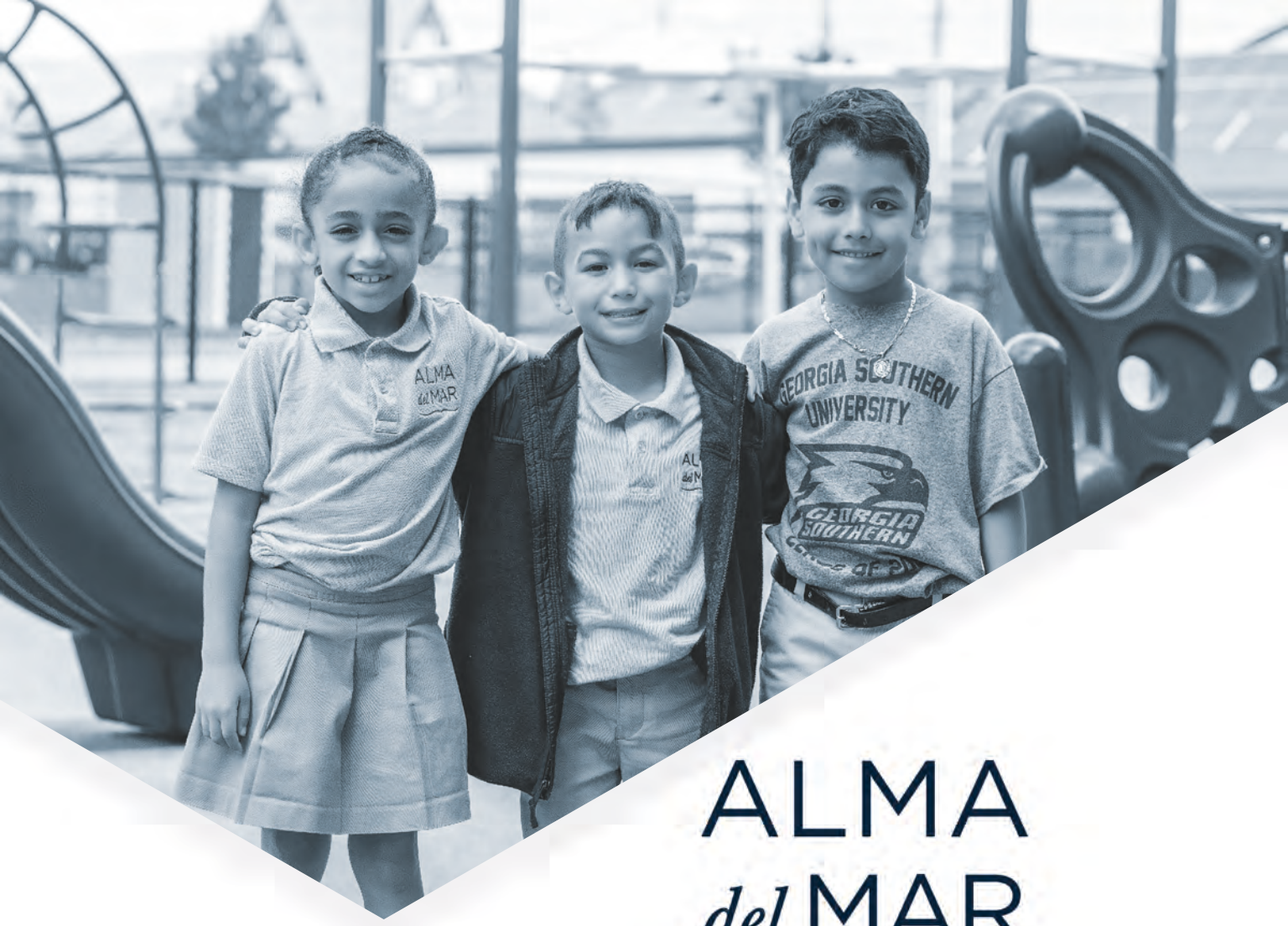

ALMA *del* MAR

New Bedford, MA

Enrollment:	**650** students
Loan Amount:	$**21** million
School Savings:	$**7.1** million

Equitable Facilities Fund

ALMA DEL MAR CHARTER SCHOOL
New Bedford, Massachusetts
$21,000,000 EFF Financing / Closed: October 2, 2020 / Final Maturity: October 1, 2050

Obligor Overview

Alma del Mar Charter School ("Alma") was founded in 2011 and in the academic year 2019-2020 served 650 students in grades K-8 at two campuses/schools (under one charter) in New Bedford, Massachusetts. Alma is an Expeditionary Learning (EL) school and its curriculum model is designed to combine the best practices of high performing urban charter schools with EL Education's in-depth approach to teaching content.

The legal borrower and landlord will be the Alma del Mar Foundation, Inc. (the "Foundation"), a legally separate, tax-exempt 501(c)(3) organization that acts primarily as a fund-raising organization to supplement resources for Alma. Alma will be the tenant.

Alma's mission is: *"Alma del Mar Charter School is an inclusive, K-8 Expeditionary Learning school that puts New Bedford students on a college trajectory and challenges them to be service-oriented leaders. By engaging in a rigorous academic program with an emphasis on meaningful work, our students will master essential skills and co tent, take ownership of their learning and think boldly while addressing complex academic and community issues."*

Charter Contract

Alma operates under a charter contract with the Commonwealth of Massachusetts Board of Elementary and Secondary Education. Alma was initially awarded a five-year charter in 2011 and the charter was renewed in 2016 for five years through June 30, 2021. For Fiscal Year ("FY") 2019, Alma met the Commonwealth of MA, Board of Elementary and Secondary Education's expectations in its academic, financial, and operational indicators, as well as progress made towards the achievement of the goals set forth in the charter.

