

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2016
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)
AND
SUPPLEMENTAL SCHEDULES REQUIRED
BY *THE UNIFORM GUIDANCE*
FOR THE YEAR ENDED
JUNE 30, 2016**

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES**

CONTENTS

June 30, 2016

(with summarized information for the year ended June 30, 2015)

	Page
INDEPENDENT AUDITOR'S REPORT	1 – 2
COMBINED FINANCIAL STATEMENTS	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Functional Expenses	5
Combined Statements of Cash Flows	6
Notes to Combined Financial Statements	7 – 43
SUPPLEMENTARY INFORMATION	
Consolidating Statement of Financial Position of Alliance for College-Ready Public Schools and Subsidiaries	44 – 46
Consolidating Statement of Activities of Alliance for College-Ready Public Schools and Subsidiaries	47 – 48
Consolidating Statement of Financial Position of Alliance for College-Ready Public Schools Facilities Corporation and Subsidiaries	49 – 51
Consolidating Statement of Activities of Alliance for College-Ready Public Schools Facilities Corporation and Subsidiaries	52 – 53
Combining Statement of Financial Position of Alliance for College-Ready Public Schools and School Affiliates	54 – 58
Combining Statement of Activities of Alliance for College-Ready Public Schools and School Affiliates	59 – 61
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	62 – 63
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by <i>The Uniform Guidance</i>	64 – 65

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES**

CONTENTS

June 30, 2016

(with summarized information for the year ended June 30, 2015)

Page

SUPPLEMENTARY INFORMATION (Continued)

Independent Auditor's Report on State Compliance 66 – 67

Required by *The Uniform Guidance*

Schedule of Expenditures of Federal Awards 68 –72

Notes to Schedule of Expenditures of Federal Awards 73

Required by Standards and Procedures for Audits of California K – 12 Local Educational Agencies

Schedule of Average Daily Attendance 74 – 82

Schedule of Instructional Time 83 – 90

Local Education Agency Organizational Structure 91 – 95

Schedule of Findings and Questioned Costs 96 – 99

Schedule of Prior Year Audit Findings 100

Letter of Deficiency None issued

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alliance for College-Ready Public Schools and School Affiliates
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying combined financial statements of Alliance for College-Ready Public Schools and its combined school affiliates (collectively, the "Alliance"), which comprise the combined statement of financial position as of June 30, 2016, the related combined statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements (collectively, the "financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 *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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Alliance's preparation and fair presentation of the combined 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 the 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 the combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Alliance for College-Ready Public Schools and its combined school affiliates as of June 30, 2016 and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying consolidating statements of financial position, statements of activities and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the combined financial statements. Further, the supplementary information is presented for the purposes of additional analysis as required by the Education Audit Appeals Panel's *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and is also not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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, 2016 on our consideration of the 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 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.

Report on Summarized Comparative Information

We have previously audited the Alliance for College-Ready Public Schools and its combined school affiliates' 2015 combined financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.



December 14, 2016

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES**
COMBINED STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 58,428,886	\$ 55,757,519
Grants, contributions and pledges receivable, current portion	1,195,000	2,004,686
Related party receivable, current portion	675,113	1,186,667
Public funding receivables	14,754,967	12,923,998
Notes receivable, current portion	-	14,790,894
Assets limited as to use, current portion	24,741,886	24,830,248
Prepaid expenses and other current assets	2,982,519	2,337,991
Total current assets	102,778,371	113,832,003
Noncurrent assets		
Grants, contributions and pledges receivable, net of current portion	2,434,410	939,670
Related party receivable, noncurrent portion	-	2,331,460
Notes receivable, noncurrent portion	22,935,589	22,935,589
Deferred rent receivable	797,356	750,084
Assets limited as to use, noncurrent portion	16,028,275	14,623,229
Other long-term assets	332,963	252,060
Deferred financing costs, net	6,836,585	7,221,038
Property and equipment, net	226,034,335	201,902,795
Total noncurrent assets	275,399,513	250,955,925
Total assets	\$ 378,177,884	\$ 364,787,928
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 12,319,454	\$ 10,264,778
Deferred revenue	2,023,150	4,538,753
Related party payable	-	300,000
Capital lease obligations, current portion	-	2,730,434
Long-term debt, current portion	5,293,410	953,550
Total current liabilities	19,636,014	18,787,515
Noncurrent liabilities		
Long-term debt, net of current portion	223,720,571	233,509,992
Liability for asset retirement obligation	310,801	295,276
Deferred rent liability	188,138	180,154
Total noncurrent liabilities	224,219,510	233,985,422
Total liabilities	243,855,524	252,772,937
Commitments and contingencies (Note 15)		
Net assets		
Unrestricted	123,823,820	102,155,197
Temporarily restricted	10,498,540	9,859,794
Total net assets	134,322,360	112,014,991
Total liabilities and net assets	\$ 378,177,884	\$ 364,787,928

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2016
(with Summarized Totals for the Year Ended June 30, 2015)**

	Unrestricted	Temporarily Restricted	2016 Total	2015 Total
Revenue and support				
Federal revenue	\$ 21,409,598	\$ -	\$ 21,409,598	\$ 19,368,962
State revenue	117,227,205	2,109,452	119,336,657	89,373,305
Local revenues	21,948,281	-	21,948,281	17,663,488
Private grants and contributions	7,371,832	5,407,750	12,779,582	12,623,063
Management fees	-	-	-	76,696
Rental income	486,636	-	486,636	542,791
Other school revenues	1,036,218	-	1,036,218	886,476
Interest and other income	8,117,822	-	8,117,822	1,625,539
Net assets released from restrictions	6,878,456	(6,878,456)	-	-
Total revenue and support	184,476,048	638,746	185,114,794	142,160,320
Functional expenses				
Program services	127,440,471	-	127,440,471	103,631,581
Support services				
General and administrative	34,560,346	-	34,560,346	23,279,428
Fundraising	806,608	-	806,608	524,039
Total functional expenses	162,807,425	-	162,807,425	127,435,048
Change in net assets	21,668,623	638,746	22,307,369	14,725,272
Net assets, beginning of year	102,155,197	9,859,794	112,014,991	97,289,719
Net assets, end of year	\$ 123,823,820	\$ 10,498,540	\$ 134,322,360	\$ 112,014,991

The accompanying notes are an integral part of these financial statements.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS AND SCHOOL AFFILIATES

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2016

(with Summarized Totals for the Year Ended June 30, 2015)

	Program Services	Support Services		2016 Total	2015 Total
		General and Administrative	Fundraising		
Salaries and services					
Salaries	\$ 62,956,399	13,096,519	\$ 583,037	\$ 76,635,955	\$ 58,504,161
Benefits and payroll taxes	14,332,203	3,004,298	110,607	17,447,108	13,068,694
Total salaries and benefits	77,288,602	16,100,817	693,644	94,083,063	71,572,855
Operating expenses					
Books and supplies	15,492,501	-	-	15,492,501	12,808,625
Depreciation and amortization expense	7,841,001	1,910,825	19,337	9,771,163	8,983,358
Facilities, repairs and other leases	7,698,903	1,737,294	29,427	9,465,624	7,556,822
Interest	6,484,121	5,692,377	1,563	12,178,061	12,312,469
Operations and housekeeping	602,657	6,552,385	-	7,155,042	5,688,941
Professional and consulting services	8,297,356	2,328,955	62,637	10,688,948	5,629,229
Pupil services	3,735,330	237,693	-	3,973,023	2,882,749
Total operating expenses	50,151,869	18,459,529	112,964	68,724,362	55,862,193
Total expenses	\$ 127,440,471	\$ 34,560,346	\$ 806,608	\$ 162,807,425	\$ 127,435,048

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015**

	2016	2015
Cash flows from operating activities		
Change in net assets	\$ 22,307,369	\$ 14,725,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	9,771,161	8,983,358
Amortization of deferred financing costs and bond discount costs	577,349	1,035,382
Accretion expense	15,525	13,981
Gain on settlement of long-term debt	5,166,114	-
Decrease (increase) in:		
Grants, contributions and pledges receivable	(685,054)	(1,052,256)
Related party receivable	2,843,014	(2,087,257)
Public funding receivables	(1,830,969)	8,138,099
Prepaid expenses and other current assets	(644,528)	(4,218)
Deferred rent receivable	(47,272)	(57,114)
Other long-term assets	(80,903)	230,597
Increase (decrease) in:		
Accounts payable and accrued expenses	2,054,676	(2,426,015)
Deferred revenue	(2,515,603)	(3,287,086)
Deferred rent liability	7,984	24,463
	<u>36,938,863</u>	<u>24,237,206</u>
Cash flows from investing activities		
Purchases of property and equipment	(33,902,701)	(31,997,081)
Proceeds from (issuance of) notes receivable	14,790,894	(14,960,894)
	<u>(19,111,807)</u>	<u>(46,957,975)</u>
Cash flows from financing activities		
Transfers to (from) assets limited as to use	(1,316,684)	1,811,041
Principal payments on long-term debt	(32,444,401)	(23,485,030)
Proceeds from long-term debt	21,635,830	61,762,256
Payments to related party	(300,000)	-
Payments on capital lease obligations	(2,730,434)	(2,747,797)
	<u>(15,155,689)</u>	<u>37,340,470</u>
Net increase in cash and cash equivalents	2,671,367	14,619,701
Cash and cash equivalents, beginning of year	<u>55,757,519</u>	<u>41,137,818</u>
Cash and cash equivalents, end of year	<u>\$ 58,428,886</u>	<u>\$ 55,757,519</u>
Supplemental schedule of noncash investing and financing activities		
Deferred financing costs acquired through issuance of long-term debt	<u>\$ 192,896</u>	<u>\$ 1,732,648</u>
Schedule of supplemental cash flow information		
Cash paid for interest	<u>\$ 7,155,042</u>	<u>\$ 12,312,469</u>

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 1 – ORGANIZATION

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

The mission of Alliance College-Ready Public Schools, a nonprofit charter management organization, 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.

Strategies to meet this goal are to create small schools with a consistent brand of rigorous curriculum and instruction in a personalized learning environment, students learning through real-world experiences, internships and parent and community engagement. The Alliance’s goal is to open high schools of 500 to 600 students and middle schools of 375 to 450 students. The core measure of success is that all students enrolled for four years will pass the high school exit exam, students consistently enrolled in an Alliance high school for four years will graduate and 100% of students who graduate will be ready to successfully enter college.

In August 2004, the first Alliance high school opened its doors to the graduating class of 2012 (Alliance graduates are identified by the year they will graduate from a four-year college or university). As of June 30, 2016, there were seventeen Alliance high schools and ten middle schools in operation.

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).

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Alliance’s financial statements for the year ended June 30, 2015, from which the summarized information was derived.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classes of Net Assets

Alliance reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets. The Alliance did not have any permanently restricted net assets at June 30, 2016 and 2015.

- Unrestricted net assets are either not restricted by donors or the donor-imposed restrictions have expired.
- Temporary restricted net assets are contain contributor imposed restricted that permits Alliance to use or expend the net assets as specified as the restrictions are satisfied either by the passage of time or by action of Alliance.
- Permanently restricted net assets (“endowment funds”) contain donor-imposed restrictions that stipulate that resources must be maintained in perpetuity. Income from permanently restricted investments is recorded as unrestricted, except where the instructions of the donor specify otherwise.

Principles of Consolidation

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

1. Alliance Schools R.E. Holdings LLC,
2. 2071 HP Saturn LLC,
3. 10704 Wilmington LLC,
4. 9719 Main Street Charter Facilities LLC,
5. 10101 Broadway Charter Facilities LLC,
6. 6900 8th Avenue Charter Facilities LLC
7. 70th Street Charter Facilitates LLC
8. 1918 Broadway Charter Financing LLC,
9. 1552 Rockwood Street Charter Financing LLC, (no transactions)
10. 113 S. Rowan Charter Financing LLC, and
11. Alliance Community Impact LLC.

