

**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 July 21, 2022, the Program Administrator entered into a School Loan (the “Freire Charter School Wilmington Loan”) with Freire Charter School Wilmington, Inc., a Delaware not-for-profit corporation. On September 2, 2022, the Freire Charter School Wilmington 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 Freire Charter School Wilmington 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 Freire Charter School Wilmington Loan closing date and may be subject to future changes.***

Freire Charter School Wilmington, Wilmington, Delaware

\$10,668,632.28 EFF Financing / Closed: July 21, 2022 / Final Maturity: July 1, 2052

Obligor Overview

Freire Charter School Wilmington, Inc. (FCSW) is a Delaware nonstock nonprofit organization established in 2015. It currently operates a high school in Wilmington and served 503 students in grades 8-12 in School Year 21-22. The school is in its eighth year of operations. FCSW is part of the Freire Schools Collaborative, which also operates three schools in Pennsylvania. FCSW is located in the Red Clay Consolidated School District and is authorized by the Delaware Department of Education. Despite its location in Red Clay, the majority of FCSW students (53%) come from the neighboring Christina Consolidated School District.

FCSW's mission is: *"to provide a college-preparatory learning experience with a focus on individual freedom, critical thinking, and problem solving in an environment that emphasizes the values of community, teamwork, and commitment to peace."*

Charter Contract

School	Opened	Authorizer	Charter Expiration	
			Prior	Next
Freire Charter School Wilmington	2016	Delaware Department of Education	1	June 30, 2024

FCSW is under a single charter, with one campus located in Wilmington, DE.

Management & Governance

As per FCSW's bylaws, the board can include between five and fifteen directors. It is currently governed by thirteen board members who bring senior level leadership experience in areas such banking, legal, business management, and academics.

FCSW Head of School, Madeline Weckel, was a founding Math teacher in 2016 and later served as Director of Curriculum and Instruction before being named Co-Head of School in 2020. Ms. Weckel is a Teach for America and City Year alumna who has taught in Brooklyn, Philadelphia, and Wilmington.

Enrollment & Student Information

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

FCSW Historical Student Enrollment FY20 – FY22		
<u>FY20</u>	<u>FY21</u>	<u>FY22</u>
487	501	503

Student enrollment has increased overtime to 503 in FY22, up from 234 students reported in FY16, FCSW's first year of operations. The school can over-enroll up to 5% above its approved charter capacity of 500 students. Waitlist information was unavailable due to Delaware's charter school enrollment restrictions,

which locks students into their school enrollment in November so the school cannot back fill after that point in the school year. Students that apply after November are rolled into the next application cycle.

FCSW student retention rates have increased overtime from 68% in FY17 to 86% in FY21. FCSW does not report waitlist data, however, the school historically has received at least one application for every 8th grade seat. The school reported historically receiving more than two applications per student for 9th grade as that is the normal transition year for students starting high school. FCSW's primary feeder schools are located in surrounding districts: Christina School District, Red Clay Consolidated School District, and Colonial School District.

Academic Program & Results

FCSW's curriculum is rooted in the "Freire School" model and is heavily influenced by the work and success of Paulo Freire. [Paulo Freire](#) was a Brazilian educator and theorist that argued most schools failed to effectively empower their students to learn.

All Delaware 11th graders are required to take the SAT Math and Reading, which are included as part of the Delaware Department of Education Academic Performance Framework. In the highest grade tested at FCSW (11th grade), student proficiency rates were 81% of the Christina school district average in SAT Reading and 72% in SAT Math in 2021; however, the school performed better in SY18 and SY19, prior to the pandemic which paused testing in SY20. In SY18, student proficiency rates were 154% of the district average in SAT Reading and 116% in SAT Math. In SY19, proficiency rates were 125% of the district average in SAT Reading and 124% in SAT Math.

FCSW students are primarily African American and low-income, corroborated by a 68.8% free and reduced lunch rate and a reported 89% students of color as of FY22. African American students make up over 78% of FCSW's enrollment and the school is serving these students better than the Christina School District in both ELA and Math. It is important to note that certain 11th grade math data was missing for all schools in SY21, due to FERPA constraints based on sample size. Overall, FCSW African American students have outperformed their district peers in both ELA and Math testing in SY19 and SY21.

The Project

EFF loan proceeds will be used to: 1) purchase the school's currently leased facility at 201 West 14th St. and purchase an adjacent building at 205 West 14th St.; 2) refinance existing tenant improvement loans; and 3) pay for capital improvements to the current facility; 4) pay for architectural designs for renovation of 205 West 14th St.; and 5) cover costs of issuance.

The properties located at 201 & 205 W. 14th St, Wilmington, DE 1901, include a total of 75,000 sq ft. The building at 201 W. 14th St. is FCSW's current space and houses all of its current facilities. The building at 205 W. 14th St. is currently used for staff parking and the school has future plans to renovate the space into a gymnasium that can be used for both inter- and intra-scholastic physical education, training, practice, and competitions.



Financial Information

Certain historical financial information for FCSW is listed below.

FCSW Historical Financial Information

Metric	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Total Revenue (TR)	\$ 7,195,908	\$ 7,936,223	\$ 8,099,882
DS Coverage Ratio	1.31x	1.67x	1.28x
Debt Burden (% of TR)	12.7%	10.8%	13.1%
Days Cash on Hand	51.8	62.7	78.7

Rating BB

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

**Freire Charter School Wilmington
Security and Loan Covenants**

Security	Loan is secured by a senior pledge of and lien on FCSW's Revenues and a first lien mortgage on 201 & 205 W. 14th St, Wilmington, DE 1901.
Debt Service Coverage Ratio	1.1x
Additional Bonds Test	1.2x
Liquidity Covenant	45 DCOH beginning in Fiscal Year 2023 and for each Fiscal Year thereafter.
Academic Covenant	If FCSW (a) fails to earn a "Meets Standard" Overall Accountability Rating on the Delaware Department of Education Organizational Framework; and (b) has SAT Math and Reading achievement levels below the district average for economically disadvantaged students and African American students; and (c) has average 4-year graduation rates below the district average, FCSW agrees that it shall (i) within thirty (30) days of such failure, at its own expense, engage an Independent Management Consultant, acceptable to the Lender; (ii) within sixty (60) days of engaging the Independent Management Consultant, provide the Lender a detailed written report of such Independent Management Consultant of all action taken or to be taken to address and correct such deficiency; and (iii) within forty-five (45) days after receipt of the Independent Management Consultant's report, FCSW shall implement or begin to implement all the recommendations of the Independent Management Consultant, to the extent legally permissible.
Enrollment Covenant	FCSW shall maintain an annual enrollment level of at least 475 students, as reported by the State each November.