

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

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

Date: May 24, 2023

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 May 24, 2023, the Program Administrator entered into a School Loan (the “Valor Public Schools Loan”) with Valor Texas Education Foundation, a Texas nonprofit corporation. Upon closing, the Valor Public Schools 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 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 Valor Public Schools 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 Valor Public Schools Loan closing date and may be subject to future changes.***

Valor Public Schools, Austin and San Antonio, Texas

\$24,800,000 EFF Financing / Closed: May 24, 2023 / Final Maturity: June 1, 2048

Obligor Overview

Valor Texas Education Foundation dba Valor Education fka Valor Public Schools (“Valor”), a Texas nonprofit corporation, was founded in 2016. Its first campus, Valor South Austin, launched in FY18. Over the next four years, Valor opened two additional campuses in Austin (Valor North Austin and Valor Kyle), growing to 2,158 K-12 students across three schools, as of FY23.

Valor is continuing to expand with two new campuses scheduled to open in FY24. The schools, Valor San Antonio and Valor Leander are expected to launch with roughly 758 students across grades K-8, eventually growing to grades K-12. Over the next five years across the five schools, Valor expects to serve approximately 5,046 students in grades K-12.

The EFF financing will support the following Participating Campuses (Valor South Austin, Valor San Antonio, and Valor Leander).

Valor’s mission is: *“to educate the whole person in authentic communities for a full human life.”*

Charter Contract

School	Opened	Authorizer	Charter Expiration Date
Valor Public Schools	2018	Texas State Board of Education (SBOE)	July 31, 2033

Valor recently underwent its first charter renewal and was authorized by the Texas State Board of Education (SBOE) for a ten-year contract that runs through July 31, 2033.

Under its original charter, Valor was authorized to serve a maximum of 2,600 K-12th grade students; however, its charter was recently amended, allowing for three key changes, effective July 2023. These include opening two new schools, Valor San Antonio and Valor Leander, under the charter offering grades K-12 and increasing the network-wide enrollment to 4,300 students.

Management & Governance

As per Valor’s bylaws, the number of board members shall be no less than three members and shall meet six to ten times a year. The board currently operates with one officer (a board president) and three additional members. Board terms last for one year and can be renewed annually by the President of the Board. The board brings senior-level leadership experience in areas such as K-12 and college education (operations, curriculum design, and instructional) and software design/IT.

Valor’s eight-person leadership team is headed by the President and CEO, David Williams, who founded the school in 2016. The other members of the team include the COO, CFO, Superintendent of Schools, Director of School Programs, Director of Marketing and Communication, Network Athletic Director, and Chief Growth and Development Officer.

Board biographies, agendas, and minutes can be found on the [Valor website](#).

Enrollment & Student Information

The student count for the Participating Campuses for the past five fiscal years is as follows:

Valor's Participating Campuses Historical Student Enrollment FY19 – FY23

<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>
459	532	577	682	753

For FY23, enrollment totaled 753 students and was solely composed of students from Valor South Austin, as the two other Participating Campuses (Valor San Antonio and Valor Leander) will open in FY24. The Participating Campuses expect to reach enrollment of 3,054 students by FY28.

On a system-wide basis, between FY19 and FY22, student retention averaged 80%; for FY22 student retention was 81%. Waitlist as a percentage of enrollment between FY19 and FY22 averaged 92%; FY23, waitlist as a percentage of enrollment was 124%.

On a system-wide basis, in FY23, 24% of students were eligible for free and reduced lunch (FRL); 34% were students of color; 10% were English language learners; and 8% received special education services.

Academic Program & Results

The Valor curriculum draws upon the best of the classical tradition with an emphasis on both the humanities and advanced math and science. Valor is committed to making a balanced, integrated course of study available to all students, regardless of background or ability. During their time at Valor, all students are expected to memorize poetry, read and discuss the “Great Books”, participate in nature studies, learn Latin, serve in their community, care for plants and animals, explore the fine arts, and have the opportunity to participate in extracurricular clubs and competitive athletics. Teachers employ a wide range of instructional methods, including Socratic discussion, presentation, coaching, and hands-on learning. Because each child is capable of academic success, Valor seeks to offer all students a classroom experience that challenges them to reach their fullest potential and supports them when they encounter struggles.