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

1. 54th Street Lions LLC,
2. 5151 Titan LLC.
3. 11410 Avalon LLC,
4. 6900 8th Avenue Charter Facilities LLC
5. 70th Street Charter Facilitates LLC
6. 1918 Broadway Charter Facilities LLC,
7. 4610 S. Main Street Charter Facilities LLC,
8. 7907 Santa Fe Avenue Charter Facilities LLC,

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation (Continued)

9. 5886 Compton Avenue Charter Facilities LLC,
10. 1552 Rockwood Street Charter Facilities LLC,
11. 49th And Main Charter Facilities LLC,
12. 113 S. Rowan Charter Facilities LLC,
13. 461 W. 9th Street Charter Facilities LLC,
14. 2023 Union LLC, and
15. 11933 Allegheny Charter Facilities LLC.

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

Principles of Combination

The combined financial statements include the consolidated financial statements of the Alliance, Alliance for College-Ready Public Schools Facilities Corporation and its subsidiaries and the assets, liabilities, revenue and support and functional expenses of the following Alliance-affiliated schools:

1. Alliance Gertz-Ressler / Richard Merkin 6–12 Complex,
2. Alliance Collins Family College-Ready Academy High School,
3. Alliance Judy Ivie Burton Technology Academy High School,
4. Alliance Marc and Eva Stern Math and Science School,
5. Alliance Dr. Olga Mohan High School,
6. Alliance Patti and Peter Neuwirth Leadership Academy,
7. Alliance Ouchi – O’Donovan 6–12 Complex,
8. Alliance Piera Barbaglia Shaheen Health Services Academy, formally known as, Alliance Health Services Academy High School,
9. Alliance Morgan McKinzie High School,
10. Alliance Leichtman-Levine Family Foundation Environmental Science High School,
11. Alliance Cindy and Bill Simon Technology Academy High School,
12. Alliance Tennenbaum Family Technology High School,
13. Alliance Susan and Eric Smidt Technology High School,
14. Alliance Ted K. Tajima High School, formally known as, Alliance College-Ready Academy High School #16,
15. Alliance Renee and Meyer Luskin Academy High School,
16. Alliance Margaret M. Bloomfield Technology Academy High School,
17. Alliance Alice M. Baxter College-Ready High School,
18. Alliance Jack H. Skirball Middle School,
19. Alliance College-Ready Middle Academy No. 4

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Combination (Continued)

- 20. Alliance College-Ready Middle Academy No. 5,
- 21. Alliance College-Ready Middle Academy No. 7 (entity closed on June 10, 2016),
- 22. Alliance College-Ready Middle Academy No. 8,
- 23. Alliance Kory Hunter Middle School
- 24. Alliance Leadership Middle Academy
- 25. Alliance College-Ready Middle Academy No. 12. (new school operational July 1, 2015),
and
- 26. Alliance 6–12 College-Ready Academy No. 21 (new school operational July 1, 2015)

All significant intercompany transactions have been eliminated in the combination.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Alliance considers investments with maturities of less than three months at the purchase date to be cash equivalents.

Grants, Contributions and Pledges Receivable

Grants and contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions for which the restriction has been satisfied in the same reporting period as the contribution was received are recorded as unrestricted support. Conditional contributions are recorded as support in the period the condition is met. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the restriction, usually when the funds are spent. Pledges for future contributions are recorded as receivables and reported at their estimated realizable values. Advances from exchange transactions are deferred until service is provided or expense incurred.

Public Funding Receivables

Public funding receivables consist primarily of monies due from federal, state and local funding sources. The Alliance has not had issues with collectability of the public funding receivables and has not recognized an allowance for uncollectable receivables.

Conditional Promise to Give

The Alliance has received various conditional promises to give from foundations and other contributors, which are to support individual Alliance-affiliated school operations and the opening of ten new schools. As these grants and contributions are contingent upon the satisfaction of certain school and student performance goals, they are not yet recognized as assets in the combined statement of financial position.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Financing Costs

Costs incurred in obtaining long-term financing are amortized using the effective interest rate method. Total financing costs incurred and deferred amounted to \$9,269,285 with \$2,432,700 related accumulated amortization as of June 30, 2016. Total financing costs incurred and deferred amounted to \$9,076,389 with \$1,855,351 related accumulated amortization as of June 30, 2015. Total amortization expense for the years ended June 30, 2016 and 2015 was \$577,349 and \$1,035,382, respectively.

Property and Equipment

Property and equipment are stated at cost. Contributed assets are stated at fair market value at the date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the term of the lease.

	<u>Useful Life</u>
Buildings and building improvements	2 to 50 years
Furniture and equipment	2 to 10 years
Software	3 to 5 years

Long-lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Alliance first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. The Alliance determined that none of its long-lived assets were impaired during the years ended June 30, 2016 and 2015.

Income Taxes

The 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. The Alliance, its subsidiaries and its affiliates file annual informational tax returns in the U.S. federal and California jurisdictions.

As of and for the year ended June 30, 2016 and 2015, Alliance had no material unrecognized/derecognized tax benefits or tax penalties or interest.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Rent

Certain leases include scheduled escalating monthly rent payments. In accordance with accounting principles generally accepted in the United States of America, the Alliance accounted for these leases on a straight-line basis to provide even charges to operations over the lives of the leases.

Sources of Revenue and Major Contributors

The Alliance receives funding from federal, state and local sources. A portion of the funding is based upon the average daily attendance (“ADA”) of the schools. The Alliance also receives funding from private donors and foundations committed to creating high-performance, small, college-ready middle schools and high schools in Los Angeles.

State Apportionment, Other State and Local Revenue

The Alliance Schools’ main revenue is received from a combination of local property taxes, state apportionments and other local sources. The Base Revenue Limit is the amount of the general purpose tax revenue, per ADA, that the Alliance is entitled to receive by law. This amount is multiplied by the second-period ADA to derive the Alliance’s total entitlement.

Los Angeles County (the “County”) is responsible for assessing, collecting and apportioning property taxes. Taxes are leveled for each fiscal year on taxable real and personal property in the County. The Los Angeles County Auditor reports the amount of the Alliance’s allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue by the Alliance.

The California Department of Education reduces the Alliance’s entitlement by the Alliance’s local property tax revenue. The balance is paid from the State General Fund and is known as the State Apportionment.

In-kind Donations

Contributed services are recognized by the Alliance if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The contributed services received during the year ended June 30, 2016 was \$2,212,632 and related to legal services. There were no recorded contributed services during June 30, 2015.

Contributed items are donated goods that are recognized and recorded at fair value as of the contribution date.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain amounts from the prior year totals have been reclassified to conform to the current year presentation. Such reclassifications did not have an effect on the reported net assets.

Allocation of General and Administrative 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 management's estimate.

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. The Alliance's only financial asset or liability measured at fair value is cash and cash equivalents, which have been valued based on quoted prices utilizing market observing inputs for identical assets (Level 1).

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

The carrying amounts of grants, contributions and pledge receivables, related party receivables, public funding receivables, notes receivable, deferred rent receivable, accounts payable and accrued expenses approximates their fair value due to the short-term maturity of these instruments. The carrying amount of notes receivable, capital lease obligations and long-term debt approximates their fair values, as these financial instruments accrue interest based on prevailing rates.

Concentrations of Risk

Cash and cash equivalents are placed with high-credit, quality financial institutions. At times, certain account balances may exceed insurance coverage limits by the Federal Deposit Insurance Corporation (“FDIC”). The FDIC will insure up to \$250,000 per deposit or per insured banking institution. These account balances usually exceed federally insured limits. However, Alliance has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

A contributor accounted for approximately \$2,150,000 or 17% of total donations and grants from individuals and foundations for the year ended June 30, 2015. No such concentration existed for the year ended June 30, 2016. Federal, state and local funding accounted for approximately 88% and 89% of total combined revenue for the years ended June 30, 2016 and 2015, respectively. The Alliance routinely assesses the financial strength of its contributors and believes that its credit risk exposure is limited. Further, there is no guarantee that funding from federal, state and local sources will be available in the future.

Use of Estimates

The preparation of financial statements 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 FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. ASU 2014-09, as deferred one year by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2018 using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Alliance is in the process of evaluating the impact of this accounting pronouncement.

In April 2015, the FASB issued ASU No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* (“ASU 2015-03”) to reduce complexity in the balance sheet presentation of debt issuance costs, discounts and premiums. The standard is effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. The Alliance is in the process of evaluating the impact of this accounting pronouncement.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance changes how entities account for equity investments that do not result in consolidation and are not accounted for under the equity method of accounting. Entities will be required to measure these investments at fair value at the end of each reporting period and recognize changes in fair value in net income. A practicability exception will be available for equity investments that do not have readily determinable fair values; however, the exception requires the Alliance to adjust the carrying amount for impairment and observable price changes in orderly transactions for the identical or a similar investment of the same issuer. This guidance also changes certain disclosure requirements and other aspects of current US GAAP. ASU 2016-01 will be effective for the Alliance for fiscal years beginning after December 15, 2018. The Alliance is in the process of evaluating the impact of this accounting pronouncement.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

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. The Alliance is in the process of evaluating the impact of this accounting pronouncement.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements*, which require a financial asset measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 will be effective for fiscal years beginning after December 15, 2020 and the transition method will be a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period. The Alliance is in the process of evaluating the impact of this accounting pronouncement.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Under the new guidance, the existing three-category classification of net assets will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called donor restriction. The new standard is effective for fiscal years beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The Alliance is in the process of evaluating the impact of this accounting pronouncement.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. Under the new guidance, it provides guidance on eight specific cash flow issues. The new standard is effective for fiscal years beginning after December 15, 2018. Early application of the amendment is permitted. The Alliance is in the process of evaluating the impact of this accounting pronouncement.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 3 – GRANTS, CONTRIBUTIONS AND PLEDGES RECEIVABLE

Grants, contributions and pledges receivable consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Amounts due		
In less than one year	\$ 1,195,000	\$ 2,004,686
In one to five years	<u>2,587,310</u>	<u>977,500</u>
Total gross grants, contributions and pledge receivables	3,782,310	2,982,186
Less present value discount*	<u>(152,590)</u>	<u>(37,830)</u>
	3,629,410	2,944,356
Less current portion	<u>(1,195,000)</u>	<u>(2,004,686)</u>
Long-term portion	<u>\$ 2,434,410</u>	<u>\$ 939,670</u>

*The effective interest rates used to calculate the present value at June 30, 2016 and 2015 ranged from 0.67% to 1.66% and 0.77% to 1.43%, respectively, and were based on the Treasury bill rate at the inception of the promises to give.

NOTE 4 – PUBLIC FUNDING RECEIVABLES

Public funding receivables consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Federal revenue	\$ 1,541,839	\$ 2,493,034
State apportionment and other state revenue	12,579,159	10,309,637
Other revenues	<u>633,969</u>	<u>121,327</u>
	<u>\$ 14,754,967</u>	<u>\$ 12,923,998</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 5 – ASSETS LIMITED AS TO USE

Assets limited to use consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Facilities maintenance reserve funds held by trustees under the provision of various promissory notes and of various bond indenture agreements to secure payments on facilities maintenance for properties (see Note 10)	\$ 1,862,287	\$ 1,958,730
Sinking funds and bond reserve held by trustees under the provision of various promissory notes and of various bond indenture agreements to secure payments of principal and interest in the case of default (see Note 10)	14,718,944	14,161,467
Investments held by trustees under the provision of bond indenture agreements to secure current payments of principal and interest on various School Facility Revenue Bonds (see Note 10)	14,781,674	3,375,220
Funds held by trustees under the provision of various promissory notes and of bond indenture agreement to secure construction draws and interest payment during construction period	3,288,272	14,663,335
Funds due to beneficiaries for pending disbursements of scholarships designated for specific students	-	2,000
Funds due to operation subsidy held by a trustee under the provision of various promissory notes	-	898,060
Advances from conditional revenue related to Prop 1D that are deferred until service is provided or expense incurred	<u>6,118,984</u>	<u>4,394,665</u>
	40,770,161	39,453,477
Less current portion	<u>(24,741,886)</u>	<u>(24,830,248)</u>
Long-term portion	<u>\$ 16,028,275</u>	<u>\$ 14,623,229</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 – NOTES RECEIVABLE AND NEW MARKET TAX CREDIT

The New Market Tax Credit (“NMTC”) Program is a federal subsidy program for economic development of depressed areas and is designed to stimulate the flow of investment capital into underserved areas by providing tax credits of 39% of an investment in a “low-income community,” which is claimed over a seven-year credit allowance (term) period.

