

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

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

Date: September 16, 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 September 16, 2022, the Program Administrator entered into a School Loan with E-Stem Public Charter Schools, Inc. (“eStem”), an Arkansas nonprofit corporation. Upon closing, the eStem Loan was sold to Equitable Revolving Fund LLC (“ESRF”), 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 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 eStem 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 eStem closing date and may be subject to future changes.*

**eStem Public Charter School
Little Rock, Arkansas**

\$10,105,974.00 EFF Financing / Closed: September 16, 2022 / Final Maturity: September 1, 2057 ¹

Obligor Overview

e-Stem Public Charter Schools, Inc., the Borrower and owner of the land and facilities at 112 W 3rd Street and 123 W 3rd Street—both in Little Rock, Arkansas, was formed in 2008 and today serves the primary purpose of providing management services and owning and leasing real estate and personal property to its sole member, e-STEM High Public Charter Schools, Inc. d/b/a eStem Public Charter School (“eStem”). The Borrower will lease two school facilities (112 W 3rd and 123 W 3rd Street) to eStem upon EFF loan closing. eStem was founded in 2008 and had a FY22 enrollment of 3,056 students in Grades K-12 across 5 schools on 3 campuses, all in Little Rock.

eStem’s mission is to “develop students who are critical thinkers, problem solvers and collaborative members of a learning community and society. The school will encourage students to be risk takers and enthusiastic life-long learners who are versed in engineering, science, technology, economics, math, and literacy.”

The source of annual debt service payments on the loan is rental payments paid by eStem, which operates five charter schools under a single charter, to the Borrower.

eStem School Name
eStem Downtown Elementary School
eStem Downtown Junior HS
eStem High School
eStem East Village Elementary
eStem East Village Junior High

Charter Contract

eStem operates under a single charter contract issued by the Arkansas State Board of Education. eStem’s charter contract expires on June 30, 2023. In Fall 2022, eStem expects to apply for a 10-year charter renewal.

School	Opened (Fall)	Authorizer	Charter Expiration*
eStem Public Charter School	2008	Arkansas State Board of Education	July 1, 2023

Management & Governance

eStem is governed by a five-member Board of Directors (the “eStem Board”). Under its bylaws, the number of Board members shall not be less than three nor more than seven. The term of each member is three years

¹ Subject to a hard put by the Lender on the fifth anniversary of the closing date (the “Put Date”) if the loan fails to convert to the Long-Term Rate.

and may be renewed. The Board meets monthly and holds additional meetings as needed. The five-member Board holds considerable experience in education, law, STEM, and finance.

The current CEO of eStem was a founding member of the management team and has been leading the network since 2010. eStem’s key leadership positions include the CEO, COO, and CFO, as well as several Directors who oversee Information Technology, Curriculum, Human Resources, and Alumni Relations.

Enrollment & Student Information

eStem’s K-12 student count for the past three fiscal years is as follows:

**eStem Public Charter School
Historical Student Enrollment
FY20 – FY22**

School	Grades Served	FY 2020	FY 2021	FY 2022
eStem Downtown Elementary	K-6	978	966	944
eStem Downtown Junior High	7-9	478	475	481
eStem High School	10-12	544	538	504
eStem East Village Elementary	K-6	785	790	798
eStem East Village Junior High	7-9	367	382	330
Total	K-12	3,152	3,151	3,056

eStem’s Downtown Elementary School and Junior High were collectively at 94% of full enrollment during School Year 21-22. Student retention across the network has averaged 88% in the past three fiscal years, including 86% in FY21.

During FY22, eStem served a student population comprising 80% students of color and 65% that were eligible for Free or Reduced lunch.

Academic Program & Results

eStem’s proficiency rates across all its tested grades (3-10) in Spring 2021 were 120% of the Little Rock School District (“LRSD”) average in ELA and 113% of the district average in Math.

Both schools in the Downtown campus and eStem High School have historically exceeded the academic proficiency rates of LRSD and the State. The eStem East Village campus opened with grades K-9 in FY19 followed by the onset of COVID-19 in FY20 and expects to improve academic proficiency rates as students transition back to fully in-person instruction.

The Project

EFF loan proceeds will: 1) Refinance two loans incurred by the Borrower that were originally used to renovate the Downtown Elementary School building, 2) finance the acquisition of the currently leased Downtown Junior High School, and 3) finance closing costs.

Downtown Elementary School (ES):
 112 W 3rd Street
 Little Rock, AR 72201

Downtown Junior High School (JHS):
 123 W 3rd Street
 Little Rock, AR 72201



Financial Information

Certain historical financial information for eStem is listed below.

**eStem Public Charter School
 Historical Financial Information**

Metric	FY19	FY20	FY21
Total Revenue (TR)	\$25,533,874	\$28,889,069	\$31,404,379
DS Coverage Ratio	1.01x	1.68x	1.29x
Debt Burden (% of TR)	8.9%	7.9%	7.2%
Days Cash on Hand ²	70.7	228.1	199.2

Rating S&P: “BB-“

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

² Days Cash on Hand for combine Borrower and CMO.

**eStem Public Charter School
Security and Loan Covenants**

Security	Pledged rental payments and first lien mortgages on the Downtown Elementary and Junior High financed schools																		
Debt Service Coverage Ratio	1.10x																		
Additional Bonds Test	1.20x																		
Liquidity Covenant	30 days cash on hand for FY23, 45 days cash on hand in FY24, and 60 in FY25 and for each FY thereafter																		
Academic Covenant	<p>(i) 100% of the schools in the network reporting a State grade of “C” or better for the school year ending 2023, and at least 50% of the schools reporting a State grade of “B” or better commencing with school year ending 2024; and a 100% of the schools reporting a State grade of “B” or better commencing with school year ending 2025 and thereafter (hereinafter referred to as “<i>Standard 1</i>”); and</p> <p>(ii) A proficiency rate in English Language Arts and Math on the ACT Aspire summative assessment that exceeds the same metric for the respective school district at the highest grade tested (defined as 6th, 9th and 10th) for all economically disadvantaged students in the specified grades versus all economically disadvantaged students, as measured by free and reduced lunch participation, at the respective school district (defined as the weighted average of Little Rock SD, Pulaski County Special District and North Little SD), as measured by free and reduced lunch participation, in the same grade (“<i>Like Population Group</i>”), or a similar metric as agreed upon by the Tenant and the Program Administrator (herein referred to as “<i>Standard 2</i>”.</p>																		
Enrollment Covenant	<p>Combined Tenant Enrollment Requirements:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 33%;">October Testing Date</th> <th style="width: 33%;">Enrollment Requirement</th> <th style="width: 33%;">Enrollment Minimum</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>2,850</td> <td>2,700</td> </tr> <tr> <td>2023</td> <td>2,940</td> <td>2,785</td> </tr> <tr> <td>2024</td> <td>3,016</td> <td>2,857</td> </tr> <tr> <td>2025</td> <td>3,106</td> <td>2,943</td> </tr> <tr> <td>2026 and thereafter</td> <td>3,182</td> <td>3,015</td> </tr> </tbody> </table>	October Testing Date	Enrollment Requirement	Enrollment Minimum	2022	2,850	2,700	2023	2,940	2,785	2024	3,016	2,857	2025	3,106	2,943	2026 and thereafter	3,182	3,015
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