For FY19, FY21, and FY22, Valor generally outperformed the district and state in ELA and mathematics for both its absolute results and subgroups. (As a result of the Covid-19 pandemic, there were no state tests administered in 2020.) In 2022, proficient and advanced rates for ELA and math for the highest grade tested were 125% and 147%, respectively, as a percentage of the district results. At the same time, the proficient and advanced rates in ELA and math for economically-disadvantaged and Hispanic subgroups in the highest grade tested were at least 109% versus the district and the state for comparable subgroups.

For 2022, Valor's academic accountability rating from the authorizer was an “A”, while the rating for Valor South Austin was a “B”. Both ratings were higher than in 2019, the last time prior to the Covid 19 pandemic ratings were conducted.

The Project

Proceeds of the loan will be used to finance the purchase and Phase 1 and Phase 2 renovations of a building located at 4300 Centerview Drive San Antonio, Texas, and pay costs of issuance associated with the

transaction. The 93,000 sq. ft., four-story building is on a ten-acre parcel located at 4300 Centerview Drive. The current financing will support the first two phases of work allowing for a total capacity of 786 students. A third phase may be conducted in the future.



Financial Information

Certain historical financial information for Valor’s Participating Campuses is listed below.

**Valor’s Participating Campuses
Historical Financial Information**

Metric	FY20	FY21	FY22
Total Revenue (TR)	\$ 5,493,382	\$5,755,418	\$7,545,183
DS Coverage Ratio	3.01x	2.85x	1.78x
Debt Burden (% of TR)	9.9%	9.6%	10.4%
Days Cash on Hand	129.5	171.9	175.2

Rating NR

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

**Valor Public Schools
Security and Loan Covenants**

Security	<p>The Loan is secured by a Master Note issued pursuant to the Borrower's new Master Trust Indenture (MTI). Master Indenture will include a parity pledge of and lien on Borrower's revenues related to the Participating Campuses and all future Schools of the Borrower that become Participating Campuses under the Master Trust Indenture and a deed of trust on 4300 Centerview Drive San Antonio, Texas and future real property added to the Master Indenture and an assignment of construction documents for the construction project.</p> <p>The Master Trustee will enter into an Intercreditor Agreement for the benefit of the Master Indenture as it relates to the Participating Campuses vs. Non-Participating Campuses and the Deposit Account Control Agreement. Borrower is prohibited from creating any other MTI with Texas charter revenue.</p>
Debt Service Coverage Ratio	1.10x
Days Cash on Hand	45 Days
Additional Bonds Test	<ol style="list-style-type: none"> 1) Additional Parity Debt permitted upon the delivery of a Certificate of the Borrower stating that: (x) for the Borrower's most recently completed Fiscal Year audited results, the Debt Service Coverage Ratio equaled at least 1.20 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), the Borrower may deliver an Officer's Certificate stating that, based on the most recently completed Fiscal Year audited results, the Annual Debt Service Coverage Ratio equaled at least 1.20 on all Outstanding and additional Indebtedness. In addition, the Borrower shall not be allowed to issue Additional Parity Debt unless the Borrower is in compliance with the Enrollment Covenant. The anticipated Series 2023 Bonds, in an amount to be determined, will not be required to meet clause (i) or (ii) of the Additional Parity Debt requirement described herein. Such covenant will be based on the annual audit and therefore cover the entirety of Valor. 2) Subordinate Debt and Short-Term Debt are restricted subject to Lender approval or a mutually agreed upon test. 3) Non-MTI Debt, which is Debt that is not secured by a lien on either Available Revenues or Adjusted Revenues or any other part of the Trust Estate but may be secured by a lien on all or any portion of the asset financed therewith, may be incurred in an amount not to exceed 3% of Adjusted Revenues of the Borrower as tested as of the end of each Fiscal Year based on the audited financial statement; provided that the following additional secured Debt shall be permitted: (i) existing debt outstanding in the aggregate principal amount of \$35,596,800 to Schola Building Fund LLC with respect to the Valor North Austin Campus; (ii) existing debt in the aggregate principal amount of \$16,413,000 to Vectra Bank Colorado and \$3,711,000 to Raza Development Fund with regard to Valor Kyle Campus Phase I; and (iii) subject to compliance with the

