



**CONSOLIDATED FINANCIAL REPORT  
JUNE 30, 2020**

# ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Alliance College-Ready Public Schools

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Alliance College-Ready Public Schools and affiliates ("Alliance"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Education Audit Appeals Panel's *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Alliance's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alliance's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Alliance College-Ready Public Schools and affiliates as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alliance's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Singer Lewak LLP". The signature is written in black ink and is positioned above the date.

December 14, 2020

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2020 and 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 86,151,624	\$ 89,990,969
Promises to give	333,333	1,323,334
Related party receivables	5,743,934	85,000
Grants and contracts receivable	21,421,716	18,323,295
Notes receivable	6,378,594	-
Assets limited as to use	12,321,217	12,913,282
Prepaid expenses and other assets	3,021,495	1,996,023
Total current assets	135,371,913	124,631,903
<b>Noncurrent assets</b>		
Promises to give	-	314,443
Notes receivable	-	6,378,594
Deferred rent receivable	914,590	892,906
Assets limited as to use	36,712,356	15,632,852
Other assets	698,951	628,931
Property and equipment, net	248,398,412	249,190,461
Total noncurrent assets	286,724,309	273,038,187
<b>Total assets</b>	<b>\$ 422,096,222</b>	<b>\$ 397,670,090</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 17,570,605	\$ 14,767,759
Notes payable	15,506,944	3,275,040
Total current liabilities	33,077,549	18,042,799
<b>Noncurrent liabilities</b>		
Notes payable	240,159,411	228,529,016
Other liabilities	382,236	479,829
Total noncurrent liabilities	240,541,647	229,008,845
<b>Total liabilities</b>	273,619,196	247,051,644
<b>Net assets</b>		
Without donor restrictions	144,373,833	144,791,872
With donor restrictions	4,103,193	5,826,574
Total net assets	148,477,026	150,618,446
<b>Total liabilities and net assets</b>	<b>\$ 422,096,222</b>	<b>\$ 397,670,090</b>

See notes to consolidated financial statements.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2020

	Without donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Federal revenue	\$ 17,204,098	\$ -	\$ 17,204,098
State revenue	136,323,110	-	136,323,110
Local revenues	37,383,852	-	37,383,852
Private grants and contributions	2,080,870	2,286,751	4,367,621
Rental income	472,661	-	472,661
Other school revenues	383,032	-	383,032
Interest and other income	2,141,142	-	2,141,142
Net assets released from restrictions	<u>4,010,132</u>	<u>(4,010,132)</u>	<u>-</u>
Total revenue and support	<u>199,998,897</u>	<u>(1,723,381)</u>	<u>198,275,516</u>
<b>Expenses</b>			
Program services	183,693,770	-	183,693,770
Supporting services			
General and administrative	15,697,889	-	15,697,889
Fundraising	<u>931,699</u>	<u>-</u>	<u>931,699</u>
Total expenses	<u>200,323,358</u>	<u>-</u>	<u>200,323,358</u>
<b>Change in net assets before other changes</b>	(324,461)	(1,723,381)	(2,047,842)
<b>Other changes</b>			
Repayment of grant advance	<u>(93,578)</u>	<u>-</u>	<u>(93,578)</u>
<b>Change in net assets after other changes</b>	(418,039)	(1,723,381)	(2,141,420)
<b>Net assets, beginning of year</b>	<u>144,791,872</u>	<u>5,826,574</u>	<u>150,618,446</u>
<b>Net assets, end of year</b>	<u><b>\$ 144,373,833</b></u>	<u><b>\$ 4,103,193</b></u>	<u><b>\$ 148,477,026</b></u>

See notes to consolidated financial statements.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2019**

	Without donor Restrictions	With Donor Restrictions	2019 Total
<b>Revenue and support</b>			
Federal revenue	\$ 18,740,729	\$ -	\$ 18,740,729
State revenue	141,251,143	-	141,251,143
Local revenues	31,780,242	-	31,780,242
Private grants and contributions	1,818,744	4,305,212	6,123,956
Rental income	464,703	-	464,703
Other school revenues	984,745	-	984,745
Interest and other income	2,517,957	-	2,517,957
Net assets released from restrictions	<u>6,964,200</u>	<u>(6,964,200)</u>	<u>-</u>
Total revenue and support	<u>204,522,463</u>	<u>(2,658,988)</u>	<u>201,863,475</u>
<b>Expenses</b>			
Program services	180,656,711	-	180,656,711
Supporting services			
General and administrative	13,646,592	-	13,646,592
Fundraising	<u>1,308,717</u>	<u>-</u>	<u>1,308,717</u>
Total expenses	<u>195,612,020</u>	<u>-</u>	<u>195,612,020</u>
<b>Change in net assets before other changes</b>	8,910,443	(2,658,988)	6,251,455
<b>Other changes</b>			
Loss on abandonment of real estate	(1,047,700)	-	(1,047,700)
Gain on debt extinguishment	9,288,895	-	9,288,895
Repayment of grant advance	(557,301)	-	(557,301)
Loss on uncollectable promises to give	<u>(750,000)</u>	<u>-</u>	<u>(750,000)</u>
<b>Change in net assets after other changes</b>	15,844,337	(2,658,988)	13,185,349
<b>Net assets, beginning of year</b>	<u>128,947,535</u>	<u>8,485,562</u>	<u>137,433,097</u>
<b>Net assets, end of year</b>	<u>\$ 144,791,872</u>	<u>\$ 5,826,574</u>	<u>\$ 150,618,446</u>

See notes to consolidated financial statements.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended June 30, 2020 and 2019**

	<b>2020</b>				
	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 118,221,723	\$ 7,911,548	\$ 560,466	\$ 8,472,014	\$ 126,693,737
Books and supplies	12,814,447	81,657	3,249	84,906	12,899,353
Depreciation and amortization	8,475,109	318,634	-	318,634	8,793,743
Facilities, repairs, and other leases	4,647,993	1,041,624	64,307	1,105,931	5,753,924
Interest	12,443,566	-	-	-	12,443,566
Operations and housekeeping	9,341,395	1,165,151	35,920	1,201,071	10,542,466
Professional services	8,841,307	5,134,435	267,757	5,402,192	14,243,499
Pupil services	8,908,230	44,840	-	44,840	8,953,070
<b>Total expenses by function</b>	<b>\$ 183,693,770</b>	<b>\$ 15,697,889</b>	<b>\$ 931,699</b>	<b>\$ 16,629,588</b>	<b>\$ 200,323,358</b>

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	<b>2019</b>				
	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 108,990,897	\$ 7,386,687	\$ 740,323	\$ 8,127,010	\$ 117,117,907
Books and supplies	14,039,501	104,851	9,466	114,317	14,153,818
Depreciation and amortization	9,351,786	217,068	-	217,068	9,568,854
Facilities, repairs and other leases	4,926,338	997,822	98,023	1,095,845	6,022,183
Interest	12,855,486	403	-	403	12,855,889
Operations and housekeeping	10,708,347	1,631,006	103,872	1,734,878	12,443,225
Professional services	8,910,607	3,264,403	357,033	3,621,436	12,532,043
Pupil services	10,873,749	44,352	-	44,352	10,918,101
<b>Total expenses by function</b>	<b>\$ 180,656,711</b>	<b>\$ 13,646,592</b>	<b>\$ 1,308,717</b>	<b>\$ 14,955,309</b>	<b>\$ 195,612,020</b>

See notes to consolidated financial statements.



**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (2,141,420)	\$ 13,185,349
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	8,349,894	8,006,603
Amortization of deferred financing costs and bond discount/premium cost	921,693	1,562,249
Accretion expense	18,901	17,021
Repayment of grant advance	93,578	557,301
Gain on debt extinguishment	-	(9,288,895)
Loss on uncollectable promises to give	-	750,000
Loss on abandonment of building improvements and construction in process	-	1,037,540
Changes in operating assets and liabilities:		
Promises to give	1,296,343	880,313
Related party receivables	(5,658,934)	-
Grants and contracts receivable	(3,098,421)	(1,853,578)
Prepaid expenses and other current assets	(1,025,472)	1,498,916
Deferred rent receivable	(21,684)	(26,456)
Other noncurrent assets	(70,020)	(360,768)
Accounts payable and accrued expenses	2,709,272	480,132
Other noncurrent liabilities	(116,494)	(38,407)
Net cash provided by operating activities	<u>1,257,236</u>	<u>16,407,320</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(7,549,754)	(7,476,644)
Proceeds from sale of property and equipment	-	634,454
Proceeds from notes receivable	-	63,159
Net cash used in investing activities	<u>(7,549,754)</u>	<u>(6,779,031)</u>
<b>Cash flows from financing activities</b>		
Borrowings on debts	33,186,062	-
Principal payments on debt	(10,245,450)	(24,513,488)
Net cash provided by (used in) financing activities	<u>22,940,612</u>	<u>(24,513,488)</u>
<b>Net change in cash, cash equivalents, and restricted cash</b>	16,648,094	(14,885,199)
<b>Cash, cash equivalents, and restricted cash, beginning of year</b>	<u>118,537,103</u>	<u>133,422,302</u>
<b>Cash, cash equivalents, and restricted cash, end of year</b>	<u><b>\$ 135,185,197</b></u>	<u><b>\$ 118,537,103</b></u>
<b>Supplemental schedule of noncash financing activities</b>		
Deferred financing costs acquired through issuance of debt	<u><b>\$ 1,073,670</b></u>	<u><b>\$ 614,492</b></u>
Settlement of notes receivable	<u><b>\$ -</b></u>	<u><b>\$ 15,012,675</b></u>
<b>Schedule of supplemental cash flow information</b>		
Cash paid for interest	<u><b>\$ 7,582,723</b></u>	<u><b>\$ 6,633,018</b></u>

See notes to consolidated financial statements.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**NOTE 1 – ORGANIZATION**

Alliance College-Ready Public Schools (Alliance) is a nonprofit charter management organization committed to creating high-performance, small, college-ready middle schools and high schools in California. Alliance has had a local presence, an extended history and credibility in the California market and education reform efforts since 1999. Alliance launched its mission to create small, high-performance charter schools in 2003. The first Alliance high school opened its doors in August 2004.

The mission of Alliance is to open and operate a network of small, high-performing high schools and middle schools in low income communities in California with historically under-performing schools that will annually demonstrate student academic achievement growth, and graduate students ready for success in college. Alliance’s goal is to open high schools of 500 to 600 students and middle schools of 375 to 450 students. Alliance strives to truly change the life trajectories of its scholars and communities, with a goal of 75% of Alliance graduates completing a four-year college degree.

Alliance’s five core values build a strong school culture where Alliance principals, teachers, staff, and parents work together to prepare scholars for success in college and future careers. Alliance schools provide powerful learning experiences through interdisciplinary projects and integration of real-world applications into the classroom. Close relationships between scholars, teachers, and staff encourage teamwork and accountability while ensuring that no scholar slips through the cracks.

*High Expectations for All Scholars* – challenging, standards-based curriculum is premised on the belief that all scholars can perform at high levels.

*Small Personalized Learning Environments* – each scholar is part of an advisory group of about 25 scholars. Scholars thrive where they develop close relationships with teachers and all adults in the building.

*Increased Instructional Time* – longer school year and school days adding up to 38 more school days per year than local public schools. Uninterrupted two-hour block courses to encourage deeper focus and discovery.

*Highly Qualified Educators* – all staff are held accountable for scholar success and uses data to appraise improvement efforts. Extensive training programs for school leaders to better support highly motivated educational innovators.