1918 Broadway Charter Facilities LLC

On November 11, 2011, 1918 Broadway Charter Facilities LLC (“Broadway Facilities”) entered into a 40-year NMTC loan agreement (the “Agreement”) for approximately \$21,000,000, which represented an equity investment by GSB NMTC Investor LLC (“Investor”) in Alliance Broadway Investment Fund LLC, an unaffiliated organization which, in turn loaned the funds to GLA Sub-CDE X, LLC, New Markets Investment 65, LLC and LIIF Sub-CDE XV, LLC (collectively “CDEs”). CDEs loaned the funds to the Broadway Facilities through two notes: Note A in the amount of \$15,012,675 and Note B in the amount of \$6,020,143.

The proceeds from the loans to the Broadway Facilities were used to purchase land in the amount of approximately \$4,000,000 and a variety of other loan costs and legal fees in the amount of approximately \$2,400,000, which was capitalized as deferred financing costs.

The remaining amount, totaling \$14,632,818, was allocated to pay for the construction costs of the Broadway Facilities.

Pursuant to the Agreement, the Investor is entitled to sell, by written notice 30 days prior to the expiration of the seventh loan year, the Investor’s interest in Note B to Alliance Broadway Charter Financing LLC (“Broadway Financing”) in the amount of \$1,000. However, there are no guarantees that this will occur.

Pursuant to the Agreement, the Broadway Financing is entitled to purchase, by written notice 30 days prior to the expiration of the seventh loan year, the Investor’s interest in the amount equal to the fair market value of the Investor’s interest at the time of the written notice. However, there are no guarantees that this will occur.

113 S. Rowan Charter Financing LLC

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 (“Investor”) 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 “CDEs”). CDEs loaned the funds to the 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 FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 – NOTES RECEIVABLE AND NEW MARKET TAX CREDIT (Continued)

The proceeds from the NMTC loan, with the addition of the Pacific Charter School Development (“PCSD”) loan (see Note 10), to the Rowan Facilities were used to purchase land and building in the amount of \$4,503,300 and \$6,285,259, respectively. Also, the proceeds were used on a variety of other loan costs and legal fees in the amount of \$674,477, which was capitalized as deferred financing costs.

As of June 30, 2016, Rowan Facilities holds a construction disbursement account for pending constructions and interest reserve account in the amount of \$594,968 and \$171,588, respectively.

Pursuant to the Agreement, the Investor is entitled to sell, by written notice 30 days prior to the expiration of the seventh loan year, the Investor’s interest to Rowan Facilities in the amount of \$1,000. However, there are no guarantees that this will occur.

Pursuant to the Agreement, Rowan Facilities is entitled to purchase, by written notice 30 days prior to the expiration of the seventh loan year, the Investor’s interest in the amount equal to the fair market value of the Investor’s interest at the time of the written notice. However, there are no guarantees that this will occur.

Alliance for College-Ready Public Schools Facilities Corporation

On April 15, 2015, the Alliance for College-Ready Public Schools Facilities Corporation issued a 2015 revenue bond in the amount of \$55,590,000 (see Note 10). The Alliance entered an escrow agreement with the Wilmington Trust, an unrelated third party, in the amount of \$14,790,894. The Wilmington Trust, as the escrow agent, entered two promissory notes from ExED Facilities III Investment Fund, LLC and one promissory note from NCBDC Impact V Investment Fund 2, LLC. Both Investment Fund LLCs are unrelated third parties owned by an unrelated third party, U.S. Bankcorp Community Development Corporation (“USBCDC”), a Minnesota Corporation. Both Investment Fund LLCs are also the lenders to the 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC (see Note 10).

Pursuant to the Agreement, the USBCDC is entitled to sell the investor’s interest to the Alliance in the amount of \$1,000. However, there are no guarantees that this will occur. If such option is not exercised, 120 days after, the Alliance is entitled to purchase the investor’s interest in the amount of \$1,000. On June 21, 2016, pursuant to the Agreement, USBCDC sold its investor interest to Alliance for \$1,000. Associated loans made to 70th Street Charter Facilities LLC and 6900 8th Avenue Charter Facilities LLC in the amount of \$5,037,700 were in turn forgiven and the Alliance recognized a gain on loan forgiveness.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 – NOTES RECEIVABLE AND NEW MARKET TAX CREDIT (Continued)

Notes receivable consisted of the following at June 30:

	2016	2015
<p>A promissory note from ExED Facilities III Investment Fund, LLC, an unrelated third party owned by USBCDC – The note bears interest at a rate of 7% per annum. The note matures on June 17, 2016, at which time all unpaid principal and interest becomes due. The note is secured by the properties held by 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC.</p>	\$	- \$7,777,607
<p>A promissory note from NCBDC Impact V Investment Fund 2, LLC, an unrelated third party owned by USBCDC – The note bears interest at a rate of 7.25% per annum. The note matures on June 17, 2016, at which time all unpaid principal and interest becomes due. The note is secured by the properties held by 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC.</p>		- 4,298,708
<p>A promissory note from ExED Facilities III Investment Fund, LLC, an unrelated third party owned by USBCDC – The note bears interest at a rate of 7% per annum. The note matures on June 17, 2016, at which time all unpaid principal and interest becomes due. The note is secured by the properties held by 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC.</p>	\$	- \$ 2,714,579
<p>A promissory note from Alliance Broadway Investment Fund LLC, an unrelated third party – The note bears interest at a rate of 5.81% per annum and is receivable in monthly interest-only payments. The note matures on December 1, 2018, at which time all unpaid principal and interest becomes due. The note is secured by all membership interests in Alliance Broadway Investment Fund LLC.</p>	15,012,675	15,012,675

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 – NOTES RECEIVABLE AND NEW MARKET TAX CREDIT (Continued)

	2016	2015
<i>Continued from previous page</i>		
<p>A promissory note from SFV 8926 Sunland LLC, an unrelated third party – The note bears interest at a rate of 3% per annum and is receivable in monthly interest-only payments from August 1, 2016. Thereafter, monthly principal and interest payments become due. The note matures on July 1, 2019, at which time all unpaid principal and interest becomes due. The note is secured by development of charter school facilities on the real property commonly known as 8923 Sunland Avenue, Los Angeles, California 91352.</p>	170,000	170,000
<p>A promissory note from Chase NMTC Alliance #8 Investment Fund LLC, an unrelated third party – The note bears interest at a rate of 4.86% per annum and is receivable in monthly interest-only payments until December 1, 2020. The note matures on December 5, 2020, at which time all unpaid principal and interest becomes due. The note is secured by all membership interests in Chase NMTC Alliance #8 Investment Fund LLC.</p>	6,378,594	6,378,594
<p>A promissory note from Alliance Broadway Investment Fund LLC, an unrelated third party – The note bears interest at a rate of 1% per annum and is receivable in monthly interest-only payments until January 1, 2019. Thereafter, monthly principal and interest payments become due. The note matures on December 1, 2051, at which time all unpaid principal and interest becomes due. The note is secured by all membership interests in Alliance Broadway Investment Fund LLC.</p>	\$ 650,000	\$ 650,000

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 – NOTES RECEIVABLE AND NEW MARKET TAX CREDIT (Continued)

	2016	2015
<i>Continued from previous page</i>		
A promissory note from Alliance Broadway Investment Fund LLC, an unrelated third party – The note bears interest at a rate of 1% per annum and is receivable in monthly interest-only payments until January 1, 2019. Thereafter, monthly principal and interest payments become due. The note matures on December 1, 2051, at which time all unpaid principal and interest becomes due. The note is secured by real property and all membership interests in Alliance Broadway Investment Fund LLC.	724,320	724,320
Less current portion	22,935,589	37,726,483
	-	(14,790,894)
Total long-term note receivable	\$ 22,935,589	\$ 22,935,589

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2016	2015
Land	\$ 56,183,040	\$ 53,661,139
Buildings and building improvements	138,277,358	134,569,373
Construction in progress	36,908,232	13,855,119
Furniture and equipment	25,085,515	23,847,626
Software	236,266	120,565
	256,690,411	226,053,822
Less accumulated depreciation and amortization	(30,656,076)	(24,151,027)
Total	\$226,034,335	\$201,902,795

Construction in progress primarily relates to costs incurred for the building of a school facility and includes capitalized interest of \$321,839 and \$306,920 as of June 30, 2016 and 2015, respectively.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 7 – PROPERTY AND EQUIPMENT (Continued)

Depreciation and amortization expense for the years ended June 30, 2016 and 2015 were \$9,771,161 and \$8,983,358, respectively.

As discussed in Note 15 below, the 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 was as follows:

	2016	2015
Buildings and building improvements	\$ 12,730,483	\$ 12,730,483
Less accumulated depreciation	(2,440,009)	(2,121,747)
Total	\$ 10,290,474	\$ 10,608,736

NOTE 8 – CAPITAL LEASES

The Alliance leased computer equipment under capital leases during the year ended June 30, 2014, which expired in 2016. At June 30, 2016, the leased equipment had a capitalized cost of \$8,463,200 with accumulated depreciation of \$7,536,030. Depreciation and amortization expense for the years ended June 30, 2016 and 2015 were \$2,821,067 and \$2,821,067, respectively.

NOTE 9 – LINE OF CREDIT

The Alliance has a revolving line of credit with a bank that allows for borrowings of up to \$5,000,000. At the election of Alliance, advances can be made by either i) an Alternate Base Rate Advance with an interest rate equal to the greatest of (a) the Prime Rate in effect on date of advance or (b) the Federal Funds Rate in effect on date of advance plus ½ of 1% of (c) the Applicable Floating Rate on the date of advance or ii) a LIBOR Advance with an interest rate equal to the Bank’s LIBOR Rate plus 2%. The line of credit requires monthly interest payments on outstanding balances, with the total outstanding principal and interest due on March 31, 2017. The line is secured by all personal property of the Alliance. As of June 30, 2016 and 2015, no amounts were outstanding.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT

Long-term debt consisted of the following at June 30:

	2016	2015
California Statewide Communities Development Authority Insured Educational Facilities Revenue Bonds, 2007 Series B – Term bonds of \$585,000 mature on July 1, 2017, with an interest rate of 8% per annum with mandatory sinking fund payments due annually.	\$ 180,000	\$ 310,000
Various loans payable to LIIF sub-CDE, LISC Sub-CDE and Genesis Sub-CDE, bearing interest at a rate of 5.15% per annum with principal and interest payments due monthly, commencing the first day of December 2011 – The total outstanding principal and interest is due in full in November 2018. The notes are secured by a trust deed on the 1918 Broadway Charter Facilities LLC property.	15,012,675	15,012,675
A promissory note to Housing Authority of the City of Los Angeles, California, bearing interest at 5.25% per annum with interest and principal payment due monthly – has a principal balance of \$3,000,000 which matures on June 11, 2020. The note is secured by a trust deed on the 515 South Columbia Avenue property.	2,895,000	3,000,000
ExEd Facilities XII LLC promissory notes – Loan A-1 and B-1 of \$2,344,000 and \$898,268 mature on December 5, 2020, with an interest rate of 5% per annum with interest-only payments due monthly, and is secured by a trust deed on the 113 S. Rowan Charter Facilities LLC property.	3,242,268	3,242,268

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

	2016	2015
<i>(Continued from previous page)</i>		
Senior loan with JP Morgan Chase Bank – the \$3,200,000 loan matures on December 5, 2020, with an interest rate per annum of 5% with principal and interest payments due monthly and is secured by a trust deed on the 113 S. Rowan Charter Facilities LLC property.	\$ 2,828,168	\$ 2,983,108
Subordinated promissory note to Loan Initiatives Support Corporation – the \$3,000,000 loan matures on December 5, 2020, with an interest rate per annum of 5% and is secured by a trust deed on the 113 S. Rowan Charter Facilities LLC property.	3,000,000	3,000,000
Subordinated loan payable to Charter School Financing Partnership, bearing 0% interest, unless there is default, in which the loan will bear interest of 3% per annum – Principal will be paid monthly, commencing on the first business day of September 2012, with the final installment due in February 2022. The notes are secured by a trust deed on the 4610 S. Main property.	440,550	520,650
A promissory note to Pacific Charter School Development, Inc., bearing 0% interest, has an initial principal balance of \$1,530,780, which matures on December 5, 2023. After December 5, 2023, unpaid principal shall bear interest at an annual rate equal to 9.00% per annum. Construction costs are drawn from an additional construction loan, with aggregate amount of up to \$1,969,220, when incurred and are added onto the original principal balance. The loan is secured by trust deeds on the 3640 1 st Street, Los Angeles, California.	-	1,593,474

