

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F

Date: March 9, 2021

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 March 5, 2021, the Program Administrator entered into a School Loan (the “BVP Loan”) with Blackstone Valley Prep, a Rhode Island not-for-profit corporation. Upon closing, the BVP 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 2020A and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2020B, dated August 12, 2020.

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

BLACKSTONE VALLEY PREP
Cumberland, Rhode Island
\$15,955,000 EFF Financing / Closed: March 5, 2021 / Final Maturity: March 1, 2051

Obligor Overview

The Rhode Island Mayoral Academy Blackstone Valley (“BVP”), established in 2009, is a six-school network operating under a single charter and a single Rhode Island nonprofit corporation, with a Fall 2020 enrollment count of 2,112 students in grades K-12.

BVP was intentionally established as an economically diverse school and reserves 50% of its available seats to families who indicate that they qualify to receive free means through the National School Lunch Program. Based on this planned economic diversity, BVP pulls students from two relatively high income suburban districts, Cumberland and Lincoln, as well as two high poverty urban districts, Pawtucket and Central Falls.

The mission of Blackstone Valley Prep is “to prepare every scholar for success in college and the world beyond.”

BVP’s vision is to be a model of rigorous college and career preparatory public education by:

- Creating an intentionally diverse and inclusive school community;
- Collaborating with educators across Rhode Island; and
- Proving what is possible for all kids.

Charter Contract

All charter schools in Rhode Island are authorized by the Rhode Island Department of Education (“RIDE”). Rhode Island is one of only seven states in the nation to have a sole authorizer. Rhode Island authorizes three types of charters: 1) district charter schools that are established by school districts; 2) independent charter schools that are created by colleges or universities or a Rhode Island non-profit, and 3) mayoral academies created by a mayor or elected official of any city or town within the State. BVP is a mayoral academy, and a mayor must serve on the school’s Board of Directors as Chair. Unlike the other two types of charter schools, mayoral academies may elect out of statutory requirements relating to paying prevailing wages and benefits, participating in the state teacher’s retirement system, and providing teachers with tenure. Charter terms are up to five years and the renewal process is clear. BVP’s charter was renewed in 2019 for its third five-year term through June 30, 2024.

Management & Governance

BVP is governed by a thirteen-member Board. Due to its establishment as a mayoral academy, it has three local chief executives on its Board of Directors (the “BVP Board”). Governor Daniel McKee, who was just sworn-in on March 2, 2021, succeeds Gina Raimondo, who was confirmed as President Biden’s Secretary of Commerce. Governor McKee, was a founding BVP Board member but resigned from the Board due to his gubernatorial duties. No BVP Board member or senior staff person is considered a related party.

Senior staff includes a Chief Executive Officer, Chief Operating Officer, Chief Academic Officer, Chief Schools Officer, and a Chief Financial Officer. Biographies of Board members and senior staff are included on the BVP website.

Enrollment & Student Information

BVP's student count for the past four fiscal years, along with the current school year, is as follows:

Blackstone Valley Prep Historical Student Enrollment FY17 – FY21

<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
1,641	1,833	1,965	2,050	2,112

BVP is a part of a charter network of six schools, which is Rhode Island's largest charter network, and enrolled a total of 2,112 students in grades K–12 for the 2020-2021 academic year. BVP expects to continue growing into its chartered enrollment figure of 2,360 by academic year 2027-2028. Much of this growth is expected to come from an expansion project for the high school that would increase student capacity from around 350 to 550 to meet the need of rising middle school students expected in the coming years.

For Fall 2020 (School Year 2020-2021), BVP received an average of 8.9 times as many applications as available seats, i.e., 2,219 applications to 250 open seats. Students who are not offered a seat are automatically placed on the waitlist. Current school year data shows a waitlist of 1,969 names and represents 93.2% of enrollment. Moreover, BVP's student retention rate for the most recent year was 90.5%.

The BVP network serves a high needs population, i.e., 66% economically-disadvantaged, 72% non-white, 12% ELL MLL (Multi-lingual learners) , and 14% special education.