*Parents as Partners* – Parent Engagement Specialists at each school are highly involved in training and engaging parents to ensure that learning does not end with the school day.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The consolidated financial statements of Alliance include the accounts of Alliance and its wholly-owned subsidiaries:

- Alliance College-Ready Public Schools
- 1918 Broadway Charter Financing LLC
- Alliance Community Impact LLC
- Alliance Schools R.E. Holdings LLC
- 113 S. Rowan Charter Financing LLC

The consolidated financial statements of Alliance also include the accounts of Alliance for College-Ready Public Schools Facilities Corporation and its wholly-owned subsidiaries (“Alliance Facilities”):

- Alliance for College-Ready Public Schools Facilities Corporation
- 5151 Titan LLC
- 1918 Broadway Charter Facilities LLC
- 7907 Santa Fe Avenue Charter Facilities LLC
- 1552 Rockwood Street Charter Facilities LLC
- 113 S. Rowan Charter Facilities LLC
- 2023 Union LLC
- 1111 W. Manchester Charter Facilities LLC
- 10704 Wilmington LLC
- 10101 Broadway Charter Facilities LLC
- 3640 East 1<sup>st</sup> Street Charter Facilities LLC
- 54th Street Lions LLC
- 11410 Avalon LLC
- 4610 S. Main Street Charter Facilities LLC
- 5886 Compton Avenue Charter Facilities LLC
- 49th And Main Charter Facilities LLC
- 461 W. 9th Street Charter Facilities LLC
- 11933 Allegheny Charter Facilities LLC
- 2071 HP Saturn LLC
- 9719 Main Street Charter Facilities LLC
- 70<sup>th</sup> Street Charter Facilities LLC

The subsidiaries are set up for the purpose of holding and managing the real estate property built or acquired to house Alliance schools. All material intercompany accounts and transactions of the consolidated subsidiaries have been eliminated in consolidation.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation (Continued)

The consolidated financial statements include the following schools:

- Alliance Gertz-Ressler High School/Richard Merkin 6–12 Complex
- Alliance Collins Family College-Ready Academy High School
- Alliance Judy Ivie Burton Technology Academy High School
- Alliance Marc and Eva Stern Math and Science School
- Alliance Dr. Olga Mohan High School
- Alliance Patti and Peter Neuwirth Leadership Academy
- Alliance Ouchi – O’Donovan 6–12 Complex
- Alliance Piera Barbaglia Shaheen Health Services Academy
- Alliance Morgan McKinzie High School
- Alliance Leichtman-Levine Family Foundation Environmental Science High School
- Alliance Cindy and Bill Simon Technology Academy High School
- Alliance Tennenbaum Family Technology High School
- Alliance Susan and Eric Smidt Technology High School
- Alliance Ted K. Tajima High School
- Alliance Renee and Meyer Luskin Academy High School
- Alliance Margaret M. Bloomfield Technology Academy High School
- Alliance Alice M. Baxter College-Ready High School
- Alliance Jack H. Skirball Middle School
- Alliance College-Ready Middle Academy No. 4
- Alliance College-Ready Middle Academy No. 5
- Alliance College-Ready Middle Academy No. 8
- Alliance Kory Hunter Middle School
- Alliance Virgil Roberts Leadership Academy
- Alliance College-Ready Middle Academy No. 12
- Alliance Marine – Innovation and Technology 6-12 Complex

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

Alliance considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for other long-term purposes or contractually restricted are excluded from this definition.

As of June 30, 2020 and 2019, a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of corresponding amounts within the statements of cash flows is as follows:

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 86,151,624	\$ 89,990,969
Assets limited as to use, current portion	12,321,217	12,913,282
Assets limited as to use, noncurrent portion	36,712,356	15,632,852
	<b><u>\$135,185,197</u></b>	<b><u>\$118,537,103</u></b>

Promises to Give

Alliance records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Conditional contributions are recorded as support in the period the condition is met.

Alliance determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2020 and 2019, Alliance deemed no allowance was required.

Grant and contracts Receivable

Grant and contract receivable consist primarily of monies due from federal, state, and local funding sources. Alliance reports the receivables at net realizable value. Alliance has not recorded an allowance for doubtful accounts due to high historical collection rates.

Property and Equipment

Property and equipment over \$1,000 or combined purchases of \$5,000, are stated at cost, or if donated, at fair market value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 2 to 50 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. Interest on borrowings used to fund property construction is amortized over the life of the asset.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Impairment of Long-lived Assets

Alliance reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment would be recorded in circumstances where undiscounted cash flows expected to be generated by an asset are less than the carrying value of that asset. As of June 30, 2020 and 2019, there were no events or changes in circumstances indicating the carrying amount of long-lived assets may not be recoverable.

Deferred Financing Costs

Costs incurred in obtaining long-term financing are amortized over the life of the debt for which they pertain. Debt issuance costs are presented in the consolidated statements of financial position as a direct deduction from the carrying amount of debt.

Income Taxes

Alliance is exempt from federal and state income taxes under Internal Revenue Code §501(c)(3) and California Revenue and Taxation Code §23701(d). Accordingly, no provision for income taxes is included in the accompanying financial statements. Alliance, its subsidiaries and its affiliates file annual informational tax returns in the U.S. federal and California jurisdictions. Management has analyzed the tax positions taken by Alliance, and has concluded that, as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Alliance is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and that may be expendable for any purpose in performing the primary objectives of Alliance.
- Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition

Revenue is recognized when earned. A portion of revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Alliance incurs expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. A portion of the funding is based upon the average daily attendance (ADA) of each school.

Alliance recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Certain expenses that are associated with the program or supporting service have been allocated among the program and supporting services benefited based on estimates of time and effort.

Fair Value of Financial Instruments

U.S. GAAP defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. In addition to defining fair value, U.S. GAAP expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Alliance's financial asset or liability measured at fair value is cash and cash equivalents and assets limited as to use, which have been valued based on quoted prices utilizing market observing inputs for identical assets (Level 1).

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Concentrations of Risk

Alliance manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by Alliance to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market and mutual funds. To date, Alliance has not experienced losses in any of these accounts.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of Alliance's mission.

Federal, state, and local funding accounted for approximately 95% total consolidated revenue for the years ended Jun 30, 2020 and 2019.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02 one year, making it effective for fiscal years beginning after December 15, 2019. Management believes the impact of its pending adoption of the new standard on its financial statements will be minimal.

In November 2019, the FASB issued ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, which delays the effective date of ASU 2016-13 for certain entities. The new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Alliance is currently evaluating the impact on its financial statements.



**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Recently Adopted Accounting Pronouncements

During the year ended June 30, 2020, Alliance adopted ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides clarification and improvement on the scope and the accounting guidance for contributions received and contributions made. Alliance adopted this ASU using the modified retrospective approach. The adoption of this ASU did not have a material effect on the financial statements.

**NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of June 30, 2020 and 2019, the following table reflects Alliance’s financial assets available to meet general expenditures within one year of the statement of financial position.

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 86,151,624	\$ 89,990,969
Promise to give	333,333	1,323,334
Related party receivables	5,734,934	85,000
Grants and contracts receivable	21,421,716	18,323,295
Financial assets available to meet general Expenditures within one year	<b>\$113,650,607</b>	<b>\$109,722,598</b>

Alliance considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Alliance manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

**NOTE 4 – GRANT AND CONTRACTS RECEIVABLE**

Grant and contracts receivable consisted of the following at June 30:

	<b>2020</b>	<b>2019</b>
Federal revenue	\$ 1,313,045	\$ 1,723,401
State apportionment and other state revenue	16,392,002	14,093,640
Local revenue	3,716,669	2,506,254
	<b>\$ 21,421,716</b>	<b>\$ 18,323,295</b>

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
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**NOTE 5 – ASSETS LIMITED AS TO USE**

Assets limited as to use consists of cash and cash equivalents held by several trustees for reserve fund requirements for long-term debt (see Note 8) and consisted of the following at June 30:

	<b>2020</b>	<b>2019</b>
Facilities maintenance reserve	\$ 1,350,426	\$ 1,504,312
Sinking funds and bond reserve	35,361,932	14,128,270
Construction draws and interest payments	9,401,391	9,767,330
Funds restricted to support specific initiatives	2,919,824	3,145,952
	49,033,573	2,545,864
Less current portion	<u>(12,321,217)</u>	<u>(12,913,282)</u>
<b>Noncurrent portion</b>	<b><u>\$ 36,712,356</u></b>	<b><u>\$ 15,632,582</u></b>

**NOTE 6 – NOTES RECEIVABLE AND NEW MARKET TAX CREDIT**

The New Market Tax Credit (NMTC) Program, a federal subsidy program for economic development of depressed areas. Due to new market tax credit requirements, certain property is restricted and secured for the related debt and cannot be sold until seven years have lapsed. See Note 7 for further details.

On December 5, 2013, 113 S. Rowan Charter Facilities LLC (“Rowan Facilities”) entered into a 30-year NMTC loan agreement (the “Agreement”) for \$6,378,594, which together with the equity investment by Chase Community Equity LLC in the amount of \$3,107,404 in Chase NMTC Alliance #8 Investment Fund LLC, an unaffiliated organization, which in turn loaned the funds to ExEd Facilities XII LLC and CSCDC 4 LLC, (collectively, “CDE Ex”). CDE Ex loaned the funds to Rowan Facilities through three notes: Note A in the amount of \$4,368,067, Note B in the amount of \$2,908,795 and Note C in the amount of \$1,485,406.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	<b>2020</b>	<b>2019</b>
Land	\$ 57,051,226	\$ 55,588,015
Buildings and building improvements	218,912,950	199,669,045
Construction in progress	1,360,500	16,412,746
Furniture and equipment	10,984,869	11,674,075
Software	760,736	1,360,293
	289,070,281	284,704,174
Accumulated depreciation	(40,671,869)	(35,513,713)
<b>Total</b>	<b>\$248,398,412</b>	<b>\$249,190,461</b>

As discussed in Note 10, Alliance has built a school facility on land that is leased from the Trustees of the California State University (the “Trustees”). This lease expires on June 30, 2048, at which point the facility will revert to the Trustees. The carrying value of the facility included in property and equipment at June 30 is as follows:

	<b>2020</b>	<b>2019</b>
Buildings and building improvements	\$ 12,730,483	\$ 12,730,483
Accumulated depreciation	(3,713,058)	(3,394,796)
<b>Total</b>	<b>\$ 9,017,425</b>	<b>\$ 9,335,687</b>

As of June 30, 2020 and 2019, Alliance has contractually restricted land, property, and leasehold improvements totaling \$7,572,450. The restriction ends on December 5, 2020 for 113 S. Rowan Charter Facilities LLC.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 8 – NOTES PAYABLE**

Notes payable consist of the following at June 30:

	<b>2020</b>	<b>2019</b>
ExEd Facilities XII LLC promissory notes – Loan A-1 and B-1 of \$2,344,000 and \$898,268 mature on December 5, 2020 and December 5, 2043, respectively, with an interest rate of 4.21% per annum with interest-only payments due monthly, secured by a trust deed on the 113 S. Rowan Charter Facilities LLC property.	\$ 3,242,268	\$ 3,242,268
Senior loan with JP Morgan Chase Bank totaling \$3,200,000, paid-in-full.	-	2,296,760
Subordinated promissory note to Loan Initiatives Support Corporation totaling \$3,000,000, paid-in-full.	-	3,000,000
Subordinated loan payable totaling \$280,250 to Charter School Financing Partnership, bearing 0% interest, unless there is default, at which time the loan will bear interest of 3% per annum. Principal will be paid monthly, with the final installment due in February 2022. The loan is secured by a trust deed on the 4610 S. Main Street property.	126,825	200,250
Various bond payables, including Series 2011 A, 2011B RB-3, and 2011B RB-4 totaling \$7,676,275, \$1,690,474, and \$2,339,216, respectively, to the Community Development Trust, LP, bearing interest at a rate of 6.6% per annum with interest payments due quarterly. The note matures on September 15, 2030, at which time all unpaid principal and interest becomes due. The notes are secured by a trust deed on the 1918 Broadway Charter Financing LLC property.	11,705,965	11,705,965
California School Finance Authority Charter School Revenue Bonds, 2014 Series A and B – Term bonds of \$5,000,000 and \$3,975,000 mature on March 15, 2034, with an interest rate of 5.74% and 7.75% per annum, respectively; secured by a trust deed on the 461 W. 9 <sup>th</sup> Street Charter Facilities LLC property.	8,784,173	8,863,359

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 8 – NOTES PAYABLE (Continued)**

	<b>2020</b>	<b>2019</b>
<p>California School Finance Authority Charter School Revenue Bonds, Series 2013 – Term bonds of \$10,750,000 maturing on June 15, 2034, with an interest rate of 5.35%, secured by a trust deed on the 7907 Santa Fe Avenue Charter Facilities LLC property.</p>	\$ 10,750,000	\$ 10,750,000
<p>California Statewide Communities Development promissory notes – Loans A-2, B-2 and C-2 of \$2,024,067, \$2,010,527 and \$1,485,406, respectively. Loans A-2 and B-2 mature on December 5, 2020 and Loan C-2 matures on December 5, 2043, and all outstanding principal and interest is due in full at that time. The Loans carry an interest rate of 3.55%, and are secured by a trust deed on the 113 S. Rowan Charter Facilities LLC property.</p>	5,520,000	5,520,000
<p>California School Finance Authority School Facility Revenue Bonds: Series 2015A bond issued for \$55,260,000, matures July 1, 2045, with an interest rate of 3% to 5% plus an original premium of \$3,216,960. Secured by trust deed on properties. Series 2016A bond issued for \$19,100,000, matures July 1, 2051 with an interest rate of 3% to 5% plus an original premium of \$2,766,371. Series 2016C bond issued for \$57,995,000, matures July 1, 2052, with an interest rate of 3% to 5.00% less an original discount of \$109,096. Series 2016D bond issued for \$335,000 matures on July 1, 2020, with an interest rate of 5.25%. The bonds are secured by trust deeds on properties.</p>	134,696,431	136,636,675
<p>California Statewide Communities Development Authority School Facility Revenue Bonds, Series 2011 – Term bonds of \$2,750,000 mature on July 1, 2022, with an interest rate of 5.875% per annum; term bonds of \$4,125,000 maturing July 1, 2031, with an interest rate of 6.75% per annum; term bonds of \$15,690,000 mature on July 1, 2046, with an interest rate of 7% per annum less an original discount of \$487,008. The bonds are secured by a trust deed on property.</p>	20,324,404	20,594,530

# ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020 and 2019

### NOTE 8 – NOTES PAYABLE (Continued)

	<u>2020</u>	<u>2019</u>
California Statewide Communities Development Authority School Facility Revenue Bonds, Series 2012 – Term bonds of \$475,000 maturing on July 1, 2022, with an interest rate of 5.125% per annum; term bonds of \$1,820,000 mature July 1, 2032, with an interest rate of 6.1% per annum; term bonds of \$6,160,000 mature on July 1, 2047, with an interest rate of 6.375% per annum. The bonds are secured by a trust deed on property.	\$ 8,165,000	\$ 8,215,000
California School Finance Authority School Facilities Revenue Bonds Statewide Communities Development Authority Insured Educational Facilities Revenue Bonds, 2014 Series A – Term bonds of \$15,690,000 mature on July 1, 2048 with an interest rate of 5.25% to 6.40%. The bonds are secured by a trust deed on property.	14,490,362	14,680,554
Charter School Facilities Grant totaling \$4,612,506 and \$10,134,671, respectively, bearing interest at a rate of 2% per annum. Payment terms to be determined upon operations of charter school facilities in which the proceeds were used.	10,471,234	10,850,549
Promissory note to PCSD 1111 West Manchester Ave LLC for \$1,450,000 maturing on July 1, 2024. The note is non-interest bearing, principal payments of \$207,000 are due annually commencing on July 1, 2018; secured by trust deeds properties.	829,000	1,036,000
Alliance Facilities Corp entered into a loan agreement with Equitable Facilities Fund and borrowed \$26,916,709 on December 6, 2019 bearing interest at a rate of 5% per annum plus an original premium of \$1,038,352. On December 6, 2019, \$5,231,002 of the EFF funds were deposited into an escrow fund which in turn invested in the Alliance 2019-1 Trust. The Alliance 2019-1 Trust used the funds to make a \$5,231,002 loan to the Rowan Financing LLC.	5,231,000	-

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 8 – NOTES PAYABLE (Continued)**

Alliance Facilities Corp entered into a loan agreement with Equitable Facilities Fund and borrowed \$26,916,709 on December 6, 2019 bearing interest at a rate of 5% per annum plus an original premium of \$1,038,352.

	\$ 27,703,860	\$ _____ -
	262,040,522	237,591,910
Less deferred financing cost	(6,374,167)	(5,787,854)
Less current portion	<u>(15,506,944)</u>	<u>(3,275,040)</u>
<b>Total noncurrent notes payable</b>	<b><u>\$240,159,411</u></b>	<b><u>\$228,529,016</u></b>

In conjunction with certain long-term debt agreements, Alliance has agreed, among other things, to (1) maintain certain debt coverage ratios, (2) maintain certain insurance coverage limits and (3) limit the amount of liens, except those in favor of the lender. At June 30, 2020, Alliance was in compliance with the consolidated covenant requirements, although one individual school did not meet a particular covenant. An independent consultant may be engaged if a majority of the debt holders so choose. At June 30, 2020, Alliance complied with all of its reporting requirements under its debt agreements.

As of June 30, 2020, aggregate future maturities of long-term debt and sinking fund requirements for each of the next five years ending June 30 and thereafter are as follows:

2021	\$ 15,506,944
2022	4,109,472
2023	4,307,850
2024	4,603,315
2025	8,058,899
Thereafter	<u>219,689,494</u>
	256,275,974
Bond premiums, net	5,764,548
Less deferred financing cost	<u>(6,374,167)</u>
<b>Total</b>	<b><u>\$255,666,355</u></b>

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2020 and 2019 are restricted by donors for the following purposes or periods:

	<b>2020</b>	<b>2019</b>
Facilities	\$ 29,867	\$ 669,484
Graduate scholarships	734,629	974,577
School operations	740,575	518,337
Professional development	292,390	373,337
School programs	461,632	481,819
Technology	<u>1,286,598</u>	<u>1,388,742</u>
	3,545,691	4,406,296
Passage of time	<u>557,502</u>	<u>1,420,278</u>
	<b><u>\$ 4,103,193</u></b>	<b><u>\$ 5,826,574</u></b>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, or by occurrence of the passage of time or other events specified by the donors, as follows for the years ended June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Facilities	\$ 714,837	\$ 1,777,107
Graduate scholarships	585,104	492,412
School operations	1,079,991	2,083,937
Professional development	80,947	30,028
School programs	341,276	547,020
Technology	<u>102,144</u>	<u>180,863</u>
	2,904,299	5,111,367
Passage of time	<u>1,105,833</u>	<u>1,852,833</u>
	<b><u>\$ 4,010,132</u></b>	<b><u>\$ 6,694,200</u></b>



**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
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**NOTE 10 – RENTAL INCOME UNDER OPERATING LEASES**

An unrelated party leases a portion of the property located at 2021 Saturn Avenue, Huntington Park, California, under a noncancelable operating lease. The lease requires monthly base payments of \$24,600, plus supplemental rent equal to 20% of all facility reimbursements from the federal and state government received by the lessee. The lease expires on June 30, 2042 and has two options to extend with terms of ten years each. The future minimum rentals to be received under this noncancelable operating lease at June 30, 2020 are as follows:

Years Ending <u>June 30,</u>	
2021	\$ 435,464
2022	440,907
2023	446,419
2024	451,999
2025	457,649
Thereafter	<u>8,615,186</u>
	<b><u>\$ 10,847,624</u></b>

The total carrying value of the Alliance’s investment in property under operating leases included in property and equipment at June 30 is as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 7,000,000	\$ 7,000,000
Buildings and building improvements	6,845,647	6,845,647
Accumulated depreciation	<u>(1,840,569)</u>	<u>(1,695,760)</u>
	<b><u>\$ 12,005,078</u></b>	<b><u>\$ 12,149,887</u></b>

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

Leases

Alliance has a ground lease agreement with the Trustees of the California State University (the “Trustees”) for the use of a lot on which Alliance built a school facility and leased to one of the Alliance-affiliated schools. The lease expires June 30, 2048. There is no lease payment required under this lease; instead, at the end of the lease term or upon termination, all right, title and interest in and to all improvements and equipment constructed or installed shall be transferred to the California State University. The related party income and expense has been eliminated upon consolidation.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)**

Leases (Continued)

In addition, Alliance is obligated to establish an Extraordinary Repair Fund (the “Fund”) in an interest-bearing state trust account for the purpose of replacement or renewal of the assets constructed on the site or for the cost of demolition. Annual installment payments into the Fund of \$25,000 and \$75,000 start in fiscal years 2017 and 2034, respectively, and will continue until the end of the lease term, or until the Fund reaches \$1,500,000. If the balance in the Fund exceeds the total costs of renewal or demolition upon the termination of the lease, the excess balance is to be refunded to Alliance. As of June 30, 2020 and 2019, Alliance has recorded an asset retirement obligation of \$378,385 and \$359,484, respectively, relating to this lease.

Alliance has a ground lease agreement with a third party for the use of a lot on which Alliance built a school facility. Lease payments required under the lease are payable at a rate of \$13,200 per month through August 31, 2049.

Rent expense related to these leases for both years ended June 30, 2020 and 2019 was \$2,570,939, and is included within “Facilities, repairs and other leases” on the accompanying consolidated statements of functional expenses.

Alliance is obligated under various noncancelable operating lease agreements for equipment, office, and school facilities. The leases require monthly payments ranging from \$539 to \$54,167 and expire through August 2024. Several of the leases have options to extend the terms from one to five years, per the agreement. The future minimum lease payments required under these noncancelable leases at June 30, 2020 are as follows:

Years Ending <u>June 30,</u>		
2021		\$ 1,277,135
2022		758,202
2023		700,000
2024		700,000
2025		<u>87,500</u>
<b>Total</b>		<b><u>\$ 3,522,837</u></b>

Legal Proceedings

Alliance is, from time to time, the subject of litigation, claims and assessments arising out of matters occurring in its normal business operations. Alliance has insurance coverage to provide protection against certain contingencies. In the opinion of management, resolution of these matters will not have a material adverse effect on the Alliance’s financial position or results of operations.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
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**NOTE 12 – EMPLOYEE RETIREMENT PLANS**

Qualified employees are covered under multiple-employer defined-benefit pension plans maintained by agencies of the State of California (the “State”). Academic employees are members of the State Teachers’ Retirement System (STRS), and classified employees are members of the Public Employees’ Retirement System.

The risks of participating in these multiemployer defined-benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer and state contribution rates are set by the California Legislature and detailed in Teachers’ Retirement Law and the Public Employees’ Retirement Law, and (c) if Alliance-affiliated schools choose to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The Alliance-affiliated schools have no plans to withdraw from these multiemployer plans.

Copies of the STRS annual financial report may be obtained from the STRS’s headquarter, 100 Waterfront Place, West Sacramento, California 95605 and [www.calstrs.com](http://www.calstrs.com).

*Funding Policy*

Active plan members hired on or before December 31, 2012 and on or after January 1, 2013 are required to contribute 9.20% and 8.56% of their salaries, respectively. The Alliance-affiliated schools are required to contribute at an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers’ Retirement Board. The required employer contribution rate for fiscal years 2020 and 2019 was 17.55% and 16.28% of annual payroll, respectively. The contribution requirements of the plan members are established and may be amended by State statute.

Alliance-affiliated schools’ contributions to STRS for each of the last three years were as follows:

<u>Years Ended</u> <u>June 30,</u>	<u>Required</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2018	\$ 9,016,913	14.43%	100%
2019	\$ 10,557,090	16.28%	100%
2020	\$ 11,551,499	17.55%	100%

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
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**NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)**

Public Employees’ Retirement System (CalPERS)

*Plan Description*

Alliance-affiliated schools contribute to the School Employer Pool under the California Public Employees’ Retirement System (CalPERS), a cost-sharing, multiple-employer, public employee retirement system defined-benefit pension plan administered by CalPERS (Plan EIN 94-6207465). The plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes required supplementary information. According to the most recently available Schools Pool Actuarial Valuation Report for the year ended June 30, 2019, the Schools Pool total plan assets are \$68.2 billion, the total actuarial present value of accumulated plan benefits is \$117.8 billion, contributions from all employers totaled \$3.5 billion, and the plan is 68.5% funded. The Alliance-affiliated schools did not contribute more than 5% of the total contributions to the plan.

Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811 and [www.calpers.ca.gov](http://www.calpers.ca.gov).

*Funding Policy*

Active plan members are required to contribute 7.00% of their salaries for PEPRA or Classic status, respectively; currently, the Alliance-affiliated schools contribute the employees’ portion for California School Employees Association and confidential staff members. The Alliance-affiliated schools are required to contribute at an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The Alliance-affiliated schools’ contribution rate to CalPERS for fiscal years 2020 and 2019 was 25.81% and 18.06%, respectively.

The Alliance-affiliated schools’ contributions to CalPERS for each of the last three fiscal years were as follows:

<u>Years Ended June 30,</u>	<u>Required Contribution</u>	<u>Employer Contribution</u>	<u>Percent Contributed</u>
2018	\$ 2,346,116	15.531%	100%
2019	\$ 2,443,423	18.062%	100%
2020	\$ 2,950,700	25.810%	100%

The State of California may make additional direct payments for retirement benefits to STRS or CalPERS on behalf of all participating employers in the State. The revenue and expenditures associated with these payments, if any, have not been included in these financial statements.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
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**June 30, 2020 and 2019**

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**NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)**

Defined-contribution Plan

Eligible employees of Alliance can participate in a 403(b) plan sponsored by Alliance. Participants can elect to contribute up to 5% of their pretax annual compensation, as defined in the Plan, subject to Section 403(b) of the Internal Revenue Code contribution limitations. For corporate participants, Alliance makes a matching contribution of 5% of the participant's eligible salary. Alliance's total contribution for the years ended June 30, 2020 and 2019 was \$556,761 and \$485,217, respectively.

**NOTE 13 – SUBSEQUENT EVENTS**

Alliance has evaluated subsequent events and transactions through December 14, 2020, the date on which the financial statements were issued.

On September 23, 2020, the board of directors voted on the closure of Alice M. Baxter College-Ready High School and Alliance College-Ready Middle Academy 5, effective June 30, 2021.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may have an impact on Alliance's operations. Alliance expects circumstances to continue to evolve depending on the duration and degree of impact associated with the COVID-19 pandemic. Alliance is closely monitoring and actively working to minimize impacts of the pandemic across its operations.