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

	2016	2015
<i>(Continued from previous page)</i>		
<p>Various loans payable to GLA Sub-CDE XI, LLC, New Markets Investment 65, LLC and LIIF Sub-CDE XV, LLC, bearing interest at a rate of 7% to 9% per annum with interest payments due quarterly, commencing the first day of November 2011 – 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.</p>	\$ 15,012,675	\$ 15,012,675
<p>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 5.7375% and 8.75% per annum, respectively, and is secured by a trust deed on the 461 W. 9th Street Charter Facilities LLC property.</p>	8,933,923	8,954,305
<p>California School Finance Authority Charter School Revenue Bonds, Series 2013 – Term bonds of \$10,750,000 mature on June 15, 2034, with an interest rate of 6.50% and is secured by a trust deed on the 7907 Santa Fe Avenue Charter Facilities LLC property.</p>	10,750,000	10,750,000
<p>Various loans payable to Exed Facilities III, Impact V CDE 2 and Impact V CDE 4, bearing interest at a rate of 7.25% per annum with interest payments due monthly, commencing the first day of September 2011 until June 2016, at which point principal and interest payments become due – The loans mature in June 2039, and all outstanding principal and interest is due in full at that time. The notes are secured by a trust deed on the 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC property.</p>	-	10,492,186
<i>(Continued on following page)</i>		

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

	2016	2015
<i>(Continued from previous page)</i>		
<p>Various loans payable to Exed Facilities III, Impact V CDE 2 and Impact V CDE 4, bearing interest at a rate of 1.75% per annum with interest payments due monthly, commencing the first day of September 2011 until June 2016, at which point principal and interest payments become due – The loans mature in June 2039, and all outstanding principal and interest is due in full at that time. The notes are secured by a trust deed on the 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC property.</p>	\$	- \$ 2,629,295
<p>Various loans payable to Exed Facilities III, Impact V CDE 2 and Impact V CDE 4, bearing interest at a rate of 3.01% per annum with interest payments due monthly, commencing the first day of September 2011 until June 2016, at which point, principal and interest payments become due – The loans mature in June 2039, and all outstanding principal and interest is due in full at that time. The notes are secured by a trust deed on the 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC property.</p>		- 900,547
<p>Various loans payable to Exed Facilities III, Impact V CDE 2 and Impact V CDE 4, bearing interest at a rate of 6.229% per annum with interest payments due monthly, commencing the first day of September 2011 until June 2016, at which point, principal and interest payments become due – The loans mature in June 2039, and all outstanding principal and interest is due in full at that time. The notes are secured by a trust deed on the 6900 8th Avenue Charter Facilities LLC and 70th Street Charter Facilities LLC property.</p>		- 5,848,696

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

	2016	2015
<i>(Continued from previous page)</i>		
Promissory notes to NCB Capital Impact, bearing interest at 5.184% per annum with interest-only payments due monthly – Term notes of \$4,173,443 mature on July 20, 2018, and term notes of \$1,149,242 mature on July 20, 2041. The notes are secured by a trust deed on the 9719 Main Street Charter Facilities LLC property.	\$ 5,322,685	\$ 5,322,685
Promissory notes to NCB Capital Impact, bearing interest at 5.153% per annum with interest-only payments due monthly – Term notes of \$4,527,954 mature on July 20, 2018, and term notes of \$1,246,863 mature on July 20, 2041. The notes are secured by a trust deed on the 10101 Broadway Charter Facilities LLC property.	5,774,817	5,774,817
Promissory notes to NCB Capital Impact, bearing interest at 5.153% per annum with interest-only payments due monthly – Term notes of \$6,315,140 mature on July 20, 2018, and term notes of \$1,726,247 mature on July 20, 2041. The notes are secured by a trust deed on the 10704 Wilmington LLC property.	8,041,387	8,041,387
California Statewide Communities Development Authority Insured Educational Facilities Revenue Bonds, 2007 Series A – Term bonds of \$4,940,000 mature on July 1, 2030, with an interest rate of 5.15% per annum; term bonds of \$10,225,000 mature July 1, 2042, with an interest rate of 5.25% per annum and is secured by a trust deed on the 2071 Saturn LLC property.	15,165,000	15,165,000

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

	2016	2015
<i>Continued from previous page</i>		
<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 3.5526%, and is 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 – Term bonds of \$55,260,000 mature from July 1, 2017 to July 1, 2045, with an interest rate of 3% to 5% plus an original premium of \$3,216,960.70, and Series 2015B – Term bonds of \$330,000 matures on July 1, 2017, with an interest rate of 3.875%, are secured by trust deeds on the 5151 Titan LLC property, 1552 Rockwood Street Charter Facilities LLC property, 49th and Main Charter Facilities LLC property, 5886 Compton Avenue Charter Facilities LLC property, 70th Street Charter Facilities LLC property, and 6900 8th Avenue Charter Facilities LLC property.</p>	58,750,810	58,791,513
<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 mature 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 notes are secured by a trust deed on the 11410 Avalon LLC and 54th Street Lions LLC property.</p>	21,318,744	21,531,284

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

	2016	2015
<i>(Continued from previous page)</i>		
California Statewide Communities Development Authority School Facility Revenue Bonds, Series 2012 – Term bonds of \$475,000 mature 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 6.100% per annum; term bonds of \$6,160,000 mature on July 1, 2047, with an interest rate of 6.375% per annum. The notes are secured by a trust deed on the 4610 S. Main property.	\$ 8,345,000	\$ 8,385,000
California School Finance Authority School Facilities Revenue Bonds Statewide Communities Development Authority Insured Educational Facilities Revenue Bonds, 2014 Series A and B – Term bonds of \$15,690,000 and \$85,000 mature on July 1, 2048 and on July 1, 2015, respectively, with an interest rate of 6.40% and 5.50% per annum, respectively, and is secured by a trust deed on the Alliance Gertz-Ressler High School / Richard Merkin 6–12 Complex property.	15,191,128	15,346,319
Various loans payable to LIIF sub-CDE, LISC Sub-CDE and Genesis Sub-CDE, bearing interest at a rate of 3.80% per annum with principal and interest payments due monthly, commencing the first day of December 2011 – The total outstanding principal and interest is due in full in November 2051. The notes are secured by a trust deed on the 1918 Broadway Charter Facilities LLC property.	6,443,604	6,335,658
Charter School Facilities Grant bearing interest at a rate of 2% per annum. Payments commence one year after initial occupancy with occupancy beginning in April 2016. Payment terms to be determined.	13,701,197	-

(Continued on following page)

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

	2016	2015
<i>Continued from previous page</i>		
Promissory note to Bank of the West, bearing interest at a per annum rate at the LIBOR Rate plus 2.5% with interest-only payments due monthly. The note matures on July 5, 2017 with an extension option to October 5, 2017. There is a further option to convert the term loan to a bridge loan and if done, principal payments are \$10,833 for months seven to eighteen and \$11,666 per month thereafter. The bridge loan matures on July 20, 2015 with an option to extend to December 31, 2018.	\$ <u>3,144,350</u>	\$ <u> -</u>
Less current portion	<u>229,013,981</u> <u>(5,293,410)</u>	<u>234,463,542</u> <u>(953,550)</u>
Total long-term debt	<u>\$223,720,571</u>	<u>\$233,509,992</u>

In conjunction with certain of the long-term debt agreements, the 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, 2016, the Alliance was in compliance with all of these covenant requirements.

During May 2007, 2071 HP Saturn LLC issued the 2007 Revenue Bonds with a total borrowing of \$15,750,000. The purpose of issuing the 2007 Revenue Bonds was to finance the acquisition of educational facilities in Huntington Park, California, which is leased to Alliance Collins Family College-Ready Academy High School and an unrelated third party. During the years ended June 30, 2016 and 2015, lease payments totaling \$1,171,123 and \$1,183,880, respectively, were collected.

2071 HP Saturn LLC is required to establish funds with the trustee to pay the principal and interest portion of the 2007 Revenue Bonds. Deposits with the trustee to satisfy mandatory requirements on the 2007 term bonds will be made in annual installments ranging from \$10,000 to \$2,145,000 during the period from July 1, 2008 to July 1, 2042. These balances are classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$643,901 as of June 30, 2016.

The HP Saturn LLC is also required to set up reserve accounts for bond reserve and facilities maintenance reserve. These balances are classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$1,117,559 and \$629,377, respectively, as of June 30, 2016.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

During August 2011, 54th Street Lions LLC and 11410 Avalon LLC issued the 2011 Revenue Bonds with a total borrowing of \$22,565,000. The purpose of issuing the 2011 Revenue Bonds was to refinance the corresponding LLCs' debt. During the years ended June 30, 2016 and 2015, lease payments totaling \$1,870,614 and \$2,043,513 were collected from Alliance-affiliated schools, respectively.

54th Street Lions LLC and 11410 Avalon LLC are required to establish funds with the trustee to pay the principal and interest portion of the 2011 Revenue Bonds. Deposits with the trustee to satisfy mandatory requirements on the 2011 term bonds will be made in annual installments ranging from \$155,000 to \$1,728,050 during the period from September 1, 2011 to July 1, 2046. These balances are classified as "assets limited as to use" on the accompanying statement of financial position and amounted to \$1,168,141 as of June 30, 2016.

The 54th Street Lions LLC and 11410 Avalon LLC are also required to set up a bond reserve and facilities maintenance reserve account for projects. These balances are classified as "assets limited as to use" on the accompanying statement of financial position and amounted to \$1,729,631 and \$247,084, respectively, as of June 30, 2016.

During November 2011, 1918 Broadway Charter Financing LLC issued 2011 Revenue Bonds with total borrowings of \$15,012,675. The purpose of issuing the 2011 Revenue Bonds was to make an equity investment into an investment fund with three community development entities ("CDE's"), fund a portion of the deposit to the Required Reserved Account of the Revenue Fund and pay for the cost issuance of the Bonds. The required bond reserve account of the revenue fund amounted to \$2,119,649 as of June 30, 2016 and is classified as "assets limited as to use" on the accompanying statement of financial position.

During February 2012, 4610 S. Main Street Charter Facilities LLC issued the 2012 Revenue Bonds with a total borrowing of \$8,455,000. The purpose of issuing the 2012 Revenue Bonds was to finance the acquisition of educational facilities in Los Angeles, California, which is leased to Alliance Patti and Peter Neuwirth Leadership Academy. During the years ended June 30, 2016 and 2015, lease payments totaling \$698,549 and \$698,723, respectively, were collected.

4610 S. Main Street Charter Facilities LLC is required to establish funds with the trustee to pay the principal and interest portion of the 2012 Revenue Bonds. Deposits with the trustee to satisfy mandatory sinking fund requirements on the 2012 term bonds will be made in annual installments ranging from \$35,000 to \$615,000 during the period from July 25, 2012 to June 25, 2047. These balances are classified as "assets limited as to use" on the accompanying statement of financial position and amounted to \$353,340 as of June 30, 2016.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

The Alliance is also required to set up reserve accounts for bond reserve and facilities maintenance reserve accounts for construction projects. These balances are classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$147,902 and \$496,593, respectively, as of June 30, 2016.

7907 Santa Fe Avenue Charter Facilities LLC is required to establish funds with the trustee to pay the principal and interest portion of the 2013 Revenue Bonds. Deposits with the trustee to satisfy mandatory sinking fund requirements on the 2013 term bonds will be made in annual installments ranging from \$58,697 to \$145,177 during the period from July 15, 2014 to June 15, 2034. The Alliance has set up capital interest account to accommodate the installment. These balances are classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$1,445,757 as of June 30, 2016.

The Alliance is also required to set up reserve accounts for bond reserve and facilities maintenance reserve accounts for construction projects. These balances are classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$151,388 and \$28,547, respectively, as of June 30, 2016.

2023 Union LLC is required to establish funds with the trustee to pay the principal and interest portion of the 2013 Revenue Bonds. The required bond reserve account of the revenue fund amounted to \$636,815 as of June 30, 2016 and is classified as “assets limited as to use” on the accompanying statement of financial position.

