

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F, 57563U, 021430A

Date: June 28, 2024

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 June 28, 2024, the Program Administrator entered into a School Loan (the “Durham Charter Loan”) with Healthy Start Education, Inc. d/b/a Durham Charter School. Upon closing, the Durham Charter 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 2023A dated December 19, 2023.

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

DURHAM CHARTER SCHOOL
Durham, North Carolina
\$27,000,000 EFF Financing / Closed: June 28, 2024 / Final Maturity: June 1, 2029

Obligor Overview

Founded and opened in 1997, Healthy Start Education, Inc. d/b/a Durham Charter School (“Durham”), is a North Carolina 501(c)(3) public charter school. The school changed its name to Durham from Healthy Start Academy (“HSA”) in 2020. As of FY24, Durham serves 757 students in grades K-10 across two campuses.

Durham’s mission is *“to build a world-class K-12 school in Durham that empowers students to thrive in college, career, and life.”*

The legal borrower will be Durham.

Charter Contract

School	Opened	Authorizer	Charter Expiration Date	Previous Renewals
Durham	1997	North Carolina State Board of Education (“NC SBE”)	June 30, 2031	3

Durham operates under a single charter agreement under the NCSBE and received its most recent renewal in June of 2021 for the maximum term of ten years. The agreement expires on June 30, 2031.

Management & Governance

Durham is governed by a 10-member board of directors with leadership experience in community and political advocacy, finance, education, human relations, real estate, and business management.

Senior leadership includes the executive director, chief academic officer, director of business operations, director of school operations, and three principals (ES, MS, HS). Durham outsources its budgeting and financial management needs to Acadia North Star¹.

Board members and minutes can be found on the [Durham website](#).

¹ <https://acadianorthstar.com/>

Enrollment & Student Information

Durham’s K-10 student count for the past five fiscal years is as follows:

Durham
Historical Student Enrollment
FY20 - FY24

<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
454	492	498	631	757

Over the last five years, student retention has averaged 95%; FY24 student retention was 96%. Durham’s waitlist as a percentage of enrollment between FY22 and FY24 averaged 11%²; FY24 waitlist as a percentage of enrollment was 14%. Leadership attributes the low waitlist to the school’s high growth.

Durham’s applications as a percentage of enrollment between FY20-FY24 averaged 39%; FY24 applications as a percentage of enrollment was 62%.

Durham’s FY24 free and reduced lunch and English learner populations were approximately 93% and 35%, respectively, and 81% of students identified as students of color.

Academic Program & Results

Durham has established a strong foundation for its instructional model, grounded in four key pillars: Academics First, Community Through Character, Excellent Arts and Extracurriculars, and Early College for All. These pillars demonstrate a commitment to rigorous academics, character development, enrichment opportunities, and college readiness. The school has drawn inspiration from successful charter networks, adopting proven practices and resources to drive student achievement.

Durham’s FY23 academics were evaluated based on similar school analysis (“SSM”), gap busting, and growth metrics. Durham’s SSM scores in FY23 placed Durham in the 80th percentile for ELA and 98th percentile for math. In gap busting, the school demonstrated strong outcomes for Economically Disadvantaged (SED) students in grades 3-8, significantly exceeding state levels, achieving 137% in ELA and 172% in math. Finally, when looking at growth, the school was placed in the 57th percentile in ELA and 90th percentile in math.