## **SUPPLEMENTARY INFORMATION**

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS FINANCIAL POSITION**  
**June 30, 2020**

<b>ASSETS</b>	Alliance College- Ready Public Schools	Alliance Gertz- Ressler Richard Merkin 6-12 Complex	Alliance Collins Family College- Ready High	Alliance Judy Ivie Burton Technology Academy High	Alliance Marc & Eva Stern Math and Science	Alliance Dr. Olga Mohan High
<b>Current assets</b>						
Cash and cash equivalents	\$ 18,924,076	\$ 1,649,718	\$ 7,455,155	\$ 7,443,524	\$ 4,890,125	\$ 4,743,715
Promises to give	333,333	-	-	-	-	-
Related party receivable	505,000	-	-	-	-	-
Grants and contracts receivable	170,877	1,985,259	1,109,501	1,176,963	1,106,012	781,434
Due from related parties	15,024,867	392,362	(58,993)	(245,569)	(126,431)	(88,564)
Assets limited to use	2,919,825	1,326,863	-	-	-	-
Prepaid expenses and other assets	437,642	58,126	18,538	49,458	9,553	12,842
<b>Total current assets</b>	<b>38,315,620</b>	<b>5,412,328</b>	<b>8,524,201</b>	<b>8,424,376</b>	<b>5,879,259</b>	<b>5,449,427</b>
<b>Noncurrent assets</b>						
Related party note receivable	2,670,973	-	-	-	-	-
Deferred rent receivable	-	297,831	-	-	-	-
Other assets	50,628	-	12,563	-	14,715	-
Investments in affiliates	4,160,420	-	-	-	-	-
Property and equipment, net	522,002	3,681,690	1,000,500	819,005	547,304	538,682
<b>Total noncurrent assets</b>	<b>7,404,023</b>	<b>3,979,521</b>	<b>1,013,063</b>	<b>819,005</b>	<b>562,019</b>	<b>538,682</b>
<b>Total assets</b>	<b>\$ 45,719,643</b>	<b>\$ 9,391,849</b>	<b>\$ 9,537,264</b>	<b>\$ 9,243,381</b>	<b>\$ 6,441,278</b>	<b>\$ 5,988,109</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current liabilities</b>						
Accounts payable and accrued expense	\$ 1,952,968	\$ 765,485	\$ 475,201	\$ 470,087	\$ 471,062	\$ 1,058,788
Debt, current portion	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>1,952,968</b>	<b>765,485</b>	<b>475,201</b>	<b>470,087</b>	<b>471,062</b>	<b>1,058,788</b>
<b>Noncurrent liabilities</b>						
Notes payable	-	-	-	-	-	-
Deferred rent liabilities	-	-	961,616	164,328	82,350	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>961,616</b>	<b>164,328</b>	<b>82,350</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,952,968</b>	<b>765,485</b>	<b>1,436,817</b>	<b>634,415</b>	<b>553,412</b>	<b>1,058,788</b>
<b>Net assets (deficit)</b>						
Without donor restrictions	40,513,664	8,490,006	8,100,447	8,583,101	5,828,371	4,873,911
With donor restrictions	3,253,011	136,358	-	25,865	59,495	55,410
<b>Total net assets (deficit)</b>	<b>43,766,675</b>	<b>8,626,364</b>	<b>8,100,447</b>	<b>8,608,966</b>	<b>5,887,866</b>	<b>4,929,321</b>
<b>Total liabilities and net asset:</b>	<b>\$ 45,719,643</b>	<b>\$ 9,391,849</b>	<b>\$ 9,537,264</b>	<b>\$ 9,243,381</b>	<b>\$ 6,441,278</b>	<b>\$ 5,988,109</b>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS FINANCIAL POSITION**  
**June 30, 2020**

<b>ASSETS</b>	Alliance Patti and Peter Neuwirth Leadership Academy	Alliance Ouchi - O'Donovan 6-12 Complex	Alliance Piera Barbaglia Shaheen Health Services Academy	Alliance Morgan McKinzie High School	Leichtmann- Levine Family Foundation Environmental Science High School	Alliance Cindy and Bill Simon Technology High School
<b>Current assets</b>						
Cash and cash equivalents	\$ 1,069,597	\$ 8,387,550	\$ 1,073,238	\$ 690,361	\$ 1,806,286	\$ 903,381
Promises to give	-	-	-	-	-	-
Related party receivable	-	-	-	-	7,932	-
Grants and contracts receivable	1,098,934	1,680,153	906,250	860,698	716,158	1,001,315
Due from related parties	(176,440)	(286,819)	(1,102,615)	(1,770,561)	394,050	64,420
Assets limited to use	-	-	-	-	-	-
Prepaid expenses and other assets	10,079	124,102	97,754	80,432	87,636	14,248
<b>Total current assets</b>	<u>2,002,170</u>	<u>9,904,986</u>	<u>974,627</u>	<u>(139,070)</u>	<u>3,012,062</u>	<u>1,983,364</u>
<b>Noncurrent assets</b>						
Related party note receivable	-	-	-	-	-	-
Deferred rent receivable	-	29,095	-	-	-	-
Other assets	7,200	4,000	22,300	-	-	50
Investments in affiliates	-	-	-	-	-	-
Property and equipment, net	1,057,301	3,291,100	206,383	20,915,092	178,360	566,428
<b>Total noncurrent assets</b>	<u>1,064,501</u>	<u>3,324,195</u>	<u>228,683</u>	<u>20,915,092</u>	<u>178,360</u>	<u>566,478</u>
<b>Total assets</b>	<u>\$ 3,066,671</u>	<u>\$ 13,229,181</u>	<u>\$ 1,203,310</u>	<u>\$ 20,776,022</u>	<u>\$ 3,190,422</u>	<u>\$ 2,549,842</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current liabilities</b>						
Accounts payable and accrued expense	\$ 529,264	\$ 842,292	\$ 683,740	\$ 451,483	\$ 387,275	\$ 410,313
Debt, current portion	-	-	103,944	283,023	-	-
<b>Total current liabilities</b>	<u>529,264</u>	<u>842,292</u>	<u>787,684</u>	<u>734,506</u>	<u>387,275</u>	<u>410,313</u>
<b>Noncurrent liabilities</b>						
Notes payable	-	-	815,601	9,268,666	-	-
Deferred rent liabilities	32,055	-	300,117	-	-	182,298
<b>Total noncurrent liabilities</b>	<u>32,055</u>	<u>-</u>	<u>1,115,718</u>	<u>9,268,666</u>	<u>-</u>	<u>182,298</u>
<b>Total liabilities</b>	<u>561,319</u>	<u>842,292</u>	<u>1,903,402</u>	<u>10,003,172</u>	<u>387,275</u>	<u>592,611</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	2,492,139	12,386,889	(743,034)	10,732,030	2,738,702	1,943,773
With donor restrictions	13,213	-	42,942	40,820	64,445	13,458
<b>Total net assets (deficit)</b>	<u>2,505,352</u>	<u>12,386,889</u>	<u>(700,092)</u>	<u>10,772,850</u>	<u>2,803,147</u>	<u>1,957,231</u>
<b>Total liabilities and net asset:</b>	<u>\$ 3,066,671</u>	<u>\$ 13,229,181</u>	<u>\$ 1,203,310</u>	<u>\$ 20,776,022</u>	<u>\$ 3,190,422</u>	<u>\$ 2,549,842</u>

See independent auditor's report.



**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS FINANCIAL POSITION**  
**June 30, 2020**

<b>ASSETS</b>	Alliance Tennenbaum Family Technology High School	Alliance Susan and Eric Smidt Technology High School	Alliance Ted K. Tajima High School	Alliance Renee and Meyer Luskin Academy High School	Alliance Margaret M. Bloomfield Technology Academy High School	Alliance Alice M. Baxter College-Ready High School
<b>Current assets</b>						
Cash and cash equivalents	\$ 526,340	\$ 590,114	\$ 730,962	\$ 2,454,791	\$ 1,661,531	\$ 672,920
Promises to give	-	-	-	-	-	-
Related party receivable	-	-	-	-	-	-
Grants and contracts receivable	437,008	963,682	877,094	898,905	609,544	205,065
Due from related parties	(298,130)	(1,207,822)	(1,443,356)	(20,723)	38,575	(1,276,848)
Assets limited to use	-	-	-	-	-	-
Prepaid expenses and other assets	5,131	15,417	7,426	10,184	20,460	5,034
<b>Total current assets</b>	<u>670,349</u>	<u>361,391</u>	<u>172,126</u>	<u>3,343,157</u>	<u>2,330,110</u>	<u>(393,829)</u>
<b>Noncurrent assets</b>						
Related party note receivable	-	-	-	-	-	-
Deferred rent receivable	-	-	-	-	-	-
Other assets	-	-	33,950	-	-	4,000
Investments in affiliates	-	-	-	-	-	-
Property and equipment, net	111,689	629,788	334,527	679,055	202,622	230,716
<b>Total noncurrent assets</b>	<u>111,689</u>	<u>629,788</u>	<u>368,477</u>	<u>679,055</u>	<u>202,622</u>	<u>234,716</u>
<b>Total assets</b>	<u>\$ 782,038</u>	<u>\$ 991,179</u>	<u>\$ 540,603</u>	<u>\$ 4,022,212</u>	<u>\$ 2,532,732</u>	<u>\$ (159,113)</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current liabilities</b>						
Accounts payable and accrued expense	\$ 380,113	\$ 530,491	\$ 308,144	\$ 383,296	\$ 98,621	\$ 61,838
Debt, current portion	-	-	-	-	-	-
<b>Total current liabilities</b>	<u>380,113</u>	<u>530,491</u>	<u>308,144</u>	<u>383,296</u>	<u>98,621</u>	<u>61,838</u>
<b>Noncurrent liabilities</b>						
Notes payable	-	-	-	-	-	-
Deferred rent liabilities	-	-	580,361	439	744,207	736,844
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>580,361</u>	<u>439</u>	<u>744,207</u>	<u>736,844</u>
<b>Total liabilities</b>	<u>380,113</u>	<u>530,491</u>	<u>888,505</u>	<u>383,735</u>	<u>842,828</u>	<u>798,682</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	401,925	355,704	(362,811)	3,638,477	1,689,904	(1,027,667)
With donor restrictions	-	104,984	14,909	-	-	69,872
<b>Total net assets (deficit)</b>	<u>401,925</u>	<u>460,688</u>	<u>(347,902)</u>	<u>3,638,477</u>	<u>1,689,904</u>	<u>(957,795)</u>
<b>Total liabilities and net asset:</b>	<u>\$ 782,038</u>	<u>\$ 991,179</u>	<u>\$ 540,603</u>	<u>\$ 4,022,212</u>	<u>\$ 2,532,732</u>	<u>\$ (159,113)</u>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS FINANCIAL POSITION**  
**June 30, 2020**

<b>ASSETS</b>	Alliance Jack H. Skirball Middle School	Alliance College-Ready Middle Academy No. 4	Alliance College-Ready Middle Academy No. 5	Alliance College-Ready Middle Academy No. 8	Alliance Kory Hunter Middle School	Alliance Virgil Roberts Leadership Academy
<b>Current assets</b>						
Cash and cash equivalents	\$ 919,236	\$ 2,765,063	\$ 421,913	\$ 2,081,211	\$ 2,088,345	\$ 761,426
Promises to give	-	-	-	-	-	-
Related party receivable	-	-	-	-	-	-
Grants and contracts receivable	644,136	725,041	421,548	507,532	535,452	466,234
Due from related parties	(138,973)	(105,872)	(1,847,760)	(67,360)	(31,673)	(730,160)
Assets limited to use	-	-	-	-	-	-
Prepaid expenses and other assets	40,146	12,162	10,941	82,038	89,391	26,346
<b>Total current assets</b>	<u>1,464,545</u>	<u>3,396,394</u>	<u>(993,358)</u>	<u>2,603,421</u>	<u>2,681,515</u>	<u>523,846</u>
<b>Noncurrent assets</b>						
Related party note receivable	-	-	-	-	-	-
Deferred rent receivable	9,833	82,711	-	-	-	81,714
Other assets	-	9,050	-	1,690	-	-
Investments in affiliates	-	-	-	-	-	-
Property and equipment, net	562,662	1,363,718	373,306	510,280	264,185	203,269
<b>Total noncurrent assets</b>	<u>572,495</u>	<u>1,455,479</u>	<u>373,306</u>	<u>511,970</u>	<u>264,185</u>	<u>284,983</u>
<b>Total assets</b>	<u>\$ 2,037,040</u>	<u>\$ 4,851,873</u>	<u>\$ (620,052)</u>	<u>\$ 3,115,391</u>	<u>\$ 2,945,700</u>	<u>\$ 808,829</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current liabilities</b>						
Accounts payable and accrued expense	\$ 289,193	\$ 353,675	\$ 212,733	\$ 230,515	\$ 104,960	\$ 147,500
Debt, current portion	-	-	-	-	-	-
<b>Total current liabilities</b>	<u>289,193</u>	<u>353,675</u>	<u>212,733</u>	<u>230,515</u>	<u>104,960</u>	<u>147,500</u>
<b>Noncurrent liabilities</b>						
Notes payable	-	-	-	-	-	-
Deferred rent liabilities	-	-	-	202,386	235,103	-
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,386</u>	<u>235,103</u>	<u>-</u>
<b>Total liabilities</b>	<u>289,193</u>	<u>353,675</u>	<u>212,733</u>	<u>432,901</u>	<u>340,063</u>	<u>147,500</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	1,747,847	4,498,198	(834,223)	2,669,772	2,604,636	658,778
With donor restrictions	-	-	1,438	12,718	1,001	2,551
<b>Total net assets (deficit)</b>	<u>1,747,847</u>	<u>4,498,198</u>	<u>(832,785)</u>	<u>2,682,490</u>	<u>2,605,637</u>	<u>661,329</u>
<b>Total liabilities and net asset:</b>	<u>\$ 2,037,040</u>	<u>\$ 4,851,873</u>	<u>\$ (620,052)</u>	<u>\$ 3,115,391</u>	<u>\$ 2,945,700</u>	<u>\$ 808,829</u>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS FINANCIAL POSITION**  
**June 30, 2020**