The Alliance is also required to set up a reserve account for facilities maintenance reserve account for construction projects. This balance is classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$200,606 as of June 30, 2016.

There is no sinking fund reserve requirement.

461 W. 9th Street Charter Facilities LLC is required to establish funds with the trustee to pay the principal and interest portion of the 2014 Revenue Bonds. Deposits with the trustee to satisfy mandatory requirements on the 2014 term bonds will be made in annual installments ranging from \$40,370 to \$1,002,745 during the period from June 15, 2014 to March 15, 2034. The Alliance has set up a capital interest account to accommodate the installment. These balances are classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$367,106 as of June 30, 2016.

There is no sinking fund or facilities maintenance reserve requirement.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 10 – LONG-TERM DEBT (Continued)

During April 2015, Alliance for College-Ready Public Schools Facilities Corporation issued the 2012 Revenue Bonds with a total borrowing of \$55,590,000. The purpose of issuing the 2015 Revenue Bonds was to finance the acquisition of educational facilities in Los Angeles, California, which is leased by various Alliance schools. Proceed is also used to pay off various debts listed above. Lease payments collected by various LLCs are then distributed to the Alliance for College-Ready Public Schools Facilities Corporation for debt service payment.

Alliance for College-Ready Public Schools Facilities Corporation is required to establish funds with the trustee to pay the principal and interest portion of the 2015 Revenue Bonds. Deposits with the trustee to satisfy mandatory sinking fund requirements on the 2015 term bonds will be made in annual installments ranging from \$840,000 to \$3,450,000 during the period from January 1, 2016 to July 1, 2045. These balances are classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$1,576,886 as of June 30, 2016.

Alliance for College-Ready Public Schools Facilities Corporation is also required to set up reserve accounts for bond reserve account. The balance is classified as “assets limited as to use” on the accompanying statement of financial position and amounted to \$3,622,500 as of June 30, 2016.

There is no facilities maintenance reserve requirement.

Aggregate future maturities of long-term debt and sinking fund requirements for each of the next five years and thereafter are as follows:

Years Ending <u>June 30,</u>	
2017	\$ 5,293,410
2018	5,024,662
2019	6,227,900
2020	28,195,494
2021	16,471,136
Thereafter	<u>167,801,379</u>
Total	<u>\$229,013,981</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 11 – ASSET RETIREMENT OBLIGATION

The Alliance recognizes a liability at discounted fair value for the future retirement of tangible long-lived assets and associated assets retirement cost associated with an operating lease (see Note 15). The fair value of the liability is capitalized as part of the cost of related asset and amortized to expense over its useful life. The liability accretes until the date of expected settlement of the retirement obligations. The related accretion expense is recognized in the combined statement of activities. Differences between the actual costs incurred and the fair value of the liability recorded are recognized in income in the period the actual costs are incurred.

There are no legally restricted assets for the settlement of asset retirement obligations. A reconciliation of the Alliance's asset retirement obligations from the periods presented is as follows:

Balance at June 30, 2015	\$ 295,276
Incurred during the period	-
Accretion expense	<u>15,525</u>
Balance at June 30, 2016	<u>\$ 310,801</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 12 – RELATED PARTY TRANSACTIONS

Related party receivable includes unrestricted promises to give from board members. Related party receivable consisted of the following at June 30:

	2016	2015
Amounts due		
In less than one year	\$ 675,113	\$ 1,186,667
In one to five years	-	2,499,999
Total gross contributions receivable	675,113	3,686,666
Less		
Present value discount*	-	(168,539)
Total contributions receivable, net	675,113	3,518,127
Less contributions receivable, current portion	675,113	1,186,667
Contributions receivable, noncurrent portion	\$ -	\$ 2,331,460

*The effective interest rates used to calculate the present value at June 30, 2015 ranged from 0.95% to 1.68% and was based on the Treasury Bill Rate at the inception of the promises to give.

There were no additional contributions pledged by individual members of the board during the year ended June 30, 2016. Total contributions pledged by individual members of the board during the year ended June 30, 2015 were \$2,150,000.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 13 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2016 were restricted by donors for specific programs of the Alliance. The programs are as follows:

	Expenditures/ Available June 30, 2015	New Revenues	Releases from Restrictions	Available June 30, 2016
Graduate scholarships	\$ 316,284	\$ 922,097	\$ (360,173)	\$ 878,209
Technology	1,798,853	418,114	(568,091)	1,648,875
School programs	169,987	114,222	(30,779)	253,430
Operations, other than facilities	963,806	350,000	(556,083)	757,723
Professional development	1,101,359	3,408,368	(3,571,871)	937,856
Facilities	985,077	1,254,752	(117,292)	2,122,537
Restriction due to time	<u>4,524,428</u>	<u>1,049,649</u>	<u>(1,674,167)</u>	<u>3,899,910</u>
	<u>\$ 9,859,794</u>	<u>\$ 7,517,202</u>	<u>\$(6,878,456)</u>	<u>\$10,498,540</u>

NOTE 14 – 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 initial monthly payments of \$24,600, plus supplemental rent equal to 20% of all facility reimbursement from the federal and state governments received by the lessee. The lease expires on June 30, 2042 and has two options to extend the terms for ten years each. The future minimum rentals to be received under this noncancelable operating lease at June 30, 2016 were as follows:

Years Ending <u>June 30,</u>	
2017	\$ 414,354
2018	419,534
2019	424,778
2020	430,088
2021	435,464
Thereafter	<u>10,412,160</u>
	<u>\$ 12,536,378</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 14 – RENTAL INCOME UNDER OPERATING LEASES (Continued)

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

	2016	2015
Land	\$ 7,000,000	\$ 7,000,000
Buildings and building improvements	6,845,647	6,845,647
Less accumulated depreciation	(1,261,332)	(1,116,524)
	<u>\$ 12,584,315</u>	<u>\$ 12,729,123</u>

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Ground Leases

During the year ended June 30, 2007, the Alliance entered into a ground lease agreement with the Trustees of the California State University (the “Trustees”) for the use of a lot on which the Alliance built a school facility and leased to one of the Alliance schools. The term of the lease is from June 15, 2007 to 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 Trustees.

In addition, the 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 the Alliance. As of June 30, 2016, the Alliance has recorded an asset retirement obligation for \$310,801 relating to this lease (see Note 11).

During the year ended June 30, 2012, the Alliance entered into another ground lease agreement with a third party for the use of a lot on which the Alliance built a school facility. Lease payments required under the lease are payable at a rate of \$13,200 per month through June 30, 2016. Subsequent to June 30, 2016, lease payments will be the greater of i) the fixed net rent of the previous five-year period increased by 10% and ii) the fixed net rent of the previous five-year period increased by a CPI adjustment factor. The lease expires on August 31, 2049. Net rent expense related to this lease for the years ended June 30, 2016 and 2015 totaled \$155,736 and \$158,400, respectively, and is included within “Facilities, repairs and other leases” on the accompanying combined statement of functional expenses.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

Facility Leases

The Alliance is obligated under various noncancelable operating lease agreements for office and for school facilities. The leases require monthly payments ranging from approximately \$6,000 to \$54,167 and expire through December 31, 2020. Several of the leases have options to extend the terms for one year to five years, depending on the agreement. The future minimum lease payments required under these noncancelable facility leases at June 30, 2016 are as follows:

Years Ending <u>June 30,</u>	
2017	\$ 1,359,354
2018	1,368,802
2019	1,385,473
2020	849,831
Thereafter	<u>390,888</u>
Total	<u>\$ 5,354,348</u>

Rent expense related to these leases for years ended June 30, 2016 and 2015 was \$2,199,965 and \$2,415,609, respectively, and is included within “Facilities, repairs and other leases” on the accompanying combined statement of functional expenses.

Equipment Lease

At June 30, 2016, the Alliance was obligated under various noncancelable operating lease agreements for office equipment. The leases require monthly payments ranging from \$25 to \$868 and expire through October 2018. The future minimum lease payments required under these noncancelable equipment leases at June 30, 2016 are as follows:

Years Ending <u>June 30,</u>	
2017	\$ 178,269
2018	88,503
2019	<u>11,542</u>
	<u>\$ 278,314</u>

Rent expense related to these leases for years ended June 30, 2016 and 2015 was \$308,862 and \$249,666, respectively, and is included within “Facilities, repairs and other leases” on the accompanying combined statement of functional expenses.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

Construction

During the year ended June 30, 2016, the Alliance had entered into three construction contracts for a total commitment of \$19,954,981. As of June 30, 2016, the total construction costs incurred amounted to \$16,666,708, resulting in \$3,288,273 remaining to be completed in fiscal year 2017.

Legal Proceedings

The Alliance is, from time to time, the subject of litigation, claims and assessments arising out of matters occurring in its normal business operations. The 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.

NOTE 16 – 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 plan 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 STRS, 7667 Folsom Boulevard, Sacramento, California 95826 and 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 2016 was 10.73% and 2015 was 8.88% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 16 – EMPLOYEE RETIREMENT PLANS (Continued)

The Alliance-affiliated schools’ contributions to STRS 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>
2014	\$ 2,980,691	8.25%	100%
2015	\$ 3,982,378	8.88%	100%
2016	\$ 6,313,185	10.73%	100%

Public Employees’ Retirement System (“CalPERS”)

Plan Description

The 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. 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, 2014, which was utilized to establish the required contributions for fiscal year 2016, the Schools Pool total plan assets are \$56.8 billion, the total actuarial present value of accumulated plan benefits is \$76.9 billion, contributions from all employers totaled \$1.3 billion, and the plan is 86.6% 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 P Street, Sacramento, California 95814 and www.calpers.ca.gov.

Funding Policy

Active plan members are required to contribute 7.00% of their salaries for PEPR 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 2016 was 11.847% and 2015 was 11.771%, respectively.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 16 – EMPLOYEE RETIREMENT PLANS (Continued)

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>
2014	\$ 468,533	11.442%	100%
2015	\$ 656,014	11.771%	100%
2016	\$ 947,871	11.847%	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.

Defined-contribution Plan

Eligible employees of the Alliance can participate in a 403(b) plan sponsored by the 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, the Alliance makes a matching contribution of 5% of the participant's eligible salary. Alliance's total contribution for the years ended June 30, 2016 and 2015 was \$297,778 and \$264,455, respectively.

NOTE 17 – SUBSEQUENT EVENTS

The following school is newly operational beginning October 1, 2016:

- Alliance 6 – 12 College Ready Academy No.21 and
- Alliance Marine- Innovation and Technology 6-12 Complex.