Management & Governance

As per Alma's bylaws, the Alma board can include between nine and 18 directors. It is currently governed by nine board members with backgrounds in areas such as academics and education administration; finance; nonprofit management; legal; and management consulting. Several have close ties to the New Bedford community. The Alma board has a formal conflict of interest policy and no ASA Board member or senior staff is considered to be a related party.

Senior staff includes a Founder/Executive Director who has led Alma since 2011. Senior management includes a Chief of Staff, Director of Curriculum, Director of Talent, Director Finance, and Director of Development, as well as two principals leading their respective schools.

Biographies of board members and senior staff are included on the Alma website.

Enrollment & Student Information

Alma's October 1 student count (the basis for Massachusetts per pupil funding) for the past four fiscal years is as follows:

Alma del Mar Charter School
Historical Student Enrollment
FY18 – FY 20

FY17	FY18	FY19	FY20
324	413	441	650

Until FY 19, Alma had operated one school (Sarah D. Ottiwell Campus), reaching an enrollment of 450 K-8 students in FY20. In the same year, Alma opened its second school (Frederick Douglass Campus) with 200 children, bringing Alma's total enrollment to 650 students. Over the next three years, the Frederick Douglass campus will continue to add students, with a projected student count of 594 students. At full enrollment, Alma expects 1,044 students across the two campuses in FY23.

Between FY17 and FY20, student retention has averaged 95%. The waitlist, as a percentage of enrollment exceeded 110% between FY17 and FY19, decreasing to 54% in FY20 as Alma opened its second school.

Alma students currently come from the City of New Bedford. For academic year 2019-2020, students were approximately 60% Latinx, 14% African American, and 22% Caucasian. Alma's economically disadvantaged, ELL, and DWD populations are 59%, 31%, and 18%, respectively.

Academic Program & Results

Alma is an Expeditionary Learning (EL) School. It pushes it scholars to excel in the three dimensions of achievement that are the foundations of EL: mastery of knowledge and skills; producing high-quality work; and building strong character. Alma provides a content-rich curriculum that serves to build foundational skills while providing scholars with critical background knowledge on a variety of topics. This includes strong literacy instruction; employing a Singapore math approach and curriculum; and teaching science and social studies primarily through "Learning Expeditions", 6-12-week investigations into key topics.

The percentage of Alma students meeting or exceeding expectations on the Massachusetts Comprehensive Assessment System (MCAS)[1] has generally exceeded that of the district and has generally been better versus the state. In 2019, the most recent year of test results, Alma's proficient and advanced rates in ELA and math for 8th graders were 226% and 300%, respectively, as a percentage of the district results. At the same time, the proficient and advanced rates in ELA and math for Alma's economically disadvantaged, Latinx, and ELL subgroups were at least 133% versus the district and the state for comparable subgroups.

The Project

Proceeds of the EFF financing, along with Alma's equity, will be used to fund the construction of a new permanent facility, the future home of the Frederick Douglass Campus, and pay costs of issuance associated with this transaction.

The Frederick Douglass Campus is located at 739 Church St, New Bedford, MA 02745. The project will be a ground up development of a new ~51,800 sq. ft. two story school building serving 594 students in grades K-8 on a four-acre parcel of land. The project includes: 31 classrooms and special program rooms; library; regulation sized gymnasium; outdoor space; a cafeteria; and parking for up to 100 cars.

[1] MCAS is the statewide standards-based assessment program developed in 1993, in response to the Massachusetts Education Reform Act of the same year. Testing is required

Financial Information

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

Alma del Mar
Historical Financial Information

Metric	FY17	FY18	FY19
Total Revenue (TR)	$4,974,339	$6,126,020	$7,064,423
DS Coverage Ratio	1.37x	1.16x	1.39x
Debt Burden (% of TR)	9.8%	9.8%	9.3%
Days Cash on Hand	86.2	135.8	125.1

Ratings S&P: BB/Stable

Website https://www.almadelmar.org/

Alma del Mar
Security and Loan Covenants

<table>
<tr><td>Security</td><td>Secured by first lien pledge of Foundation's gross revenues and a mortgage on the property located at 739 Church St, New Bedford, MA 02745. Deposit account control agreement with Foundation's depository bank. Additionally, a pledge of gross revenues of the Alma and a deposit account control agreement with Alma's depository bank. Both pledges are secured on parity with Boston Private Bank and Trust Company via an Standstill and Intercreditor Agreement with Boston Private Bank and Trust Company.</td></tr>
<tr><td>Debt Service Coverage Ratio</td><td>1.10x based on the consolidated financial statements of the Foundation and Alma</td></tr>
<tr><td>Additional Bonds Test</td><td>1.20 based on the consolidated financial statements of the Foundation and Alma</td></tr>
<tr><td>Liquidity Covenant</td><td>60 days cash on hand based on the consolidated financial statements of the Foundation and Alma</td></tr>
<tr><td>Academic Covenant</td><td>Commencing the 2020-2021 academic year, the Alma covenants that Alma will meet or exceed (i) the percentage of students in their district scoring proficient in math and ELA on the Massachusetts Comprehensive Assessment System (MCAS); and (ii) the percentage of socio-economically disadvantaged and student of color populations in their district scoring proficient in math and ELA on the MCAS.</td></tr>
<tr><td>Enrollment Covenant</td><td>Alma shall maintain annual enrollment levels, as reported by the State each October, corresponding to the below table.
<table>
<tr><th>Academic Year Ending June 30</th><th>Enrollment Requirement</th></tr>
<tr><td>2021</td><td>774</td></tr>
<tr><td>2022</td><td>917</td></tr>
<tr><td>2023 and thereafter</td><td>1,012</td></tr>
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