<b>ASSETS</b>	Alliance College-Ready Middle Academy No. 12	Alliance Marine-Innovation and Technology 6-12 Complex	Eliminating Entries	Alliance College-Ready Public Schools Total
<b>Current assets</b>				
Cash and cash equivalents	\$ 3,301,237	\$ 864,700	\$ -	\$ 78,876,515
Promises to give	-	-	-	333,333
Related party receivable	-	-	-	512,932
Grants and contracts receivable	453,815	1,083,106	-	21,421,716
Due from related parties	(51,545)	(2,643,194)	-	2,194,866
Assets limited to use	-	-	-	4,246,688
Prepaid expenses and other assets	20,562	33,765	-	1,379,413
<b>Total current assets</b>	<u>3,724,069</u>	<u>(661,623)</u>	<u>-</u>	<u>108,965,463</u>
<b>Noncurrent assets</b>				
Related party note receivable	-	-	-	2,670,973
Deferred rent receivable	-	-	-	501,184
Other assets	2,700	17,995	-	180,841
Investments in affiliates	-	-	-	4,160,420
Property and equipment, net	131,276	601,173	-	39,522,113
<b>Total noncurrent assets</b>	<u>133,976</u>	<u>619,168</u>	<u>-</u>	<u>47,035,531</u>
<b>Total assets</b>	<u>\$ 3,858,045</u>	<u>\$ (42,455)</u>	<u>\$ -</u>	<u>\$ 156,000,994</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expense	\$ 172,601	\$ 309,199	\$ -	\$ 12,080,837
Debt, current portion	-	-	-	386,967
<b>Total current liabilities</b>	<u>172,601</u>	<u>309,199</u>	<u>-</u>	<u>12,467,804</u>
<b>Noncurrent liabilities</b>				
Notes payable	-	-	-	10,084,267
Deferred rent liabilities	125,956	305,330	-	4,653,390
<b>Total noncurrent liabilities</b>	<u>125,956</u>	<u>305,330</u>	<u>-</u>	<u>14,737,657</u>
<b>Total liabilities</b>	<u>298,557</u>	<u>614,529</u>	<u>-</u>	<u>27,205,461</u>
<b>Net assets (deficit)</b>				
Without donor restrictions	3,384,342	(672,539)	-	124,692,342
With donor restrictions	175,146	15,555	-	4,103,191
<b>Total net assets (deficit)</b>	<u>3,559,488</u>	<u>(656,984)</u>	<u>-</u>	<u>128,795,533</u>
<b>Total liabilities and net asset:</b>	<u>\$ 3,858,045</u>	<u>\$ (42,455)</u>	<u>\$ -</u>	<u>\$ 156,000,994</u>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS ACTIVITIES**  
**Year Ended June 30, 2020**

	Alliance College-Ready Public Schools	Alliance Gertz-Ressler High School / Richard Merkin 6-12 Complex	Alliance Collins Family College-Ready Academy High School	Alliance Judy Ivie Burton Technology Academy High School	Alliance Marc and Eve Stern Math and Science School	Alliance Dr. Olga Mohan High School	Alliance Patti and Peter Neuwirth Leadership Academy	Alliance Ouchi - O'Donovan 6 - 12 Complex	Alliance Piera Barbaglia Shaheen Health Services Academy	Alliance Morgan McKinzie High School
<b>Revenue and support</b>										
Federal revenue	\$ 714,877	\$ 1,302,597	\$ 635,582	\$ 711,062	\$ 678,709	\$ 482,086	\$ 672,864	\$ 1,142,092	\$ 458,341	\$ 653,546
State revenue	521	10,269,885	6,648,198	6,807,471	6,603,426	4,789,721	6,450,904	10,395,211	5,372,084	4,575,732
Local revenues	-	2,833,067	1,735,084	1,776,604	1,717,881	1,340,581	1,669,602	2,929,172	1,389,470	1,269,329
Private grants and contributions	4,098,711	4,046	25,952	7,439	46,146	23,469	831	-	22,849	20,900
Management fees	18,927,359	-	-	-	-	-	-	-	-	-
Other school revenues	-	37,645	9,383	13,824	30,585	18,715	21,904	33,778	24,998	4,296
Interest and other income	275,952	45,968	25,066	71,415	40,406	28,535	64,035	62,466	39,042	22,805
Investment gain in subsidiaries	468,066	-	-	-	-	-	-	-	-	-
<b>Total revenue and support</b>	<b>24,485,486</b>	<b>14,493,208</b>	<b>9,079,265</b>	<b>9,387,815</b>	<b>9,117,153</b>	<b>6,683,107</b>	<b>8,880,140</b>	<b>14,562,719</b>	<b>7,306,784</b>	<b>6,546,608</b>
<b>Expenses</b>										
Salaries and benefits	16,897,895	8,210,675	5,302,757	5,320,241	5,259,839	4,052,745	5,389,642	8,474,092	4,172,736	3,934,693
Books and supplies	132,789	956,250	539,786	520,908	460,451	423,112	644,584	1,042,089	454,335	646,010
Depreciation and amortization	318,632	366,383	222,960	158,561	165,107	131,817	238,703	444,861	83,310	234,425
Facilities, repairs, and other leases	1,192,513	1,339,526	824,612	865,788	798,429	538,139	800,661	1,408,173	773,788	80,502
Interest	-	-	-	-	-	-	-	-	19,486	194,134
Operations and housekeeping	2,160,635	454,582	292,558	337,997	453,976	263,636	349,025	566,047	374,287	284,509
Professional services	6,569,695	2,096,471	1,316,683	1,183,728	1,297,312	672,972	1,314,750	2,181,035	1,193,178	657,418
Pupil services	44,840	637,024	474,566	178,592	325,294	330,825	365,078	611,449	419,460	196,591
<b>Total expenses</b>	<b>27,316,999</b>	<b>14,060,911</b>	<b>8,973,922</b>	<b>8,565,815</b>	<b>8,760,408</b>	<b>6,413,246</b>	<b>9,102,443</b>	<b>14,727,746</b>	<b>7,490,580</b>	<b>6,228,282</b>
<b>Change in net assets before other changes</b>	<b>(2,831,513)</b>	<b>432,297</b>	<b>105,343</b>	<b>822,000</b>	<b>356,745</b>	<b>269,861</b>	<b>(222,303)</b>	<b>(165,027)</b>	<b>(183,796)</b>	<b>318,326</b>
Repayment of grant advance	-	125	136	1,177	-	9,966	18,479	4,322	-	-
<b>Change in net assets after other changes</b>	<b>(2,831,513)</b>	<b>432,172</b>	<b>105,207</b>	<b>820,823</b>	<b>356,745</b>	<b>259,895</b>	<b>(240,782)</b>	<b>(169,349)</b>	<b>(183,796)</b>	<b>318,326</b>
<b>Net assets (deficit), beginning of year</b>	<b>46,598,188</b>	<b>8,194,192</b>	<b>7,995,240</b>	<b>7,788,143</b>	<b>5,531,121</b>	<b>4,669,426</b>	<b>2,746,134</b>	<b>12,556,238</b>	<b>(516,296)</b>	<b>10,454,524</b>
<b>Net assets (deficit) end of year</b>	<b>\$ 43,766,675</b>	<b>\$ 8,626,364</b>	<b>\$ 8,100,447</b>	<b>\$ 8,608,966</b>	<b>\$ 5,887,866</b>	<b>\$ 4,929,321</b>	<b>\$ 2,505,352</b>	<b>\$ 12,386,889</b>	<b>\$ (700,092)</b>	<b>\$ 10,772,850</b>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS ACTIVITIES**  
**Year Ended June 30, 2020**

	Alliance Leichtmann- Levine Family Foundation Environmental Science High School	Alliance Cindy and Bill Simon Technology High School	Alliance Tennenbaum Family Technology High School	Alliance Susan and Eric Smidt Technology High School	Alliance Ted K. Tajima High School	Alliance Renee and Meyer Luskin Academy High School	Alliance Margaret M. Bloomfield Technology Academy High School	Alliance Alice M. Baxter College-Ready High School	Alliance Jack H. Skirball Middle School	Alliance College-Ready Middle Academy No. 4
<b>Revenue and support</b>										
Federal revenue	\$ 600,256	\$ 820,285	\$ 292,642	\$ 666,149	\$ 489,261	\$ 572,717	\$ 457,582	\$ 266,370	\$ 453,955	\$ 510,917
State revenue	4,196,939	5,461,326	2,862,459	5,571,090	5,074,086	5,710,958	5,851,076	2,708,706	4,132,313	4,468,837
Local revenues	1,186,636	1,380,590	813,607	1,428,004	1,283,943	1,411,573	1,512,031	721,192	1,257,727	1,317,228
Private grants and contributions	10,932	5,257	141	24,318	2,643	10,309	11,000	33,122	-	475
Management fees	-	-	-	-	-	-	-	-	-	-
Other school revenues	16,332	18,110	6,368	2,671	13,139	8,457	15,277	27,866	5,387	3,374
Interest and other income	30,983	21,345	12,516	19,052	17,880	72,923	21,511	17,200	23,158	75,431
Investment gain in subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Total revenue and support</b>	<b>6,042,078</b>	<b>7,706,913</b>	<b>3,987,733</b>	<b>7,711,284</b>	<b>6,880,952</b>	<b>7,786,937</b>	<b>7,868,477</b>	<b>3,774,456</b>	<b>5,872,540</b>	<b>6,376,262</b>
<b>Expenses</b>										
Salaries and benefits	4,328,623	4,465,702	2,447,987	4,703,629	3,901,102	4,384,347	4,553,916	2,489,893	3,114,489	3,593,034
Books and supplies	485,331	636,706	283,835	572,101	362,954	382,813	343,923	249,093	370,619	466,500
Depreciation and amortization	74,941	107,036	17,891	114,680	66,790	126,754	136,055	109,244	140,218	130,332
Facilities, repairs, and other leases	845,865	771,875	245,918	620,983	800,262	790,695	854,403	818,233	537,427	590,877
Interest	-	-	-	-	1,009	-	-	-	-	-
Operations and housekeeping	243,584	206,494	131,737	250,116	169,971	172,868	184,249	146,515	210,538	305,431
Professional services	316,964	1,132,517	681,234	1,181,603	889,785	1,208,175	963,528	281,249	904,301	886,667
Pupil services	196,092	203,241	235,084	340,095	111,139	183,790	195,319	130,428	600,950	440,929
<b>Total expenses</b>	<b>6,491,400</b>	<b>7,523,571</b>	<b>4,043,686</b>	<b>7,783,207</b>	<b>6,303,012</b>	<b>7,249,442</b>	<b>7,231,393</b>	<b>4,224,655</b>	<b>5,878,542</b>	<b>6,413,770</b>
<b>Change in net assets before other changes</b>	<b>(449,322)</b>	<b>183,342</b>	<b>(55,953)</b>	<b>(71,923)</b>	<b>577,940</b>	<b>537,495</b>	<b>637,084</b>	<b>(450,199)</b>	<b>(6,002)</b>	<b>(37,508)</b>
Repayment of grant advance	-	1,403	45,742	10,923	315	-	-	-	-	990
<b>Change in net assets after other changes</b>	<b>(449,322)</b>	<b>181,939</b>	<b>(101,695)</b>	<b>(82,846)</b>	<b>577,625</b>	<b>537,495</b>	<b>637,084</b>	<b>(450,199)</b>	<b>(6,002)</b>	<b>(38,498)</b>
<b>Net assets (deficit), beginning of year</b>	<b>3,252,469</b>	<b>1,775,292</b>	<b>503,620</b>	<b>543,534</b>	<b>(925,527)</b>	<b>3,100,982</b>	<b>1,052,820</b>	<b>(507,596)</b>	<b>1,753,849</b>	<b>4,536,696</b>
<b>Net assets (deficit)end of year</b>	<b>\$ 2,803,147</b>	<b>\$ 1,957,231</b>	<b>\$ 401,925</b>	<b>\$ 460,688</b>	<b>\$ (347,902)</b>	<b>\$ 3,638,477</b>	<b>\$ 1,689,904</b>	<b>\$ (957,795)</b>	<b>\$ 1,747,847</b>	<b>\$ 4,498,198</b>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS**  
**SCHEDULE OF SCHOOLS ACTIVITIES**  
**Year Ended June 30, 2020**