Subsequent events have been evaluated through December 14, 2016, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	Alliance for College-Ready Public Schools	Alliance Schools R.E. Holdings LLC	2071 HP Saturn LLC	10704 Wilmington LLC
ASSETS				
<i>(Continued on the next page)</i>				
Current assets				
Cash and cash equivalents	\$ 11,746,754	\$ -	\$ 334,741	\$ 132,022
Grants, contributions and pledges receivable, current portion	1,195,000	-	-	-
Related party receivable, current portion	675,113	-	-	-
Public funding receivables	37,920	-	-	-
Note receivable, current portion	-	-	-	-
Due from related parties	5,528,880	-	53,608	-
Related party note receivable, current portion	5,500,000	-	-	-
Assets limited as to use, current portion	3,510,746	-	643,901	-
Prepaid expenses and other current assets	<u>1,046,449</u>	<u>21,875</u>	<u>6,461</u>	<u>-</u>
Total current assets	29,240,862	21,875	1,038,711	132,022
Grants, contributions and pledges receivable, net of current portion	2,434,410	-	-	-
Related party receivable, net of current portion	318,729	-	-	-
Related party note receivable	2,187,500	-	-	-
Note receivable, net of current portion	170,000	-	-	-
Deferred rent receivable	-	-	1,872,182	507,712
Assets limited as to use, net of current portion	3,367,089	-	1,746,936	-
Other long-term assets	50,628	100	20,021	-
Deferred financing costs	-	-	535,160	-
Investment in affiliates	10,462,630	-	-	-
Property and equipment, net	<u>2,030,647</u>	<u>6,737,148</u>	<u>12,589,530</u>	<u>7,241,321</u>
Total assets	<u>\$ 50,262,495</u>	<u>\$ 6,759,123</u>	<u>\$ 17,802,540</u>	<u>\$ 7,881,055</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 1,690,040	\$ -	\$ 407,938	\$ 34,529
Due to related parties	1,130,499	-	-	19,038
Deferred revenue	500,000	-	-	-
Due to beneficiary	-	-	-	-
Related party note payable	3,000,000	-	-	-
Capital lease obligations, current portion	-	-	-	-
Long-term debt, current portion	<u>4,328,080</u>	<u>105,000</u>	<u>160,000</u>	<u>-</u>
Total current liabilities	10,648,619	105,000	567,938	53,567
Capital lease obligations, net of current portion	-	-	-	-
Long-term debt, net of current portion	-	2,790,000	15,185,000	8,041,387
Liability for asset retirement obligation	-	-	-	-
Deferred rent liability	<u>150,357</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>10,798,976</u>	<u>2,895,000</u>	<u>15,752,938</u>	<u>8,094,954</u>
Commitments and contingencies				
Net assets (deficit)				
Unrestricted	33,759,497	-	-	-
Members' equity	-	3,864,123	2,049,602	(213,899)
Temporarily restricted	<u>5,704,022</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets (deficit)	<u>39,463,519</u>	<u>3,864,123</u>	<u>2,049,602</u>	<u>(213,899)</u>
Total liabilities and net assets	<u>\$ 50,262,495</u>	<u>\$ 6,759,123</u>	<u>\$ 17,802,540</u>	<u>\$ 7,881,055</u>

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	9719 Main Street Charter Facilities LLC	10101 Broadway Charter Facilities LLC	1918 Broadway Charter Financing LLC	113 South Rowan Charter Financing LLC
ASSETS				
<i>(Continued on the next page)</i>				
Current assets				
Cash and cash equivalents	\$ 358,313	\$ 197,451	\$ -	\$ 427
Grants, contributions and pledges receivable, current portion	-	-	-	-
Related party receivable, current portion	-	-	-	-
Public funding receivables	-	-	-	-
Note receivable, current portion	-	-	-	-
Due from related parties	41,409	44,739	-	-
Related party note receivable, current portion	-	-	-	-
Assets limited as to use, current portion	-	-	34,461	-
Prepaid expenses and other current assets	-	-	73,813	25,833
Total current assets	399,722	242,190	108,274	26,260
Grants, contributions and pledges receivable, net of current portion	-	-	-	-
Related party receivable, net of current portion	-	-	-	-
Related party note receivable	-	-	-	-
Note receivable, net of current portion	-	-	16,386,995	6,378,594
Deferred rent receivable	74,853	290,801	-	-
Assets limited as to use, net of current portion	-	-	2,119,649	-
Other long-term assets	-	6,000	-	-
Deferred financing costs	-	-	302,266	142,188
Investment in affiliates	-	-	-	-
Property and equipment, net	5,117,854	5,250,951	-	-
Total assets	\$ 5,592,429	\$ 5,789,942	\$ 18,917,184	\$ 6,547,042
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 23,135	\$ 24,948	\$ 46,639	\$ 24,338
Due to related parties	12,656	13,731	-	-
Deferred revenue	-	-	-	-
Due to beneficiary	-	-	-	-
Related party note payable	-	-	-	-
Capital lease obligations, current portion	-	-	-	-
Long-term debt, current portion	-	-	-	163,349
Total current liabilities	35,791	38,679	46,639	187,687
Capital lease obligations, net of current portion	-	-	-	-
Long-term debt, net of current portion	5,322,685	5,774,817	15,012,675	5,664,820
Liability for asset retirement obligation	-	-	-	-
Deferred rent liability	-	-	-	-
Total liabilities	5,358,476	5,813,496	15,059,314	5,852,507
Commitments and contingencies				
Net assets (deficit)				
Unrestricted	-	-	-	-
Members' equity	233,953	(23,554)	3,857,870	694,535
Temporarily restricted	-	-	-	-
Total net assets (deficit)	233,953	(23,554)	3,857,870	694,535
Total liabilities and net assets	\$ 5,592,429	\$ 5,789,942	\$ 18,917,184	\$ 6,547,042

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2016

ASSETS	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools
			<i>(Continued from the previous page)</i>
Current assets			
Cash and cash equivalents	\$ 12,769,708	\$ -	\$ 12,769,708
Grants, contributions and pledges receivable, current portion	1,195,000	-	1,195,000
Related party receivable, current portion	675,113	-	675,113
Public funding receivables	37,920	-	37,920
Note receivable, current portion	-	-	-
Due from related parties	5,668,636	(11,651)	5,656,985
Related party note receivable, current portion	5,500,000	-	5,500,000
Assets limited as to use, current portion	4,189,108	-	4,189,108
Prepaid expenses and other current assets	<u>1,174,431</u>	<u>-</u>	<u>1,174,431</u>
Total current assets	31,209,916	(11,651)	31,198,265
Grants, contributions and pledges receivable, net of current portion	2,434,410	-	2,434,410
Related party receivable, net of current portion	318,729	-	318,729
Related party note receivable	2,187,500	-	2,187,500
Note receivable, net of current portion	22,935,589	-	22,935,589
Deferred rent receivable	2,745,548	-	2,745,548
Assets limited as to use, net of current portion	7,233,674	-	7,233,674
Other long-term assets	76,749	-	76,749
Deferred financing costs	979,614	-	979,614
Investment in affiliates	10,462,630	(10,462,630)	-
Property and equipment, net	<u>38,967,451</u>	<u>-</u>	<u>38,967,451</u>
Total assets	<u>\$ 119,551,810</u>	<u>\$ (10,474,281)</u>	<u>\$ 109,077,529</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$ 2,251,567	\$ -	\$ 2,251,567
Due to related parties	1,175,924	(11,651)	1,164,273
Deferred revenue	500,000	-	500,000
Due to beneficiary	-	-	-
Related party note payable	3,000,000	-	3,000,000
Capital lease obligations, current portion	-	-	-
Long-term debt, current portion	<u>4,756,429</u>	<u>-</u>	<u>4,756,429</u>
Total current liabilities	11,683,920	(11,651)	11,672,269
Capital lease obligations, net of current portion	-	-	-
Long-term debt, net of current portion	57,791,384	-	57,791,384
Liability for asset retirement obligation	-	-	-
Deferred rent liability	<u>150,357</u>	<u>-</u>	<u>150,357</u>
Total liabilities	<u>69,625,661</u>	<u>(11,651)</u>	<u>69,614,010</u>
Commitments and contingencies			
Net assets (deficit)			
Unrestricted	33,759,497	-	33,759,497
Members' equity	10,462,630	(10,462,630)	-
Temporarily restricted	<u>5,704,022</u>	<u>-</u>	<u>5,704,022</u>
Total net assets (deficit)	<u>49,926,149</u>	<u>(10,462,630)</u>	<u>39,463,519</u>
Total liabilities and net assets	<u>\$ 119,551,810</u>	<u>\$ (10,474,281)</u>	<u>\$ 109,077,529</u>

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

	Alliance for College-Ready Public Schools	Alliance Schools R.E. Holdings LLC	2071 HP Saturn LLC	10704 Wilmington LLC	9719 Main Street Charter Facilities LLC	10101 Broadway Charter Facilities LLC	6900 8th Avenue Charter Facilities LLC
<i>(Continued on the next page)</i>							
Revenue and support							
Federal revenue	\$ 4,299,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	-	-	-	-	-	-	-
Private grants and contributions	29,357,409	-	-	-	-	-	-
Management fees	11,757,097	-	-	-	-	-	-
Rent income	17,626	-	1,171,122	575,571	662,337	753,783	532,425
Interest and other income	6,526,169	-	1,869	-	-	-	213
Investment gain in subsidiaries	595,751	-	-	-	-	-	-
Total revenue and support	<u>52,553,055</u>	<u>-</u>	<u>1,172,991</u>	<u>575,571</u>	<u>662,337</u>	<u>753,783</u>	<u>532,638</u>
Functional expenses							
Program services	12,722,932	14,149	837,574	513,690	340,826	424,098	-
Support services							
Management and general	32,818,816	354,351	194,711	85,903	72,067	83,040	672,115
Fundraising	931,566	-	-	-	-	-	-
Total functional expenses	<u>46,473,314</u>	<u>368,500</u>	<u>1,032,285</u>	<u>599,593</u>	<u>412,893</u>	<u>507,138</u>	<u>672,115</u>
Change in net assets	6,079,741	(368,500)	140,706	(24,022)	249,444	246,645	(139,477)
Member contributions	-	571,690	66,920	-	-	-	9,454,031
Member distributions	-	-	-	(228,456)	(451,872)	(164,772)	(9,061,529)
Net assets (deficit), beginning of year	<u>33,383,778</u>	<u>3,660,933</u>	<u>1,841,976</u>	<u>38,579</u>	<u>436,381</u>	<u>(105,427)</u>	<u>(253,025)</u>
Net assets, end of year	<u>\$ 39,463,519</u>	<u>\$ 3,864,123</u>	<u>\$ 2,049,602</u>	<u>\$ (213,899)</u>	<u>\$ 233,953</u>	<u>\$ (23,554)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

	70th Street Charter Facilities LLC	1918 Broadway Charter Financing LLC	113 South Rowan Charter Financing LLC	Alliance Community Impact LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools
<i>(Continued from the previous page)</i>							
Revenue and support							
Federal revenue	\$ -	\$ 686,077	\$ -	\$ -	\$ 4,985,080	\$ -	\$ 4,985,080
State revenue	-	-	-	-	-	-	-
Private grants and contributions	-	-	16,000	-	29,373,409	-	29,373,409
Management fees	-	-	-	-	11,757,097	-	11,757,097
Rent income	1,004,778	-	-	-	4,717,642	-	4,717,642
Interest and other income	-	885,952	315,170	-	7,729,373	-	7,729,373
Investment gain in subsidiaries	-	-	-	-	595,751	(595,751)	-
Total revenue and support	<u>1,004,778</u>	<u>1,572,029</u>	<u>331,170</u>	<u>-</u>	<u>59,158,352</u>	<u>(595,751)</u>	<u>58,562,601</u>
Functional expenses							
Program services	753,310	-	-	-	15,606,579	-	15,606,579
Support services							
Management and general	<u>140,286</u>	1,166,448	353,745	3,233	35,944,715	-	35,944,715
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>931,566</u>	<u>-</u>	<u>931,566</u>
Total functional expenses	<u>893,596</u>	<u>1,166,448</u>	<u>353,745</u>	<u>3,233</u>	<u>52,482,860</u>	<u>-</u>	<u>52,482,860</u>
Change in net assets	111,182	405,581	(22,575)	(3,233)	6,675,492	(595,751)	6,079,741
Member contributions	10,344,772	53,109	143,258	3,233	20,637,013	(20,637,013)	-
Member distributions	(10,763,974)	-	-	-	(20,670,603)	20,670,603	-
Net assets (deficit), beginning of year	<u>308,020</u>	<u>3,399,180</u>	<u>573,852</u>	<u>-</u>	<u>43,284,247</u>	<u>(9,900,469)</u>	<u>33,383,778</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 3,857,870</u>	<u>\$ 694,535</u>	<u>\$ -</u>	<u>\$ 49,926,149</u>	<u>\$ (10,462,630)</u>	<u>\$ 39,463,519</u>

