

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

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

Date: December 7, 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 December 7, 2022, the Program Administrator entered into a School Loan with Etoile Academy, Inc., d/b/a Etoile Academy Charter School (“Etoile”), a Texas nonprofit corporation. Upon closing, the Etoile 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 Etoile 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 Etoile closing date and may be subject to future changes.*

Etoile Academy Charter School, Inc. Houston, Texas

\$8,055,436.73 EFF Financing / Closed: December 7, 2022 / Final Maturity: December 1, 2052¹

Obligor Overview

Etoile Academy Charter School, Inc. (EACS) was designed and founded in 2017 by two Building Excellent Schools (“BES”) fellows: Kayleigh Colombero and Cristina Urena. EACS started its first flagship campus in southwest Houston, in the Gulfton neighborhood, in 2018 with 75 fifth graders and six staff members. Since then, EACS has added middle school (grades 6th – 8th) and started an elementary school (grades K-1). In its fifth year of operations, the campus currently serves 514 students and plans to grow to 800 kindergarten to 8th grade students by FY28. EACS plans to open its second campus in southwest Houston in Fall 2023 with 350 students in grades K-1 and 5-6, growing to a full K-8 campus serving 900 students.

Etoile Academy’s mission is: *“to ensure that every student in grades K through 8 has the academic and character foundation necessary to succeed in high school, graduate from college, and pursue ambitious life goals.”*

Charter Contract

School	Opened	Authorizer	Charter Expiration	
			Prior	Next
Etoile Academy Charter School, Inc.	2018	Texas Board of Education (SBOE)	N/A	June 20, 2023

EACS is a 5th year charter serving 514 students in K-1 and 5-8th grade from across the southwest Houston area. EACS was authorized by the Texas State Board of Education (SBOE) under a 5-year charter contract which extends to June 20, 2023. Under its original charter, EACS is authorized to service a maximum of 800 5th-8th grade students. EACS recently received authorization from the Texas Education Agency (TEA) to add K-4th graders and increase maximum enrollment to 1,700 students across two campuses.

TEA also evaluates all charter and district schools under state accountability requirements. As a part of its evaluation, each school is assigned an Academic Accountability and Charter FIRST rating. The accountability rating explores EACS’s student achievement, academic growth, and academic achievement, while the Charter FIRST rating analyzes various financial indicators.

In FY19, EACS received a B rating for Academic Accountability. Ratings were not given in FY20 and FY21 due to COVID-19; however, EACS maintained its B rating in FY22 with an overall score of 85. Schools are eligible for seven distinctions from the State for exceptional performance. EACS received three distinctions in 2022 for Academic Achievement in ELA, Academic Achievement in Science, and Post-Secondary Readiness.

EACS also received a B (89%) Charter FIRST rating in FY22, which evaluates the financial performance of Texas charter schools. The Charter FIRST rating for EACS improved from a C the previous year.

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.

Management & Governance

Per EACS’s bylaws, the board shall consist of not less than three persons. Each Director shall serve for three-year terms, with an option to renew for an additional three years. The number of directors serving on the Board of Directors may be increased from time to time by resolution adopted at a regular or special meeting of the Board of Directors. EACS is currently governed by ten board members that bring senior-level leadership experience in areas ranging from academic and finance to legal and fundraising.

Kayleigh Colombero is the Co-Founder and Superintendent of Etoile Academy Charter School, Inc. Ms. Colombero is assisted by Cristina Urena, Co-Founder and Chief Academic Officer, and Brittney Jean-Louis Chief Strategy Officer. All three leaders completed the BES school design fellowship.

Enrollment & Student Information

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

**Etoile Academy Charter School, Inc.
Historical Student Enrollment
FY21 – FY23**

<u>FY21</u>	<u>FY22</u>	<u>FY23</u>
206	340	514

Student enrollment increased steadily over time from 75 in FY19 to 514 in FY23. EACS has access to additional negotiable lease space at its current Hornwood location to help EACS reach maximum enrollment of 800 students by FY28. EACS plans to open an additional campus to serve 350 new students in FY24, expecting to reach full enrollment of 900 students in FY31. EACS’s second location is located at a former church and charter school property at 9745 Bissonnet St.

EACS reported minimal waitlist totals from FY19 to FY22, with a small, 36-student, waitlist for FY23. Waitlist numbers are low due to EACS accepting all students during its COVID years. EACS reports significantly larger grade level cohorts than most charters, e.g., middle school grades have over 100 students per grade (amongst four classrooms). Waitlist totals are expected to continue to be low, as EACS ramps up enrollment overtime.

Academic Program & Results

Etoile Academy Charter School is located in southwest Houston and serves a high percentage of Hispanic (74%) and Economically Disadvantaged students (“FRL” 99%). In Texas, 3rd to 8th graders are required to participate in The State of Texas Assessments of Academic Readiness, or STAAR. STAAR is a state testing program, designed to measure academic proficiency for various subjects including ELA and Math. No testing was administered in 2020 due to COVID and 2021 results were not required for all students so state results are unreliable for comparison purposes. Since EACS began operations in FY19, academic data is limited and does not include 3rd and 4th grade proficiency scores.