	Alliance College-Ready Middle Academy No. 5	Alliance College-Ready Middle Academy No. 8	Alliance Kory Hunter Middle School	Alliance Virgil Roberts Leadership Academy	Alliance College-Ready Middle Academy No. 12	Alliance Marine-Innovation and Technology 6 – 12 Complex	Eliminating Entries	Combined Total
<b>Revenue and support</b>								
Federal revenue	\$ 305,899	\$ 623,660	\$ 652,265	\$ 492,501	\$ 492,539	\$ 980,754	\$ -	\$ 16,129,508
State revenue	2,360,870	4,295,425	4,498,145	4,222,137	4,429,853	8,565,737	-	136,323,110
Local revenues	727,488	1,306,177	1,353,070	1,276,013	1,342,577	2,405,206	-	37,383,852
Private grants and contributions	-	500	10,432	10,120	-	21,967	-	4,391,559
Management fees	-	-	-	-	-	-	-	18,927,359
Other school revenues	-	12,620	23,580	7,895	4,525	22,303	-	383,032
Interest and other income	20,760	32,500	14,239	23,333	24,842	38,459	-	1,141,822
Investment gain in subsidiaries	-	-	-	-	-	-	(468,066)	-
<b>Total revenue and support</b>	<b>3,415,017</b>	<b>6,270,882</b>	<b>6,551,731</b>	<b>6,031,999</b>	<b>6,294,336</b>	<b>12,034,426</b>	<b>(468,066)</b>	<b>214,680,242</b>
<b>Expenses</b>								
Salaries and benefits	1,972,836	3,240,114	3,373,692	3,032,053	3,256,734	6,820,285	-	126,693,751
Books and supplies	222,011	457,557	530,292	423,366	380,960	910,967	-	12,899,342
Depreciation and amortization	56,645	82,122	105,302	87,737	53,607	190,569	-	3,964,682
Facilities, repairs, and other leases	437,372	549,432	606,786	657,152	619,113	1,459,753	-	19,828,277
Interest	-	-	-	-	-	1,220	-	215,849
Operations and housekeeping	138,728	219,543	134,181	274,853	164,258	457,544	-	8,947,862
Professional services	639,873	930,659	934,788	876,601	920,770	1,469,616	-	32,701,572
Pupil services	405,701	389,340	330,958	474,359	409,670	722,255	-	8,953,069
<b>Total expenses</b>	<b>3,873,166</b>	<b>5,868,767</b>	<b>6,015,999</b>	<b>5,826,121</b>	<b>5,805,112</b>	<b>12,032,209</b>	<b>-</b>	<b>214,204,404</b>
<b>Change in net assets before other changes</b>	<b>(458,149)</b>	<b>402,115</b>	<b>535,732</b>	<b>205,878</b>	<b>489,224</b>	<b>2,217</b>	<b>(468,066)</b>	<b>475,838</b>
Repayment of grant advance	-	-	-	-	-	-	-	93,578
<b>Change in net assets after other changes</b>	<b>(458,149)</b>	<b>402,115</b>	<b>535,732</b>	<b>205,878</b>	<b>489,224</b>	<b>2,217</b>	<b>(468,066)</b>	<b>382,260</b>
<b>Net assets (deficit), beginning of year</b>	<b>(374,636)</b>	<b>2,280,375</b>	<b>2,069,905</b>	<b>455,451</b>	<b>3,070,264</b>	<b>(659,201)</b>	<b>-</b>	<b>127,945,207</b>
<b>Net assets (deficit) end of year</b>	<b>\$ (832,785)</b>	<b>\$ 2,682,490</b>	<b>\$ 2,605,637</b>	<b>\$ 661,329</b>	<b>\$ 3,559,488</b>	<b>\$ (656,984)</b>	<b>\$ (468,066)</b>	<b>\$ 128,327,467</b>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**

<b>ASSETS</b>	Alliance College-Ready Public Schools	Alliance Schools R.E. Holdings LLC	1918 Broadway Charter Financing LLC	113 S. Rowan Charter Financing LLC
<b>Current assets</b>				
Cash and cash equivalents	\$ 78,876,515	\$ -	\$ 20,276	\$ 125,244
Promises to give	333,333	-	-	-
Related party receivable	512,932	-	-	-
Accounts receivable	21,421,716	-	-	-
Notes receivable	-	-	-	6,378,594
Due from related parties	2,194,866	-	7,699	-
Assets limited as to use	4,246,688	-	145,763	-
Prepaid expenses and other current assets	1,379,413	-	-	25,833
Total current assets	<u>108,965,463</u>	<u>-</u>	<u>173,738</u>	<u>6,529,671</u>
<b>Noncurrent assets</b>				
Related party note receivable	2,670,973	-	11,705,965	-
Deferred rent receivable	501,184	-	-	-
Assets limited as to use	-	-	730,350	-
Other noncurrent assets	180,841	-	321,914	-
Investment in affiliates	4,160,420	-	-	-
Property and equipment, net	39,522,113	1,239,030	-	-
Total noncurrent assets	<u>47,035,531</u>	<u>1,239,030</u>	<u>12,758,229</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 156,000,994</u></b>	<b><u>\$ 1,239,030</u></b>	<b><u>\$ 12,931,967</u></b>	<b><u>\$ 6,529,671</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 12,080,837	\$ -	\$ 32,191	\$ 12,206
Notes payable	386,967	-	-	5,231,002
Total current liabilities	<u>12,467,804</u>	<u>-</u>	<u>32,191</u>	<u>5,243,208</u>
<b>Noncurrent liabilities</b>				
Notes payable	10,084,267	-	11,264,850	-
Deferred rent liability	4,653,390	-	-	-
Total long-term liabilities	<u>14,737,657</u>	<u>-</u>	<u>11,264,850</u>	<u>-</u>
Total liabilities	<u>27,205,461</u>	<u>-</u>	<u>11,297,041</u>	<u>5,243,208</u>
<b>Net assets</b>				
Without donor restrictions	124,692,342	-	-	-
Member's equity	-	1,239,030	1,634,926	1,286,463
With donor restrictions	4,103,191	-	-	-
Total net assets	<u>128,795,533</u>	<u>1,239,030</u>	<u>1,634,926</u>	<u>1,286,463</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 156,000,994</u></b>	<b><u>\$ 1,239,030</u></b>	<b><u>\$ 12,931,967</u></b>	<b><u>\$ 6,529,671</u></b>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**

<b>ASSETS</b>	Alliance Community Impact LLC	Total	Eliminating Entries	Consolidated Alliance College-Ready Public Schools
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ 79,022,035	\$ -	\$ 79,022,035
Promises to give	-	333,333	-	333,333
Related party receivable	-	512,932	-	512,932
Accounts receivable	-	21,421,716	-	21,421,716
Notes receivable	-	6,378,594	-	6,378,594
Due from related parties	-	2,202,565	-	2,202,565
Assets limited as to use	-	4,392,451	-	4,392,451
Prepaid expenses and other current assets	-	1,405,246	-	1,405,246
Total current assets	-	115,668,872	-	115,668,872
<b>Noncurrent assets</b>				
Related party note receivable	-	14,376,938	-	14,376,938
Deferred rent receivable	-	501,184	-	501,184
Assets limited as to use	-	730,350	-	730,350
Other noncurrent assets	-	502,755	-	502,755
Investment in affiliates	-	4,160,420	(4,160,420)	-
Property and equipment, net	-	40,761,143	1	40,761,144
Total noncurrent assets	-	61,032,790	(4,160,419)	56,872,371
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 176,701,662</b>	<b>\$ (4,160,419)</b>	<b>\$ 172,541,243</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ -	\$ 12,125,234	\$ -	\$ 12,125,234
Notes payable	-	5,617,969	-	5,617,969
Total current liabilities	-	17,743,203	-	17,743,203
<b>Noncurrent liabilities</b>				
Notes payable	-	21,349,117	-	21,349,117
Deferred rent liability	-	4,653,390	-	4,653,390
Total long-term liabilities	-	26,002,507	-	26,002,507
Total liabilities	-	43,745,710	-	43,745,710
<b>Net assets</b>				
Without donor restrictions	-	124,692,342	-	124,692,342
Member's equity	-	4,160,419	(4,160,419)	-
With donor restrictions	-	4,103,191	-	4,103,191
Total net assets	-	132,955,952	(4,160,419)	128,795,533
<b>Total liabilities and net assets</b>	<b>\$ -</b>	<b>\$ 176,701,662</b>	<b>\$ (4,160,419)</b>	<b>\$ 172,541,243</b>

See independent auditor's report.



**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2020**

	Alliance for College-Ready Public Schools	Alliance Schools R.E. Holdings LLC	1918 Broadway Charter Financing LLC	113 S. Rowan Charter Financing LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools
<b>Revenue and support</b>							
Federal revenue	\$ 16,129,508	\$ -	\$ 540,904	\$ -	\$ 16,670,412	\$ -	\$ 16,670,412
State revenue	136,323,110	-	-	-	136,323,110	-	136,323,110
Local revenues	37,383,852	-	-	-	37,383,852	-	37,383,852
Private grants and contributions	4,391,559	-	-	6,667	4,398,226	-	4,398,226
Management fees	18,927,359	-	-	-	18,927,359	-	18,927,359
Other school revenues	383,032	-	-	-	383,032	-	383,032
Interest and other income	1,141,822	-	778,428	315,167	2,235,417	-	2,235,417
Total revenue and support	214,680,242	-	1,319,332	321,834	216,321,408	-	216,321,408
<b>Expenses</b>							
Program services							
Administrative services	32,701,572	-	-	-	32,701,572	-	32,701,572
Rent	19,221,036	-	-	-	19,221,036	-	19,221,036
Depreciation and amortization	3,646,050	71,571	44,533	43,333	3,805,487	-	3,805,487
Interest	215,849	-	772,594	197,378	1,185,821	-	1,185,821
Other program services	141,790,309	-	19,664	24,026	141,833,999	-	141,833,999
	197,574,816	71,571	836,791	264,737	198,747,915	-	198,747,915
Supporting services							
Management and general							
Rent	607,241	-	-	-	607,241	-	607,241
Depreciation and amortization	318,632	-	-	-	318,632	-	318,632
Other management and general	14,772,016	-	-	-	14,772,016	-	14,772,016
	15,697,889	-	-	-	15,697,889	-	15,697,889
Fundraising	931,699	-	-	-	931,699	-	931,699
	16,629,588	-	-	-	16,629,588	-	16,629,588
Total expenses	214,204,404	71,571	836,791	264,737	215,377,503	-	215,377,503
<b>Change in net assets before other changes</b>	475,838	(71,571)	482,541	57,097	943,905	-	943,905
Repayment of grant advance	93,578	-	-	-	93,578	-	93,578
<b>Change in net assets after other changes</b>	382,260	(71,571)	482,541	57,097	850,327	-	850,327
<b>Member contributions</b>	-	-	1,533	114,144	115,677	(115,677)	-
<b>Net assets (deficit), beginning of year</b>	127,945,207	1,310,601	1,150,852	1,115,222	131,521,882	(3,576,675)	127,945,207
<b>Net assets (deficit), end of year</b>	<b>\$ 128,327,467</b>	<b>\$ 1,239,030</b>	<b>\$ 1,634,926</b>	<b>\$ 1,286,463</b>	<b>\$ 132,487,886</b>	<b>\$ (3,692,352)</b>	<b>\$ 128,795,534</b>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS  
FACILITIES CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2020**