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES
CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	Alliance for College-Ready Public Schools Facilities Corporation	54th Street Lions LLC	5151 Titan LLC	11410 Avalon LLC	70th Street Charter Facilities LLC	1918 Broadway Charter Facilities LLC
<i>(Continued on the next page)</i>						
ASSETS						
Current assets						
Cash and cash equivalents	\$ -	\$ 125,903	\$ 354,335	\$ 32,819	\$ 182,059	\$ 221,996
Grants, contributions and pledges receivable, current portion	-	-	-	-	-	-
Related party receivable, current portion	-	-	-	-	-	-
Public funding receivables	-	-	-	-	-	-
Note receivable, current portion	-	-	-	-	-	-
Due from related parties	-	-	56,620	-	184,065	13,629
Related party note receivable, current portion	-	-	-	-	-	-
Assets limited as to use, current portion	2,925,405	787,766	-	380,375	-	-
Other current assets	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	2,912	305,502	95,758
Total current assets	2,925,405	913,669	410,955	416,106	671,626	331,383
Grants, contributions and pledges receivable, net of current portion	-	-	-	-	-	-
Related party receivable, net of current portion	-	-	-	-	-	-
Related party note receivable	-	-	-	-	-	-
Note receivable, net of current portion	-	-	-	-	-	-
Assets limited as to use, net of current portion	3,684,680	1,382,825	50,000	593,889	-	592,212
Deferred rent receivable	-	-	94,529	-	-	2,823,459
Other long-term assets	-	-	-	-	-	8,100
Deferred financing costs	1,551,892	477,810	-	204,776	-	1,399,665
Investment in affiliates	70,242,207	-	-	-	-	-
Property and equipment, net	-	17,085,997	10,446,730	6,060,679	19,253,687	17,495,177
Total assets	\$ 78,404,184	\$ 19,860,301	\$ 11,002,214	\$ 7,275,450	\$ 19,925,313	\$ 22,649,996
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 1,295,697	\$ 522,477	\$ -	\$ 223,759	\$ -	\$ 12,271
Due to related parties	185,535	10,141	38,029	56	5,949	1,144,089
Related party note payable	-	-	-	-	-	-
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt, current portion	-	164,500	-	70,500	-	-
Total current liabilities	1,481,232	697,118	38,029	294,315	5,949	1,156,360
Capital lease obligations, net of current portion	-	-	-	-	-	-
Related party note payable, net of current portion	-	-	-	-	-	-
Long-term debt, net of current portion	58,750,810	14,758,120	-	6,325,623	-	21,456,279
Liability for asset retirement obligation	-	-	310,801	-	-	-
Deferred rent liability	-	24,597	-	4,159	93,860	-
Total liabilities	60,232,042	15,479,835	348,830	6,624,097	99,809	22,612,639
Commitments and contingencies						
Net assets (deficit)						
Unrestricted	18,172,142	-	-	-	-	-
Members' equity	-	4,380,466	10,653,384	651,353	19,825,504	37,357
Temporarily restricted	-	-	-	-	-	-
Total net assets (deficit)	18,172,142	4,380,466	10,653,384	651,353	19,825,504	37,357
Total liabilities and net assets	\$ 78,404,184	\$ 19,860,301	\$ 11,002,214	\$ 7,275,450	\$ 19,925,313	\$ 22,649,996

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES
CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	4610 S. Main Street Charter Facilities LLC	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 South Rowan Charter Facilities LLC
<i>(Continued on the next page)</i>						
ASSETS						
Current assets						
Cash and cash equivalents	\$ 110,596	\$ 136,414	\$ 211,001	\$ 44,136	\$ 478,619	\$ 391,867
Grants, contributions and pledges receivable, current portion	-	-	-	-	-	-
Related party receivable, current portion	-	-	-	-	-	-
Public funding receivables	-	-	-	-	-	-
Note receivable, current portion	-	-	-	-	-	-
Due from related parties	-	-	43,108	59,385	41,671	20
Related party note receivable, current portion	-	-	-	-	-	-
Assets limited as to use, current portion	353,340	459,596	-	-	-	594,968
Other current assets	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	6,000
Total current assets	463,936	596,010	254,109	103,521	520,290	992,855
Grants, contributions and pledges receivable, net of current portion	-	-	-	-	-	-
Related party receivable, net of current portion	-	-	-	-	-	-
Related party note receivable	-	-	-	-	-	-
Note receivable, net of current portion	-	-	-	-	-	-
Assets limited as to use, net of current portion	644,495	1,474,304	-	-	-	171,589
Deferred rent receivable	28,785	743,069	271,972	327,504	128,118	157,507
Other long-term assets	-	-	-	12,503	-	-
Deferred financing costs	577,809	550,779	-	-	-	523,227
Investment in affiliates	-	-	-	-	-	-
Property and equipment, net	8,394,136	9,891,507	8,965,669	13,579,659	10,578,858	7,247,150
Total assets	\$ 10,109,161	\$ 13,255,669	\$ 9,491,750	\$ 14,023,187	\$ 11,227,266	\$ 9,092,328
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 266,981	\$ 58,229	\$ -	\$ -	\$ -	\$ -
Due to related parties	-	104,463	606,498	43,108	896,138	-
Related party note payable	-	-	-	-	-	-
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt, current portion	120,100	-	-	-	-	-
Total current liabilities	387,081	162,692	606,498	43,108	896,138	-
Capital lease obligations, net of current portion	-	-	-	-	-	-
Related party note payable, net of current portion	-	1,297,500	-	-	-	-
Long-term debt, net of current portion	8,665,450	10,750,000	-	-	-	8,912,288
Liability for asset retirement obligation	-	-	-	-	-	-
Deferred rent liability	-	-	-	-	-	-
Total liabilities	9,052,531	12,210,192	606,498	43,108	896,138	8,912,288
Commitments and contingencies						
Net assets (deficit)						
Unrestricted	-	-	-	-	-	-
Members' equity	1,056,630	1,045,477	8,885,252	13,980,079	10,331,128	180,040
Temporarily restricted	-	-	-	-	-	-
Total net assets (deficit)	1,056,630	1,045,477	8,885,252	13,980,079	10,331,128	180,040
Total liabilities and net assets	\$ 10,109,161	\$ 13,255,669	\$ 9,491,750	\$ 14,023,187	\$ 11,227,266	\$ 9,092,328

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES
CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	461 West 9th Street Facilities LLC	2023 Union LLC	11933 Allegheny Charter Facilities LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools Facilities Corporation
<i>(Continued from the previous page)</i>						
ASSETS						
Current assets						
Cash and cash equivalents	\$ 307,506	\$ 249,100	\$ -	\$ 2,846,351	\$ -	\$ 2,846,351
Grants, contributions and pledges receivable, current portion	-	-	-	-	-	-
Related party receivable, current portion	-	-	-	-	-	-
Public funding receivables	-	-	-	-	-	-
Note receivable, current portion	-	-	-	-	-	-
Due from related parties	-	10,833	-	409,331	(184,508)	224,823
Related party note receivable, current portion	-	-	-	-	-	-
Assets limited as to use, current portion	956,210	1,084,288	10,402,593	17,944,541	-	17,944,541
Other current assets	-	-	-	-	-	-
Prepaid expenses and other current assets	-	860	-	411,032	-	411,032
Total current assets	1,263,716	1,345,081	10,402,593	21,611,255	(184,508)	21,426,747
Grants, contributions and pledges receivable, net of current portion	-	-	-	-	-	-
Related party receivable, net of current portion	-	-	-	-	-	-
Related party note receivable	-	-	-	-	-	-
Note receivable, net of current portion	-	-	-	-	-	-
Assets limited as to use, net of current portion	-	200,607	-	8,794,601	-	8,794,601
Deferred rent receivable	743,069	-	-	5,318,012	-	5,318,012
Other long-term assets	-	-	-	20,603	-	20,603
Deferred financing costs	660,099	641,622	131,832	6,719,511	-	6,719,511
Investment in affiliates	-	-	-	70,242,207	(70,242,207)	-
Property and equipment, net	8,047,065	12,357,317	7,104,826	156,508,457	-	156,508,457
Total assets	\$ 10,713,949	\$ 14,544,627	\$ 17,639,251	\$ 269,214,646	\$ (70,426,715)	\$ 198,787,931
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 118,419	\$ 560,710	\$ 914,509	\$ 3,973,052	\$ -	\$ 3,973,052
Due to related parties	542,163	252,014	2,227,430	6,055,613	(184,508)	5,871,105
Related party note payable	-	-	10,400,000	10,400,000	-	10,400,000
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt, current portion	21,881	160,000	-	536,981	-	536,981
Total current liabilities	682,463	972,724	13,541,939	20,965,646	(184,508)	20,781,138
Capital lease obligations, net of current portion	-	-	-	-	-	-
Related party note payable, net of current portion	890,000	-	-	2,187,500	-	2,187,500
Long-term debt, net of current portion	9,080,771	15,031,128	3,144,350	156,874,819	-	156,874,819
Liability for asset retirement obligation	-	-	-	310,801	-	310,801
Deferred rent liability	-	338,915	-	461,531	-	461,531
Total liabilities	10,653,234	16,342,767	16,686,289	180,800,297	(184,508)	180,615,789
Commitments and contingencies						
Net assets (deficit)						
Unrestricted	-	-	-	18,172,142	-	18,172,142
Members' equity	60,715	(1,798,140)	952,962	70,242,207	(70,242,207)	-
Temporarily restricted	-	-	-	-	-	-
Total net assets (deficit)	60,715	(1,798,140)	952,962	88,414,349	(70,242,207)	18,172,142
Total liabilities and net assets	\$ 10,713,949	\$ 14,544,627	\$ 17,639,251	\$ 269,214,646	\$ (70,426,715)	\$ 198,787,931

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

	Alliance for College-Ready Public Schools Facilities Corporation	54th Street Lions LLC	5151 Titan LLC	11410 Avalon LLC	70th Street Charter Facilities 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
									<i>(Continued on the next page)</i>
Revenue and support									
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528,294	\$ -
State revenue	-	-	-	-	-	-	-	-	-
Local revenues	-	-	-	-	-	-	-	-	-
Private grants and contributions	21,057,599	-	-	-	-	-	-	-	-
Management fees	-	-	-	-	-	-	-	-	-
Rent income	-	1,337,904	825,680	532,707	-	1,739,373	698,549	619,037	513,924
Interest and other income	1,086,947	-	-	-	-	-	-	243	-
Investment (loss) in subsidiaries	1,296,922	-	-	-	-	-	-	-	-
Total revenue and support	23,441,468	1,337,904	825,680	532,707	-	1,739,373	698,549	1,147,574	513,924
Functional expenses									
Program services	-	1,097,248	277,709	449,225	-	1,522,414	571,314	745,503	111,888
Support services	-	-	-	-	-	-	-	-	-
Management and general	17,624,918	269,839	63,398	133,248	-	380,301	147,143	166,566	30,222
Fundraising	-	-	-	-	-	-	-	-	-
Total functional expenses	17,624,918	1,367,087	341,107	582,473	-	1,902,715	718,457	912,069	142,110
Change in net assets	5,816,550	(29,183)	484,573	(49,766)	-	(163,342)	(19,908)	235,505	371,814
Member contributions	-	-	-	200,000	19,825,504	1,755	-	-	-
Member distributions	-	-	(921,444)	-	-	-	-	-	(326,584)
Net assets, beginning of year	12,355,592	4,409,649	11,090,255	501,119	-	198,944	1,076,538	809,972	8,840,022
Net assets (deficit), end of year	\$ 18,172,142	\$ 4,380,466	\$ 10,653,384	\$ 651,353	\$ 19,825,504	\$ 37,357	\$ 1,056,630	\$ 1,045,477	\$ 8,885,252

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

	1552 Rockwood Street Charter Facilities LLC	49th and Main Charter Facilities LLC	113 South Rowan Charter Facilities LLC	461 West 9th Steet Charter Facilities LLC	2023 Union LLC	11933 Allegheny Charter Facilities LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools Facilities Corporation
<i>(Continued from the previous page)</i>									
Revenue and support									
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528,294	\$ -	\$ 528,294
State revenue	-	-	-	-	-	-	-	-	-
Local revenues	-	-	-	-	-	-	-	-	-
Private grants and contributions	-	-	-	-	-	-	21,057,599.00	-	21,057,599
Management fees	-	-	-	-	-	-	-	-	-
Rent income	674,391	550,320	570,963	619,034	1,289,960	-	9,971,842.00	-	9,971,842
Interest and other income	-	-	778	2,798	2,226	2,593	1,095,585.00	-	1,095,585
Investment (loss) in subsidiaries	-	-	-	-	-	-	1,296,922.00	(1,296,922)	-
Total revenue and support	<u>674,391</u>	<u>550,320</u>	<u>571,741</u>	<u>621,832</u>	<u>1,292,186</u>	<u>2,593</u>	<u>33,950,242</u>	<u>(1,296,922)</u>	<u>32,653,320</u>
Functional expenses									
Program services	-	41,091	452,835	600,540	1,306,057	-	7,175,824.00	-	7,175,824
Support services									
Management and general	13,229	10,675	108,679	312,886	349,666	50,176	19,660,946	-	19,660,946
Fundraising	-	-	-	-	-	-	-	-	-
Total functional expenses	<u>13,229</u>	<u>51,766</u>	<u>561,514</u>	<u>913,426</u>	<u>1,655,723</u>	<u>50,176</u>	<u>26,836,770</u>	<u>-</u>	<u>26,836,770</u>
Change in net assets	661,162	498,554	10,227	(291,594)	(363,537)	(47,583)	7,113,472	(1,296,922)	5,816,550
Member contributions	5,983,839	4,748,829	-	-	-	1,000,545	31,760,472	(31,760,472)	-
Member distributions	(457,950)	(478,351)	-	-	(299,999)	-	(2,484,328)	2,484,328	-
Net assets, beginning of year	<u>7,793,028</u>	<u>5,562,096</u>	<u>169,813</u>	<u>352,309</u>	<u>(1,134,604)</u>	<u>-</u>	<u>52,024,733</u>	<u>(39,669,141)</u>	<u>12,355,592</u>
Net assets (deficit), end of year	<u>\$ 13,980,079</u>	<u>\$ 10,331,128</u>	<u>\$ 180,040</u>	<u>\$ 60,715</u>	<u>\$ (1,798,140)</u>	<u>\$ 952,962</u>	<u>\$ 88,414,349</u>	<u>\$ (70,242,207)</u>	<u>\$ 18,172,142</u>