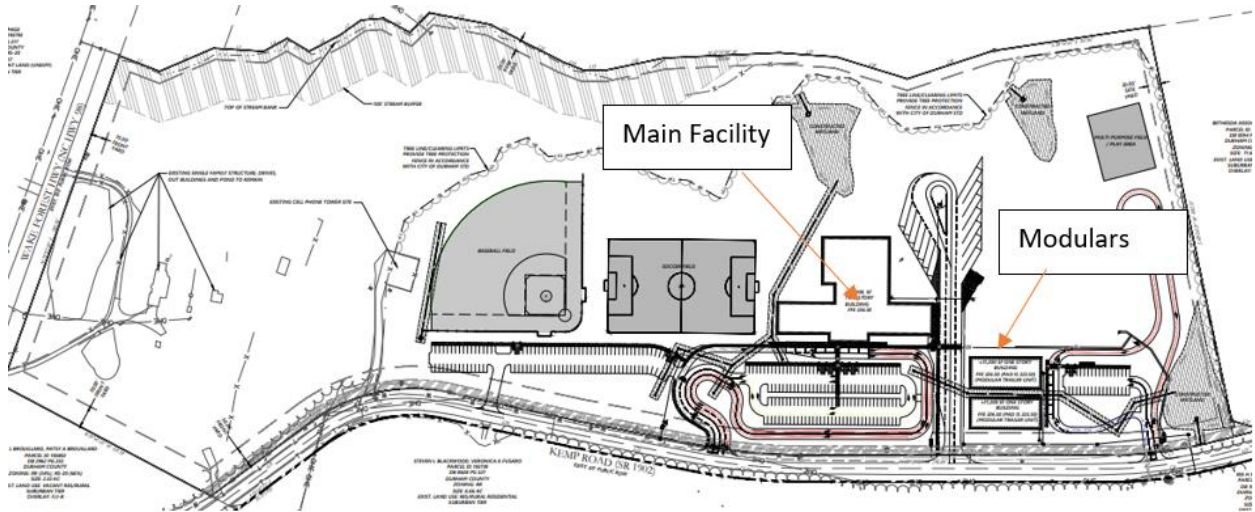
² Prior to FY22, Durham did not keep a waitlist as Durham did not have the infrastructure to track this information.

The Project

The loan proceeds will be used for: 1) the construction of a new ~76,000 sq foot facility housing grades 4-12; 2) the installation of new modulares (which will be leased) and will house grades K-3 students; 3) the refinancing of a short-term bridge loan from Select Bank used for the downpayment of the land acquisition; and 4) paying related transaction costs.

Durham

5510 Wake Forest Hwy, Durham NC 27703



Financial Information

Certain historical financial information on Durham is listed below.

Metric	FY21	FY22	FY23
Total Revenue (TR)	6,413,715	8,072,026	10,160,126
DS Coverage Ratio	14.64	10.07	3.06
Debt Burden (% of TR)	1%	0.6%	3.0%
Days Cash on Hand	125.2	106.4	102.7

S&P Rating: BB

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

**Durham Charter School
Security and Loan Covenants**

Security	Secured by an Obligation issued pursuant to a Master Trust Indenture established by Durham, including a pledge of and lien on Durham’s gross revenues; and a first priority deed of trust on all existing real property owned by Durham. Durham entered into a springing Deposit Account Control Agreement covering their gross revenues for the benefit of the Master Trustee. At closing, construction proceeds were placed in a Construction Account with the third-party disbursement agent/trustee. The Lender has a pledge of such Construction Account until such time as the account has been closed.										
Debt Service Coverage Ratio	1.10x										
Additional Bonds Test	1.20x										
Liquidity Covenant	60 days cash on hand										
Academic Covenant	<p>Commencing the 2024-25 academic year, Durham covenants that:</p> <p>(i) Each year maintain a minimum weighted average for all students of 70th percentile using the Similar Schools Methodology, in both Math and English Language Arts, calculated separately for each respective subject; or each year the weighted average proficiency rate for all students, in both Math and English Language Arts, calculated separately, shall meet or exceed 100% of the State’s weighted average for all students, in each respective subject; and</p> <p>(ii) Each year the weighted average proficiency rate for all socio-economically disadvantaged students, in both Math and English Language Arts, calculated separately, shall meet or exceed 110% of the State’s weighted average for all socio-economically disadvantaged students, in each respective subject</p>										
Enrollment Covenant	<p>Escalating enrollment minimums based on fall testing date as follows for Durham:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Testing Date Fall</th> <th>Enrollment Minimum</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>845</td> </tr> <tr> <td>2025</td> <td>1,050</td> </tr> <tr> <td>2026</td> <td>1,105</td> </tr> <tr> <td>2027 and thereafter</td> <td>1,145</td> </tr> </tbody> </table>	Testing Date Fall	Enrollment Minimum	2024	845	2025	1,050	2026	1,105	2027 and thereafter	1,145
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