Academic Program & Results

The Academy's culture is founded on the core PRIDE values:

- **Perseverance;**
- **Respect;**
- **Integrity;**
- **Discipline; and**
- **Enthusiasm**

BVP's academic proficiency metrics outperform state averages and surpass the two low-income districts in which the majority of students reside. For SY18-19—the latest available data year, BVP's academic proficiency results reflect consistently high performing status with it outperforming three of the four sending districts on ELA and Math. Moreover, BVP outperformed State averages on both subjects in all grades with the exception of 4th grade ELA where it stood at 98.7%. For the two prior years with standardized test scores, a similar pattern existed where BVP outperformed overall state averages in all grades but one—the same cohort, i.e., the 4th grade in 2017 and the 5th grade in 2018. In 2020, BVP had its third graduating class with a four year graduation rate north of 90%.

The Project

Proceeds of the thirty-year loan financed: 1) acquire a ~40,000 square foot elementary school facility currently leased from Civic Builders; 2) refinance a 35,000 square foot elementary school facility; 3) refinance a bridge loan taken out for the addition of an Upper Elementary facility; 4) refinance a small loan associated with its earlier acquisition of one of its elementary schools; and 5) costs of issuance. All of BVP's facilities are currently occupied by BVP and fully enrolled.

Project #1 is the acquisition of a 40,000 square foot facility for Elementary School 2 in Cumberland that BVP currently leases from Civic Builders. A leveraged New Market Tax Credit transaction financed the facility construction and that transaction matured on 11/21/2020. The cost to construct ES2 was \$13.3 million with a purchase price to the school of \$8.3 million. ES2 (K-4) is fully enrolled and serves approximately 415 students.

Project #2 is the refinancing of a loan for BVP’s Elementary School 1, a 35,505 square foot facility located in Cumberland that was constructed in 1928 and rehabilitated in 2013. The building is owned by School Holdings LLC, of which BVP is sole member. The current loan amount outstanding is approximately \$3.97 million with a balloon payment due in December 2021. A small additional Charter School Growth Fund loan of \$350,000 that is associated with the initial purchase of this project would also be refinanced.

Project #3 is the refinancing of the Upper Elementary School (formerly Middle School 2) bridge loan from Blue Hub (\$2.79 million) and the Charter School Growth Fund (\$310,000) that closed in 2019. Proceeds of the initial loans were used to expand MS 2, i.e., recently completed construction that added an additional 4,000 square feet to the 29,420 facility. This addition includes four additional classrooms and a SPED pull-out and allows enrollment to grow from ~315 to ~370 students. BVP leases this facility from the Town of Lincoln through June 30, 2029.

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

**Blackstone Valley Prep
Historical Financial Information**

<u>Metric</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Total Revenue (TR)	\$27,181,161	\$29,164,485	\$32,217,070
MTI Debt Service Coverage Ratio	NA	7.42	2.42 ¹
Amended Debt Service Coverage Ratio	1.83	1.13	1.14 ¹
Debt Burden (% of TR)	9.1%	9.3%	9.5%
Days Cash on Hand	59.1	77.8	114.0

¹Excludes balloon payment of \$200,000

Rating: S&P: “BB+”

Website: <http://blackstonevalleyprep.org>

**Blackstone Valley Prep
Security and Loan Covenants**

Security	First lien deed of trust on high school campus, Elementary School 2, Elementary School 1 and a leasehold deed of trust on upper Elementary School and a pledge of and lien on Gross Revenues on a parity basis, such liens run to the master trustee under the master indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	60 days cash on hand
Academic Covenant	(i) earn and maintain a RIDE overall accountability Star Rating of “3” or better; (ii) exceed sending school districts, on a weighted average basis, the percentage of students proficient in math and ELA on the State assessment—currently the Scholastic Aptitude Test (SAT); (iii) outperform the state average for high school students proficient in math and ELA on the State assessment, currently the SAT; and (iv) exceed the state four year and/or five year high school graduation rate
Enrollment Covenant	Minimum of 1,800 students