EACS 8th graders, as the highest grade tested in 2022, reported proficiency rates at 106% and 113% of the district average in ELA and Math. Subgroup (Hispanic) populations followed suit outperforming the district in ELA and Math, with proficiency rates of 116% and 121% of the Houston ISD averages, respectively.

In addition, EACS students demonstrated significant growth on the nationally normed NWEA MAP exam in SY22. EACS was ranked 6th out of 45 BES designed charter schools nationally for the winter MAP growth scores with projections of over 50% of EACS students reaching or surpassing their growth goal. In addition, language growth (tied to reading scores since EACS serves 65% emerging bilingual students), was higher than previous winter MAP scores for EACS. Finally, STAAR academic student growth scores from SY21 were 88 for reading (compared to 68 for the state) and 76 for math (compared to 70 for the state).

The Project

EACS is seeking a loan of \$8.4 million to purchase a 5-acre former church property with a 54,027 square foot building to serve as its second campus site at 9745 Bissonnet St. Full enrollment is projected to be 900 students serving grades K-8 by FY31. EACS received \$1 million in restricted donations to be used as equity to support the purchase of its second campus.

The project will be completed in two phases, with the first phase comprising the acquisition and approximately \$2 million fit-out of the existing space for a Fall 2023 delivery. The second phase includes constructing a 44,724 square foot building expected to occur in the Summer/Fall of 2025; however, timing is contingent on successful enrollment of Phase 1 space. The proposed project would increase EACS's total enrollment plan to 1,440 by FY26 and 1,700 at full capacity by FY31.





Financial Information

Certain historical financial information for Etoile Academy Charter School, Inc. is listed below.

Etoile Academy Charter School, Inc. Historical Financial Information

Metric	FY20	FY21	FY22
Total Revenue (TR)	\$ 2,515,600	\$3,287,894	\$4,850,533
DS Coverage Ratio	2.79x	2.75x	1.73x
Debt Burden (% of TR)	10.5%	8.0%	10.9%
Days Cash on Hand	70.2	116.7	77.2

Rating TBD

Website <https://etoileacademy.org/>

Etoile Academy Charter School, Inc.
Security and Loan Covenants

Security	The Loan is secured by a Master Note issued pursuant to EACS's new Master Trust Indenture, including a parity pledge of and lien on all of Borrower's revenues from EACS's current and future schools, a deed of trust on 9745 Bissonnet Street. Additionally, EACS has establish a Deposit Account Control Agreement with its current depository bank, in the favor of the Master Trustee EACS.
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	<ol style="list-style-type: none"> 1) Additional Parity Debt permitted (i) upon the delivery of a Certificate of EACS stating that, on a consolidated basis (x) for the most recently completed Fiscal Year, the Debt Service Coverage Ratio equaled at least 1.10 prior to the issuance of the additional Indebtedness; and the (y) Debt Service Coverage Ratio is projected to be at least 1.20 on all Indebtedness Outstanding and the proposed additional Indebtedness in the first fiscal year following the issuance of the additional Indebtedness, taking into account certain assumptions as required by Lender; or (ii) Instead of the requirements described in clause (i), EACS may deliver an Officer's Certificate stating that, based on the most recently completed Fiscal Year audited results, the Maximum Annual Debt Service Coverage Ratio equaled at least 1.20 on all Outstanding and additional Indebtedness. In addition, EACS shall not be allowed to issue Additional Parity Debt unless EACS is in compliance with the Enrollment Covenant. 2) Subordinate Debt and Short-Term Debt are restricted subject to Lender approval or a mutually agreed upon test. 3) Non-Recourse Debt is limited to an aggregate of \$750,000 outstanding or mutually agreed upon level.
Academic Covenant	If EACS (a) fails to maintain a Texas Education Agency (the "TEA") overall accountability letter grade assigned to EACS's school district (the "District"), and only to the extent such metric is required by the TEA, or a similar metric as agreed upon by EACS and the Lender, of a "B" or better commencing with the school year ending 2023 and thereafter (hereinafter referred to as "Standard 1"); and (b) a proficiency rate in English Language Arts and Math on the State of Texas Assessments of Academic Readiness ("STAAR") standardized test that underperforms the same metric for the Houston Independent School District (the "Houston ISD") at the highest grade tested for all economically disadvantaged students, as measured by free and reduced lunch participation, in the specified grade versus all economically disadvantaged students at the District, as measured by free and

	<p>reduced lunch participation, in the same grade (“Like Population Group”), or a similar metric as agreed upon by EACS and the Lender (hereinafter referred to as “Standard 2”), EACS 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, EACS shall implement or begin to implement all the recommendations of the Independent Management Consultant, to the extent legally permissible.</p>
<p>Enrollment Covenant</p>	<p>EACS shall maintain an annual enrollment level, according to fall census day enrollment count (“Testing Date”) as reported to the Lender no later than November 15th, of at least 450 students.</p>