer Credit Rating post-closing

Website <https://compassrosepublicschools.org/>

¹ Financials for FY19 and FY20 are based solely on Legacy, as it was the only school operating in those years. FY21 financials are representative of Legacy and Ingenuity.

² In FY19, Compass Rose had \$65,000 in cash with \$210,000 outstanding on a line of credit (LOC). For analysis, EFF backs out of total cash any outstanding short-term borrowings, resulting in a negative cash position of \$145,000 and negative DCOH of 15 at FYE19.

**Compass Rose
Security and Loan Covenants**

Security	The Loan is secured by an Obligation issued pursuant to the Borrower’s new Master Trust Indenture, including a parity pledge of and lien on all of Borrower’s revenues, a leasehold deed of trust on Borrower’s Legacy school property and Harvest property and an assignment of construction documents for the Legacy expansion project (the “Property”). Additionally, the Borrower has established a Deposit Account Control Agreement with its current depository bank, in the favor of the Master Trustee.										
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, 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;										
Liquidity Covenant	Minimum of 45 Days Cash on Hand										
Academic Covenant	Commencing within the 2023 testing year, the Borrower covenants to maintain: <ul style="list-style-type: none"> i. A Texas Education Agency (the “TEA”) overall accountability letter grade of “B” or better, 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; ii. A school wide average percentage of students’ passing rate on the State’s STAAR standardized tests, at the highest grade tested, for ELA and Math, that exceeds the State’s average passing rate, or a similar metric as agreed upon by the Borrower and the Lender; and iii. Average SAT Math and SAT Verbal, or ACT equivalent, scores that exceed the State’s average scores. 										
Legacy Enrollment Covenant	<p>The Borrower shall maintain annual enrollment levels, as reported by the state each October and reported to the Lender no later than November 15 of each year, corresponding to the table below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">October Testing Date</th> <th style="text-align: center;">Enrollment Requirement</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">1,045</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">1,188</td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">1,297</td> </tr> <tr> <td style="text-align: center;">2025 and Thereafter</td> <td style="text-align: center;">1,420</td> </tr> </tbody> </table>	October Testing Date	Enrollment Requirement	2022	1,045	2023	1,188	2024	1,297	2025 and Thereafter	1,420
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2022	1,045										
2023	1,188										
2024	1,297										
2025 and Thereafter	1,420										
Network Enrollment Covenant	90% of annual budgeted enrollment.										