

**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 Read Foundation d/b/a Memphis School of Excellence (“MSE”), a Tennessee nonprofit corporation. Upon closing, the MSE 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 MSE 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 MSE closing date and may be subject to future changes.*

**Memphis School of Excellence
Memphis, Tennessee**

\$9,970,104.00 EFF Financing / Closed: September 16, 2022 / Final Maturity: September 1, 2052

Obligor Overview

Read Foundation d/b/a Memphis School of Excellence (MSE), a Tennessee nonprofit corporation founded in 2010, is a four-school network serving 1,398 (FY22) students in grades K-12 across three campuses. MSE leadership expects to reach full enrollment of 1,853 students by FY27.

MSE’s mission is *“to provide a safe and collaborative environment which will cultivate the academic and social development of its students by emphasizing math, science, and technology for the purpose of students setting and meeting higher educational goals.”*

Charter Contract

School	Opened	Authorizer	Charter Expiration
MSE Winchester (Charter name is MSE; grades 6-12)	2010	Shelby County Schools District (SCS)	June 30, 2030
MSE Mendenhall (Charter name is MSEE; grades K-5)	2017		June 30, 2027
MSE Elementary Cordova (Charter name is MSEEC; grades K-5)	2020		June 30, 2030
MSE Secondary Cordova (Charter name is MSEC; grades 6-12)	2021		June 30, 2031

MSE operates under four charter agreements with the Shelby County Schools District (SCS). All the charter agreements are for ten years. The MSE Charter agreement (for grade 9-12 students at Winchester and 6-8 students at Mendenhall) has gone through one renewal in 2020.

Management & Governance

MSE is governed by a six-person board of directors. As per the bylaws, the number of directors may never be less than three. There are no terms or term limits. The board operates with four officers- a president, vice president, treasurer, and secretary. The board currently comprises six members that bring experience in education (teaching, administration, leadership), sciences, engineering, healthcare, and law. The average tenure on the board is approximately six years.

MSE’s current executive director joined MSE in 2018, serving in this role since 2021. He brings more than 20 years of education (teaching and administration) experience. Other key members of the senior management team include the assistant executive director, director of academics, HR/outreach manager, business manager, and enrollment coordinator. Leadership (including principals) average 16 years of education experience and a tenure of five years at MSE.

Enrollment & Student Information

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

**Memphis School of Excellence Network
Grades served and Historical Student Enrollment
FY20 – FY22**

School	Grades (Future) Served	FY20	FY21	FY22
MSE Winchester (Charter name is MSE)	6-12	522	553	556
MSE Mendenhall (Charter name is MSEE)	K-5	291	365	392
MSE Elementary Cordova (Charter name is MSEEC)	K-5	NA	152	254
MSE Secondary Cordova (Charter name is MSEC)	6-9 (6-12)	NA	NA	196
Total	NA	813	1,070	1,398

For FY22, network-wide enrollment totaled 1,398 students across the four schools. MSE as a network is projected to reach full enrollment of 1,853 students by FY27, primarily driven by growth at MSE Elementary Cordova and MSE Cordova Secondary.

Between FY18 and FY22, MSE’s student retention averaged 90%; in FY22 student retention was 91%. Between FY18 and FY22, MSE’s waitlist as a percentage of current enrollment averaged 45%; for FY22 waitlist as a percentage of current enrollment was 32%.

In FY22, 95% of MSE students were economically disadvantaged, 100% were students of color, 39% were English language learners, and 5% received special education services.

Academic Program & Results

MSE’s academic model focuses on STEM programming as well as interdisciplinary, project-based learning and college readiness. MSE offers students individualized student support such as tutoring, mentoring, one on one college counseling, and career orientation, as well as access to a variety of academic clubs and activities, such as Chess Club, Robotics, Science Olympiad, and Drone Club. To ensure students are on track, MSE monitors student achievement and growth throughout the year with a mix of internally developed benchmarks and external assessments such as NWEA Map.

Due to Covid-19, districts and schools in Tennessee that had 80% of students or more participate in the Tennessee Comprehensive Assessment Program (TCAP) in FY21, were “held harmless”. Test results were not used by district, state, or authorizers to evaluate performance. (MSE and Shelby County Schools were held harmless.)

The percentage of students at MSE meeting or exceeding expectations on the TCAP and ACT tests has generally exceeded that of the district in both ELA and math. In FY21, proficient and advanced rates on the ACT exam, for ELA and math at the highest grade tested (grade 12) were 99.4% and 102.4%, respectively, as a percentage of the district results.

The Project

Proceeds of the loan will be used for the 1) refinancing of Educational Facilities Revenue Bonds, issued by the Health, Educational and Housing Facility Board of the County of Shelby, Tennessee, and held by Regions Capital Advantage, Inc., that were used to acquire the Cordova Campus (defined below) and refinance debt used for the acquisition of the Winchester Campus (defined below); 2) the construction of an 11,000 square foot central administrative office on the Cordova Campus, and 3) costs associated with this transaction.

MSE Cordova Campus



MSE Winchester Campus



MSE Elementary and Secondary Cordova are housed in a 90,000 square foot facility on a 20-acre campus located at 8360 Macon Rd, Cordova, TN 38018 (Cordova Campus). MSE Winchester is housed in a 35,000 sq. ft facility on a 9- acre campus located at 4921 Winchester Rd, Memphis, TN 38118 (Winchester Campus).

Financial Information

Certain historical financial information for MSE is listed below.

Historical Financial Information

Metric	FY19	FY20	FY21
Total Revenue (TR)	\$ 7,361,107	\$ 8,414,386	\$ 13,611,845
DS Coverage Ratio	2.1x	2.1x	2.8x
Debt Burden (% of TR)	10.1%	10.3%	8.7%
Days Cash on Hand	87.6	152.4	131.5

Rating S&P: “BBB-“

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

MSE
Security and Loan Covenants

Security	Loan is secured by a senior pledge of and lien on all of the Borrower's Revenues and a first lien mortgage on the Winchester Campus and the Cordova Campus.													
Debt Service Coverage Ratio	1.10x													
Additional Bonds Test	1.20x													
Liquidity Covenant	60 DCOH													
Academic Covenant	The Borrower shall meet or exceed (i) the percentage of students in their district scoring proficient in math and ELA on the Tennessee Comprehensive Assessment Program; (ii) the percentage of students in their district who surpass the ACT benchmark used by the Tennessee Department of Education; and (iii) the district four-year high school graduation rate used by the Tennessee Department of Education. Additionally, the Borrower shall not receive a Tennessee Value-Added Assessment System Level 2 or lower for two consecutive years or have a school classified as a Priority School.													
Enrollment Covenant	<p>The Borrower shall maintain annual enrollment levels, as reported by the state each October and reported to the Lender no later than November 15 of such year, corresponding to the below table.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Academic Year Ending June 30</th> <th style="text-align: center;">Enrollment Requirement</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">1,596</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">1,705</td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">1,768</td> </tr> <tr> <td style="text-align: center;">2025</td> <td style="text-align: center;">1,788</td> </tr> <tr> <td style="text-align: center;">2026 and Thereafter</td> <td style="text-align: center;">1,797</td> </tr> </tbody> </table>		Academic Year Ending June 30	Enrollment Requirement	2022	1,596	2023	1,705	2024	1,768	2025	1,788	2026 and Thereafter	1,797
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