	<p>additional debt test, secured debt for the purpose of completing the Valor Kyle Campus Phase II project.</p> <p>4) Facility Leases will qualify as debt within the calculation of Debt Service Coverage Ratio.</p> <p>Additional Debt is tested on a system wide basis and not based solely on the Participating Campuses.</p>																
Academic Covenant	<p>Commencing with the 2024 testing year, Borrower covenants to maintain:</p> <ul style="list-style-type: none"> (i) a Texas Education Agency (the “TEA”) overall accountability letter grade of a “B” or better, (ii) a “At Meets Grade Level or Above” proficiency rate in ELA and Math on the State’s STAAR standardized test that exceeds the same metric for each grade tested for all economically disadvantaged students in the specified grade versus all economically disadvantaged students at the Host District (iii) an “At Meets Grade Level or Above” proficiency rate in ELA and Math on the State’s STAAR standardized test that on an all-grade weighted average basis is within 15% of the same metric for all economically disadvantaged students versus all non- economically disadvantaged students at the same School. 																
Enrollment Covenant	<p>The Borrower shall maintain annual enrollment levels at the Participating Campuses, according to fall PEIMS enrollment count and reported to the Lender no later than November 15th of each year, corresponding to the table below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Test Date: November 15th</th> <th>Enrollment Requirement</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>1,397</td> </tr> <tr> <td>2025</td> <td>2,033</td> </tr> <tr> <td>2026</td> <td>2,370</td> </tr> <tr> <td>2027</td> <td>2,609</td> </tr> <tr> <td>2028</td> <td>2,749</td> </tr> <tr> <td>2029</td> <td>2,855</td> </tr> <tr> <td>2030</td> <td>2,873</td> </tr> </tbody> </table>	Test Date: November 15th	Enrollment Requirement	2024	1,397	2025	2,033	2026	2,370	2027	2,609	2028	2,749	2029	2,855	2030	2,873
Test Date: November 15th	Enrollment Requirement																
2024	1,397																
2025	2,033																
2026	2,370																
2027	2,609																
2028	2,749																
2029	2,855																
2030	2,873																
Impact Covenant	<p>Commencing with the 2023-2024 academic year, the Borrower shall:</p> <ul style="list-style-type: none"> (i) achieve a student population at the Valor San Antonio campus of at least 40% Free and Reduced Lunch (FRL). (ii) report the San Antonio FRL percentage to Lender and Borrower’s Board of Directors by July 31, 2024, 2025 and 2026. 																
Philanthropy Covenant	<p>The Borrower shall achieve an annual level of philanthropy, based on independently audited financial statements, corresponding to the philanthropy requirements in table below:</p>																

	Test Date: Fiscal Year End	Projected Philanthropy	Philanthropy Requirement
	2024	\$2,281,350	\$1,825,080
	2025	\$3,427,900	\$2,742,320
	2026	\$1,591,825	\$1,273,460
	2027	\$1,717,650	\$1,374,120
	2028	\$1,415,750	\$1,132,600
	2029	\$1,471,275	\$1,177,020
Debt Burden Covenant	The Borrower shall maintain a debt burden (Adjusted Revenues divided by Annual Debt Service Requirements) of less than 20% (“Debt Burden Requirement”), based on independently audited financial statements. Such covenant is tested on a system wide basis and not based solely on the Participating Campuses.		