	Alliance for College-Ready Public Schools Facilities Corporation	54th Street Lions LLC	5151 Titan LLC	11410 Avalon LLC	1918 Broadway Charter Facilities LLC	4610 S. Main Street Charter Facilities LLC
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 1,480,072	\$ 268,926	\$ 521,513	\$ 47,832	\$ 11,490	\$ 6,681
Related party receivable, current portion	5,231,002	-	-	-	-	-
Due from related parties	621,513	33,697	(53,438)	(1,419,246)	(170,325)	14,581
Assets limited as to use	6,275,661	-	-	-	-	311,613
Prepaid expenses and other current assets	24,411	89,186	-	1,119	236,753	134,240
Total current assets	<u>13,632,659</u>	<u>391,809</u>	<u>468,075</u>	<u>(1,370,295)</u>	<u>77,918</u>	<u>467,115</u>
<b>Noncurrent assets</b>						
Deferred rent receivable	-	-	82,350	-	-	32,055
Assets limited as to use	31,802,778	-	119,732	-	-	667,828
Other noncurrent assets	-	-	-	-	8,100	-
Investment in affiliates	137,698,618	-	-	-	-	-
Property and equipment, net	-	15,825,974	9,154,149	7,461,800	18,897,723	7,825,659
Total noncurrent assets	<u>169,501,396</u>	<u>15,825,974</u>	<u>9,356,231</u>	<u>7,461,800</u>	<u>18,905,823</u>	<u>8,525,542</u>
<b>Total assets</b>	<b><u>\$ 183,134,055</u></b>	<b><u>\$ 16,217,783</u></b>	<b><u>\$ 9,824,306</u></b>	<b><u>\$ 6,091,505</u></b>	<b><u>\$ 18,983,741</u></b>	<b><u>\$ 8,992,657</u></b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	\$ 3,286,750	\$ 700,575	\$ -	\$ 251,303	\$ 144,437	\$ 312,751
Notes payable	2,395,174	206,500	-	88,500	-	130,100
Total current liabilities	<u>5,681,924</u>	<u>907,075</u>	<u>-</u>	<u>339,803</u>	<u>144,437</u>	<u>442,851</u>
<b>Noncurrent liabilities</b>						
Related party note payable	-	-	-	-	11,705,965	-
Notes payable	156,433,386	13,635,119	-	5,844,336	(17,289)	7,692,830
Liability for asset retirement obligation	-	-	378,385	-	-	-
Other noncurrent liabilities	-	29,094	-	9,833	-	-
Total noncurrent liabilities	<u>156,433,386</u>	<u>13,664,213</u>	<u>378,385</u>	<u>5,854,169</u>	<u>11,688,676</u>	<u>7,692,830</u>
Total liabilities	<u>162,115,310</u>	<u>14,571,288</u>	<u>378,385</u>	<u>6,193,972</u>	<u>11,833,113</u>	<u>8,135,681</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	21,018,745	-	-	-	-	-
Member's equity	-	1,646,495	9,445,921	(102,467)	7,150,628	856,976
Total net assets (deficit)	<u>21,018,745</u>	<u>1,646,495</u>	<u>9,445,921</u>	<u>(102,467)</u>	<u>7,150,628</u>	<u>856,976</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 183,134,055</u></b>	<b><u>\$ 16,217,783</u></b>	<b><u>\$ 9,824,306</u></b>	<b><u>\$ 6,091,505</u></b>	<b><u>\$ 18,983,741</u></b>	<b><u>\$ 8,992,657</u></b>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS  
FACILITIES CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2020**

	7907 Santa Fe Avenue Charter Facilities LLC	5886 Compton Avenue Charter Facilities LLC	1552 Rockwood Street Charter Facilities LLC	49th and Main Charter Facilities LLC	113 S. Rowan Charter Facilities LLC	461 W. 9th Street Facilities LLC
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 11,513	\$ 94,206	\$ 546,050	\$ 211,753	\$ 1,187,885	\$ 113,442
Related party receivable, current portion	-	-	-	-	-	-
Due from related parties	(178,398)	(32,820)	(41,359)	(66,753)	9,180	(70,052)
Assets limited as to use	60,485	-	-	-	32	102,015
Prepaid expenses and other current assets	225,673	9,174	98,613	122,630	-	135,004
Total current assets	<u>119,273</u>	<u>70,560</u>	<u>603,304</u>	<u>267,630</u>	<u>1,197,097</u>	<u>280,409</u>
<b>Noncurrent assets</b>						
Deferred rent receivable	744,207	235,103	580,361	125,956	202,386	736,844
Assets limited as to use	3,116,404	-	-	-	58,671	5,436
Other noncurrent assets	99,499	2,855	12,503	-	-	-
Investment in affiliates	-	-	-	-	-	-
Property and equipment, net	10,962,551	8,410,446	12,285,498	10,819,599	6,743,155	7,963,749
Total noncurrent assets	<u>14,922,661</u>	<u>8,648,404</u>	<u>12,878,362</u>	<u>10,945,555</u>	<u>7,004,212</u>	<u>8,706,029</u>
<b>Total assets</b>	<b><u>\$ 15,041,934</u></b>	<b><u>\$ 8,718,964</u></b>	<b><u>\$ 13,481,666</u></b>	<b><u>\$ 11,213,185</u></b>	<b><u>\$ 8,201,309</u></b>	<b><u>\$ 8,986,438</u></b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	\$ 26,733	\$ 4,529	\$ 39,512	\$ 2,455	\$ 67,914	\$ 41,459
Notes payable	-	-	-	-	6,412,336	249,365
Total current liabilities	<u>26,733</u>	<u>4,529</u>	<u>39,512</u>	<u>2,455</u>	<u>6,480,250</u>	<u>290,824</u>
<b>Noncurrent liabilities</b>						
Related party note payable	1,300,744	-	-	-	-	1,370,229
Notes payable	10,423,400	-	-	-	2,085,397	8,070,918
Liability for asset retirement obligation	-	-	-	-	-	-
Other noncurrent liabilities	-	-	-	-	-	-
Total noncurrent liabilities	<u>11,724,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,085,397</u>	<u>9,441,147</u>
Total liabilities	<u>11,750,877</u>	<u>4,529</u>	<u>39,512</u>	<u>2,455</u>	<u>8,565,647</u>	<u>9,731,971</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	-	-	-	-	-	-
Member's equity	3,291,057	8,714,435	13,442,154	11,210,730	(364,338)	(745,533)
Total net assets (deficit)	<u>3,291,057</u>	<u>8,714,435</u>	<u>13,442,154</u>	<u>11,210,730</u>	<u>(364,338)</u>	<u>(745,533)</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 15,041,934</u></b>	<b><u>\$ 8,718,964</u></b>	<b><u>\$ 13,481,666</u></b>	<b><u>\$ 11,213,185</u></b>	<b><u>\$ 8,201,309</u></b>	<b><u>\$ 8,986,438</u></b>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS  
FACILITIES CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2020**

	2023 Union LLC	11933 Allegheny Charter Facilities LLC	1111 W. Manchester Charter Facilities LLC	2071 HP Saturn LLC	10704 Wilmington LLC	9719 Main Street Charter Facilities LLC
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 91,607	\$ 54,219	\$ -	\$ 1,111,477	\$ 104,333	\$ 526,173
Related party receivable, current portion	-	-	-	-	-	-
Due from related parties	(616,002)	(467,561)	1,002,899	(84,999)	(255,203)	(55,142)
Assets limited as to use	1,178,960	-	-	-	-	-
Prepaid expenses and other current assets	221,909	-	-	3,635	215,242	56,114
Total current assets	<u>876,474</u>	<u>(413,342)</u>	<u>1,002,899</u>	<u>1,030,113</u>	<u>64,372</u>	<u>527,145</u>
<b>Noncurrent assets</b>						
Deferred rent receivable	-	305,330	300,117	1,876,204	182,298	-
Assets limited as to use	211,157	-	-	-	-	-
Other noncurrent assets	20,700	24,000	-	14,535	-	-
Investment in affiliates	-	-	-	-	-	-
Property and equipment, net	11,000,640	21,220,369	12,518,947	12,005,078	6,651,112	4,671,859
Total noncurrent assets	<u>11,232,497</u>	<u>21,549,699</u>	<u>12,819,064</u>	<u>13,895,817</u>	<u>6,833,410</u>	<u>4,671,859</u>
<b>Total assets</b>	<b><u>\$ 12,108,971</u></b>	<b><u>\$ 21,136,357</u></b>	<b><u>\$ 13,821,963</u></b>	<b><u>\$ 14,925,930</u></b>	<b><u>\$ 6,897,782</u></b>	<b><u>\$ 5,199,004</u></b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	\$ 545,223	\$ 16	\$ 3,107	\$ 6,540	\$ 2,556	\$ 2,571
Notes payable	200,000	-	207,000	-	-	-
Total current liabilities	<u>745,223</u>	<u>16</u>	<u>210,107</u>	<u>6,540</u>	<u>2,556</u>	<u>2,571</u>
<b>Noncurrent liabilities</b>						
Related party note payable	-	-	-	-	-	-
Notes payable	13,767,626	-	622,000	-	-	-
Liability for asset retirement obligation	-	-	-	-	-	-
Other noncurrent liabilities	301,683	-	-	-	-	82,711
Total noncurrent liabilities	<u>14,069,309</u>	<u>-</u>	<u>622,000</u>	<u>-</u>	<u>-</u>	<u>82,711</u>
Total liabilities	<u>14,814,532</u>	<u>16</u>	<u>832,107</u>	<u>6,540</u>	<u>2,556</u>	<u>85,282</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	-	-	-	-	-	-
Member's equity	(2,705,561)	21,136,341	12,989,856	14,919,390	6,895,226	5,113,722
Total net assets (deficit)	<u>(2,705,561)</u>	<u>21,136,341</u>	<u>12,989,856</u>	<u>14,919,390</u>	<u>6,895,226</u>	<u>5,113,722</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 12,108,971</u></b>	<b><u>\$ 21,136,357</u></b>	<b><u>\$ 13,821,963</u></b>	<b><u>\$ 14,925,930</u></b>	<b><u>\$ 6,897,782</u></b>	<b><u>\$ 5,199,004</u></b>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS  
FACILITIES CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2020**

	10101 Broadway Charter Facilities LLC	70th Street Charter Facilities LLC	3640 East 1st Street Charter Facilities LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools Facilities Corporation
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 435,801	\$ 304,616	\$ -	\$ 7,129,589	\$ -	\$ 7,129,589
Related party receivable, current portion	-	-	-	5,231,002	-	5,231,002
Due from related parties	(36,518)	(336,619)	-	(2,202,565)	-	(2,202,565)
Assets limited as to use	-	-	-	7,928,766	-	7,928,766
Prepaid expenses and other current assets	42,546	-	-	1,616,249	-	1,616,249
Total current assets	<u>441,829</u>	<u>(32,003)</u>	<u>-</u>	<u>19,703,041</u>	<u>-</u>	<u>19,703,041</u>
<b>Noncurrent assets</b>						
Deferred rent receivable	164,328	439	-	5,567,978	-	5,567,978
Assets limited as to use	-	-	-	35,982,006	-	35,982,006
Other noncurrent assets	6,000	8,000	-	196,192	-	196,192
Investment in affiliates	-	-	-	137,698,618	(137,698,618)	-
Property and equipment, net	4,588,297	19,715,350	-	208,721,955	(4)	208,721,951
Total noncurrent assets	<u>4,758,625</u>	<u>19,723,789</u>	<u>-</u>	<u>388,166,749</u>	<u>(137,698,622)</u>	<u>250,468,127</u>
<b>Total assets</b>	<b><u>\$ 5,200,454</u></b>	<b><u>\$ 19,691,786</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 407,869,790</u></b>	<b><u>\$ (137,698,622)</u></b>	<b><u>\$ 270,171,168</u></b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	\$ 4,188	\$ 2,748	\$ -	\$ 5,445,367	\$ -	\$ 5,445,367
Notes payable	-	-	-	9,888,975	-	9,888,975
Total current liabilities	<u>4,188</u>	<u>2,748</u>	<u>-</u>	<u>15,334,342</u>	<u>-</u>	<u>15,334,342</u>
<b>Noncurrent liabilities</b>						
Related party note payable	-	-	-	14,376,938	-	14,376,938
Notes payable	-	-	-	218,557,723	-	218,557,723
Liability for asset retirement obligation	-	-	-	378,385	-	378,385
Other noncurrent liabilities	-	81,714	-	505,035	-	505,035
Total noncurrent liabilities	<u>-</u>	<u>81,714</u>	<u>-</u>	<u>233,818,081</u>	<u>-</u>	<u>233,818,081</u>
Total liabilities	<u>4,188</u>	<u>84,462</u>	<u>-</u>	<u>249,152,423</u>	<u>-</u>	<u>249,152,423</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	-	-	-	21,018,745	-	21,018,745
Member's equity	5,196,266	19,607,324	-	137,698,622	(137,698,622)	-
Total net assets (deficit)	<u>5,196,266</u>	<u>19,607,324</u>	<u>-</u>	<u>158,717,367</u>	<u>(137,698,622)</u>	<u>21,018,745</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 5,200,454</u></b>	<b><u>\$ 19,691,786</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 407,869,790</u></b>	<b><u>\$ (137,698,622)</u></b>	<b><u>\$ 270,171,168</u></b>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020**

	Alliance for College-Ready Public Schools Facilities Corporation	54th Street Lions LLC	5151 Titan LLC	11410 Avalon LLC	1918 Broadway Charter Facilities LLC	4610 S. Main Street Charter Facilities LLC	7907 Santa Fe Avenue Charter Facilities LLC	5886 Compton Avenue Charter Facilities LLC
<b>Revenue and support</b>								
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,686	\$ -
Rent income	-	1,136,815	682,986	483,517	893,568	732,157	659,603	546,436
Interest and other income	726,083	10,715	-	1,095	1,545	-	41,623	8,954
Investment gain in subsidiaries	3,109,849	-	-	-	-	-	-	-
Total revenue and support	<u>3,835,932</u>	<u>1,147,530</u>	<u>682,986</u>	<u>484,612</u>	<u>895,113</u>	<u>732,157</u>	<u>1,234,912</u>	<u>555,390</u>
<b>Expenses</b>								
Rent	-	-	18,901	-	-	-	-	-
Depreciation and amortization	164,911	329,056	323,145	206,555	487,360	169,107	707,813	140,286
Interest	6,846,181	1,007,568	-	434,268	772,594	513,201	630,413	-
Other program services	263,502	243,075	2,259	56,558	231,223	105,530	216,817	63,068
Total expenses	<u>7,274,594</u>	<u>1,579,699</u>	<u>344,305</u>	<u>697,381</u>	<u>1,491,177</u>	<u>787,838</u>	<u>1,555,043</u>	<u>203,354</u>
<b>Change in net assets before other changes</b>	(3,438,662)	(432,169)	338,681	(212,769)	(596,064)	(55,681)	(320,131)	352,036
Gain on debt extinguishment	-	-	-	-	-	-	-	-
<b>Change in net assets after other changes</b>	(3,438,662)	(432,169)	338,681	(212,769)	(596,064)	(55,681)	(320,131)	352,036
<b>Member contributions</b>	-	15,094,636	21,118	6,470,357	-	-	-	14,308
<b>Member distributions</b>	-	(16,999,577)	(685,337)	(7,311,780)	-	-	-	(514,010)
<b>Net assets (deficit), beginning of year</b>	<u>24,457,407</u>	<u>3,983,605</u>	<u>9,771,459</u>	<u>951,725</u>	<u>7,746,692</u>	<u>912,657</u>	<u>3,611,188</u>	<u>8,862,101</u>
<b>Net assets (deficit), end of year</b>	<u>\$ 21,018,745</u>	<u>\$ 1,646,495</u>	<u>\$ 9,445,921</u>	<u>\$ (102,467)</u>	<u>\$ 7,150,628</u>	<u>\$ 856,976</u>	<u>\$ 3,291,057</u>	<u>\$ 8,714,435</u>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020**

	1552 Rockwood Street Charter Facilities LLC	49th and Main Charter Facilities LLC	113 S. Rowan Charter Facilities LLC	461 W. 9th Street Charter Facilities LLC	2023 Union LLC	11933 Allegheny Charter Facilities LLC	1111 Manchester Charter Facilities LLC	2071 HP Saturn LLC
<b>Revenue and support</b>								
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent income	722,852	575,337	507,402	776,731	1,222,752	1,364,449	666,403	1,172,732
Interest and other income	10	-	222	4,026	15,806	3,995	-	-
Investment gain in subsidiaries	-	-	-	-	-	-	-	-
Total revenue and support	<u>722,862</u>	<u>575,337</u>	<u>507,624</u>	<u>780,757</u>	<u>1,238,558</u>	<u>1,368,444</u>	<u>666,403</u>	<u>1,172,732</u>
<b>Expenses</b>								
Rent	-	-	-	-	-	-	-	-
Depreciation and amortization	224,590	166,165	190,672	210,760	252,985	414,469	178,719	144,809
Interest	-	-	337,982	683,827	897,383	-	-	-
Other program services	82,007	129,310	79,850	230,963	162,019	253,707	3,106	301,979
Total expenses	<u>306,597</u>	<u>295,475</u>	<u>608,504</u>	<u>1,125,550</u>	<u>1,312,387</u>	<u>668,176</u>	<u>181,825</u>	<u>446,788</u>
<b>Change in net assets before other changes</b>	416,265	279,862	(100,880)	(344,793)	(73,829)	700,268	484,578	725,944
Gain on debt extinguishment	-	-	-	-	-	-	-	-
<b>Change in net assets after other changes</b>	416,265	279,862	(100,880)	(344,793)	(73,829)	700,268	484,578	725,944
<b>Member contributions</b>	14,813	14,883	-	168,642	-	25,775	19,093	34,950
<b>Member distributions</b>	(685,338)	(514,010)	(131,186)	-	-	(1,236,838)	(535,114)	(1,132,473)
<b>Net assets (deficit), beginning of year</b>	<u>13,696,414</u>	<u>11,429,995</u>	<u>(132,272)</u>	<u>(569,382)</u>	<u>(2,631,732)</u>	<u>21,647,136</u>	<u>13,021,299</u>	<u>15,290,969</u>
<b>Net assets (deficit), end of year</b>	<u>\$ 13,442,154</u>	<u>\$ 11,210,730</u>	<u>\$ (364,338)</u>	<u>\$ (745,533)</u>	<u>\$ (2,705,561)</u>	<u>\$ 21,136,341</u>	<u>\$ 12,989,856</u>	<u>\$ 14,919,390</u>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020**

	10704 Wilmington LLC	9719 Main Street Charter Facilities LLC	10101 Broadway Charter Facilities LLC	70th Street Charter Facilities LLC	3640 East 1st Street Charter Facilities LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools Facilities Corporation
<b>Revenue and support</b>								
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,686	\$ -	\$ 533,686
Rent income	712,765	555,535	620,042	1,325,867	-	15,357,949	-	15,357,949
Interest and other income	12	17,232	12,774	3,097	-	847,189	-	847,189
Investment gain in subsidiaries	-	-	-	-	-	3,109,849	(3,109,849)	-
Total revenue and support	<u>712,777</u>	<u>572,767</u>	<u>632,816</u>	<u>1,328,964</u>	<u>-</u>	<u>19,848,673</u>	<u>(3,109,849)</u>	<u>16,738,824</u>
<b>Expenses</b>								
Rent	-	-	-	-	-	18,901	-	18,901
Depreciation and amortization	139,287	102,666	157,313	459,494	-	5,170,162	-	5,170,162
Interest	-	-	-	-	-	12,123,417	-	12,123,417
Other program services	61,983	96,585	113,364	168,092	-	2,864,997	-	2,864,997
Total expenses	<u>201,270</u>	<u>199,251</u>	<u>270,677</u>	<u>627,586</u>	<u>-</u>	<u>20,177,477</u>	<u>-</u>	<u>20,177,477</u>
<b>Change in net assets before other changes</b>	511,507	373,516	362,139	701,378	-	(328,804)	(3,109,849)	(3,438,653)
Gain on debt extinguishment	-	-	-	-	-	-	-	-
<b>Change in net assets after other changes</b>	511,507	373,516	362,139	701,378	-	(328,804)	(3,109,849)	(3,438,653)
<b>Member contributions</b>	17,921	14,968	-	32,777	-	21,944,241	(21,944,241)	-
<b>Member distributions</b>	(630,358)	(538,199)	(556,375)	(1,199,264)	-	(32,669,859)	32,669,859	-
<b>Net assets (deficit), beginning of year</b>	<u>6,996,156</u>	<u>5,263,437</u>	<u>5,390,502</u>	<u>20,072,433</u>	<u>-</u>	<u>169,771,789</u>	<u>(145,314,382)</u>	<u>24,457,407</u>
<b>Net assets (deficit), end of year</b>	<u>\$ 6,895,226</u>	<u>\$ 5,113,722</u>	<u>\$ 5,196,266</u>	<u>\$ 19,607,324</u>	<u>\$ -</u>	<u>\$ 158,717,367</u>	<u>\$ (137,698,613)</u>	<u>\$ 21,018,754</u>

See independent auditor's report.



**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**

	Consolidated Alliance College-Ready Public Schools	Consolidated Alliance for College-Ready Public Schools Facilities Corporation	Eliminating Entries	Combined Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 79,022,035	\$ 7,129,589	\$ -	\$ 86,151,624
Promises to give	333,333	-	-	333,333
Related party receivable	512,932	5,231,002	-	5,743,934
Accounts receivable	21,421,716	-	-	21,421,716
Note receivable, current portion	6,378,594	-	-	6,378,594
Due from related parties	2,202,565	(2,202,565)	-	-
Assets limited to use	4,392,451	7,928,766	-	12,321,217
Prepaid expenses and other current assets	1,405,246	1,616,249	-	3,021,495
Total current assets	<u>115,668,872</u>	<u>19,703,041</u>	<u>-</u>	<u>135,371,913</u>
<b>Noncurrent assets</b>				
Related party note receivable	14,376,938	-	(14,376,938)	-
Deferred rent receivable	501,184	5,567,978	(5,154,572)	914,590
Assets limited as to use	730,350	35,982,006	-	36,712,356
Other long-term assets	502,755	196,196	-	698,951
Property and equipment, net	40,761,144	208,721,951	(1,084,683)	248,398,412
Total noncurrent assets	<u>56,872,371</u>	<u>250,468,131</u>	<u>(20,616,193)</u>	<u>286,724,309</u>
<b>Total assets</b>	<b><u>\$ 172,541,243</u></b>	<b><u>\$ 270,171,172</u></b>	<b><u>\$ (20,616,193)</u></b>	<b><u>\$ 422,096,222</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 12,125,234	\$ 5,445,371	\$ -	\$ 17,570,605
Debt, current portion	5,617,969	9,888,975	-	15,506,944
Total current liabilities	<u>17,743,203</u>	<u>15,334,346</u>	<u>-</u>	<u>33,077,549</u>
<b>Noncurrent liabilities</b>				
Related party note payable	-	14,376,938	(14,376,938)	-
Notes payable	21,349,117	218,557,723	252,571	240,159,411
Liability for asset retirement obligation	-	378,385	-	378,385
Deferred rent liabilities	4,653,390	505,035	(5,154,572)	3,853
Total noncurrent liabilities	<u>26,002,507</u>	<u>233,818,081</u>	<u>(19,278,939)</u>	<u>240,541,649</u>
Total liabilities	<u>43,745,710</u>	<u>249,152,427</u>	<u>(19,278,939)</u>	<u>273,619,198</u>
<b>Net assets (deficit)</b>				
Without donor restrictions	124,692,342	21,018,745	(1,337,254)	144,373,833
With donor restrictions	4,103,191	-	-	4,103,191
Total net assets (deficit)	<u>128,795,533</u>	<u>21,018,745</u>	<u>(1,337,254)</u>	<u>148,477,024</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 172,541,243</u></b>	<b><u>\$ 270,171,172</u></b>	<b><u>\$ (20,616,193)</u></b>	<b><u>\$ 422,096,222</u></b>

See independent auditor's report.

**ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2020**

	Consolidated Alliance College-Ready Public Schools	Consolidated Alliance for College-Ready Public Schools Facilities Corporation	Eliminating Entries	Combined Total
<b>Revenue and support</b>				
Federal revenue	\$ 16,670,412	\$ 533,686	\$ -	\$ 17,204,098
State revenue	136,323,110	-	-	136,323,110
Local revenues	37,383,852	-	-	37,383,852
Private grants and contributions	4,398,226	-	(30,605)	4,367,621
Management fees	18,927,359	-	(18,927,359)	-
Rental income	-	15,357,949	(14,885,288)	472,661
Other school revenues	383,032	-	-	383,032
Interest and other income	<u>2,235,417</u>	<u>847,189</u>	<u>(941,464)</u>	<u>2,141,142</u>
Total revenue and support	<u>216,321,408</u>	<u>16,738,824</u>	<u>(34,784,716)</u>	<u>198,275,516</u>
<b>Expenses</b>				
Program services				
Administrative services fee	32,701,572	-	(18,927,359)	13,774,213
Rent	19,221,036	18,901	(14,885,288)	4,354,649
Depreciation and amortization	3,805,487	5,170,162	(500,539)	8,475,110
Interest	1,185,821	12,123,417	(865,672)	12,443,566
Other program services	<u>141,834,000</u>	<u>2,865,006</u>	<u>(52,774)</u>	<u>144,646,232</u>
	198,747,916	20,177,486	(35,231,632)	183,693,770
Supporting services				
Management and general				
Rent	607,241	-	-	607,241
Depreciation and amortization	318,632	-	-	318,632
Other management and general	<u>14,772,016</u>	<u>-</u>	<u>-</u>	<u>14,772,016</u>
	15,697,889	-	-	15,697,889
Fundraising	<u>931,699</u>	<u>-</u>	<u>-</u>	<u>931,699</u>
Total expenses	<u>215,377,504</u>	<u>20,177,486</u>	<u>(35,231,632)</u>	<u>200,323,358</u>
<b>Change in net assets before other changes</b>	943,904	(3,438,662)	446,916	(2,047,842)
Repayment of grant advance	<u>93,578</u>	<u>-</u>	<u>-</u>	<u>93,578</u>
<b>Change in net assets after other changes</b>	850,326	(3,438,662)	446,916	(2,141,420)
<b>Net assets (deficit), beginning of year</b>	<u>127,945,207</u>	<u>24,457,407</u>	<u>(1,784,170)</u>	<u>150,618,444</u>
<b>Net assets (deficit) end of year</b>	<u>\$ 128,795,533</u>	<u>\$ 21,018,745</u>	<u>\$ (1,337,254)</u>	<u>\$ 148,477,024</u>

See independent auditor's report.