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

ASSETS	Consolidated Alliance for College-Ready Public Schools	Consolidated Alliance for College-Ready Public Schools Facilities Corporation	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
<i>(Continued on the next page)</i>					
Current assets					
Cash and cash equivalents	\$ 12,769,708	\$ 2,846,351	\$ 5,232,187	\$ 3,600,734	\$ 3,117,433
Grants, contributions and pledges receivable, current portion	1,195,000	-	-	-	-
Related party receivable	675,113	-	-	-	-
Public funding receivables	37,920	-	1,273,343	961,664	926,703
Note receivable, current portion	-	-	-	-	-
Due from related parties	5,656,985	224,823	399,655	13,225	64,433
Related party note receivable, current portion	5,500,000	-	1,500,000	2,800,000	1,800,000
Assets limited to use, current portion	4,189,108	17,944,541	-	-	-
Prepaid expenses and other current assets	<u>1,174,431</u>	<u>411,032</u>	<u>43,999</u>	<u>26,585</u>	<u>83,814</u>
Total current assets	31,198,265	21,426,747	8,449,184	7,402,208	5,992,383
Grants, contributions and pledges receivable, net of current portion	2,434,410	-	-	-	-
Related party, net of current portion	318,729	-	-	-	-
Related party note receivable	2,187,500	-	-	-	-
Note receivable, net of current portion	22,935,589	-	-	-	-
Deferred rent receivable	2,745,548	5,318,012	336,882	-	-
Assets limited as to use, net of current portion	7,233,674	8,794,601	-	-	-
Other long-term assets	76,749	20,603	3,000	-	329
Deferred financing costs	979,614	6,719,511	-	-	-
Property and equipment, net	<u>38,967,451</u>	<u>156,508,457</u>	<u>648,637</u>	<u>749,010</u>	<u>348,327</u>
Total assets	\$ 109,077,529	\$ 198,787,931	\$ 9,437,703	\$ 8,151,218	\$ 6,341,039
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 2,251,567	\$ 3,973,052	\$ 316,727	\$ 315,649	\$ 268,548
Due to related parties	1,164,273	5,871,105	229,559	19,833	56,882
Deferred revenue	500,000	-	-	-	-
Due to beneficiary	-	-	-	-	-
Related party note payable, current portion	3,000,000	10,400,000	-	-	-
Capital lease obligations, current portion	-	-	-	-	-
Long-term debt, current portion	<u>4,756,429</u>	<u>536,981</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	11,672,269	20,781,138	546,286	335,482	325,430
Capital lease obligations, net of current portion	-	-	-	-	-
Long-term related party note payable	-	2,187,500	-	-	-
Long-term debt, net of current portion	57,791,384	156,874,819	-	-	-
Liability for asset retirement obligation	-	310,801	-	-	-
Deferred rent liabilities	<u>150,357</u>	<u>461,531</u>	<u>-</u>	<u>1,074,846</u>	<u>326,549</u>
Total liabilities	<u>69,614,010</u>	<u>180,615,789</u>	<u>546,286</u>	<u>1,410,328</u>	<u>651,979</u>
Commitments and contingencies					
Net assets (deficit)					
Unrestricted (deficit)	33,759,497	18,172,142	8,403,641	6,524,024	5,480,459
Temporarily restricted	<u>5,704,022</u>	<u>-</u>	<u>487,776</u>	<u>216,866</u>	<u>208,601</u>
Total net assets (deficit)	<u>39,463,519</u>	<u>18,172,142</u>	<u>8,891,417</u>	<u>6,740,890</u>	<u>5,689,060</u>
Total liabilities and net assets	\$ 109,077,529	\$ 198,787,931	\$ 9,437,703	\$ 8,151,218	\$ 6,341,039

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	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 High School	Alliance Morgan McKinzie High School
ASSETS						
<i>(Continued on the next page)</i>						
Current assets						
Cash and cash equivalents	\$ 2,440,873	\$ 2,740,371	\$ 1,323,377	\$ 5,387,254	\$ 1,085,367	\$ 440,622
Grants, contributions and pledges receivable, current portion	-	-	-	-	-	-
Related party receivable	-	-	-	-	-	-
Public funding receivables	654,076	490,106	801,113	1,318,644	537,105	374,751
Note receivable, current portion	-	-	-	-	-	-
Due from related parties	38,902	55,632	-	214,502	34,548	2,919
Related party note receivable, current portion	1,000,000	1,300,000	-	4,000,000	-	-
Assets limited to use, current portion	-	-	-	-	59,666	2,548,571
Prepaid expenses and other current assets	36,918	42,704	43,231	68,789	73,597	219,200
Total current assets	4,170,769	4,628,813	2,167,721	10,989,189	1,790,283	3,586,063
Grants, contributions and pledges receivable, net of current portion	-	-	-	-	-	-
Related party, net of current portion	-	-	-	-	-	-
Related party note receivable	-	-	-	-	-	-
Note receivable, net of current portion	-	-	-	-	-	-
Deferred rent receivable	-	-	-	24,598	-	-
Assets limited as to use, net of current portion	-	-	-	-	-	-
Other long-term assets	-	3,345	7,485	208	65,057	-
Deferred financing costs	-	-	-	-	-	-
Property and equipment, net	469,222	194,678	673,619	971,012	334,878	19,218,202
Total assets	\$ 4,639,991	\$ 4,826,836	\$ 2,848,825	\$ 11,985,007	\$ 2,190,218	\$ 22,804,265
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 96,642	\$ 531,163	\$ 124,712	\$ 449,081	\$ 153,279	\$ 1,177,684
Due to related parties	34,460	-	33,391	196,273	-	46,487
Deferred revenue	-	-	-	-	-	1,523,150
Due to beneficiary	-	-	-	-	-	-
Related party note payable, current portion	-	-	-	-	300,000	1,000,000
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt, current portion	-	-	-	-	-	-
Total current liabilities	131,102	531,163	158,103	645,354	453,279	3,747,321
Capital lease obligations, net of current portion	-	-	-	-	-	-
Long-term related party note payable	-	-	-	-	-	-
Long-term debt, net of current portion	-	-	-	-	-	9,373,097
Liability for asset retirement obligation	-	-	-	-	-	-
Deferred rent liabilities	94,529	-	28,785	-	-	157,487
Total liabilities	225,631	531,163	186,888	645,354	453,279	13,277,905
Commitments and contingencies						
Net assets (deficit)						
Unrestricted (deficit)	4,309,865	4,097,871	2,442,061	10,802,704	1,570,048	9,402,467
Temporarily restricted	104,495	197,802	219,876	536,949	166,891	123,893
Total net assets (deficit)	4,414,360	4,295,673	2,661,937	11,339,653	1,736,939	9,526,360
Total liabilities and net assets	\$ 4,639,991	\$ 4,826,836	\$ 2,848,825	\$ 11,985,007	\$ 2,190,218	\$ 22,804,265

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	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
ASSETS						
<i>(Continued on the next page)</i>						
Current assets						
Cash and cash equivalents	\$ 2,185,138	\$ 1,109,522	\$ 638,402	\$ 969,439	\$ 661,328	\$ 744,391
Grants, contributions and pledges receivable, current portion	-	-	-	-	-	-
Related party receivable	-	-	-	-	-	-
Public funding receivables	659,255	762,218	490,899	774,731	379,786	731,678
Note receivable, current portion	-	-	-	-	-	-
Due from related parties	-	-	1,295	4,750	112,205	5,541
Related party note receivable, current portion	-	-	-	-	-	-
Assets limited to use, current portion	-	-	-	-	-	-
Prepaid expenses and other current assets	78,365	45,027	69,063	47,449	64,877	19,130
Total current assets	2,922,758	1,916,767	1,199,659	1,796,369	1,218,196	1,500,740
Grants, contributions and pledges receivable, net of current portion	-	-	-	-	-	-
Related party, net of current portion	-	-	-	-	-	-
Related party note receivable	-	-	-	-	-	-
Note receivable, net of current portion	-	-	-	-	-	-
Deferred rent receivable	-	-	-	-	-	488
Assets limited as to use, net of current portion	-	-	-	-	-	-
Other long-term assets	-	15,438	1,000	375	33,950	-
Deferred financing costs	-	-	-	-	-	-
Property and equipment, net	189,360	660,760	376,811	519,826	151,189	763,872
Total assets	\$ 3,112,118	\$ 2,592,965	\$ 1,577,470	\$ 2,316,570	\$ 1,403,335	\$ 2,265,100
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 92,784	\$ 344,361	\$ 111,536	\$ 198,111	\$ 96,811	\$ 170,080
Due to related parties	2,216	53,543	89,482	161,829	-	58,407
Deferred revenue	-	-	-	-	-	-
Due to beneficiary	-	-	-	-	-	-
Related party note payable, current portion	-	-	-	-	1,000,000	-
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt, current portion	-	-	-	-	-	-
Total current liabilities	95,000	397,904	201,018	359,940	1,096,811	228,487
Capital lease obligations, net of current portion	-	-	-	-	-	-
Long-term related party note payable	-	-	-	-	-	-
Long-term debt, net of current portion	-	-	-	-	-	-
Liability for asset retirement obligation	-	-	-	-	-	-
Deferred rent liabilities	-	507,712	-	2,186,557	327,504	-
Total liabilities	95,000	905,616	201,018	2,546,497	1,424,315	228,487
Commitments and contingencies						
Net assets (deficit)						
Unrestricted (deficit)	2,905,091	1,472,582	1,289,438	(442,501)	(116,225)	1,948,849
Temporarily restricted	112,027	214,767	87,014	212,574	95,245	87,764
Total net assets (deficit)	3,017,118	1,687,349	1,376,452	(229,927)	(20,980)	2,036,613
Total liabilities and net assets	\$ 3,112,118	\$ 2,592,965	\$ 1,577,470	\$ 2,316,570	\$ 1,403,335	\$ 2,265,100

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	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
ASSETS						
<i>(Continued on the next page)</i>						
Current assets						
Cash and cash equivalents	\$ 1,052,227	\$ 790,209	\$ 1,053,219	\$ 2,464,583	\$ 901,496	\$ 857,754
Grants, contributions and pledges receivable, current portion	-	-	-	-	-	-
Related party receivable	-	-	-	-	-	-
Public funding receivables	336,890	253,575	526,213	577,306	308,423	279,949
Note receivable, current portion	-	-	-	-	-	-
Due from related parties	108,135	542,163	12,054	62,120	20,837	299
Related party note receivable, current portion	-	-	-	1,000,000	-	-
Assets limited to use, current portion	-	-	-	-	-	-
Prepaid expenses and other current assets	51,605	18,334	32,681	171,072	9,610	6,808
Total current assets	1,548,857	1,604,281	1,624,167	4,275,081	1,240,366	1,144,810
Grants, contributions and pledges receivable, net of current portion	-	-	-	-	-	-
Related party, net of current portion	-	-	-	-	-	-
Related party note receivable	-	-	-	-	-	-
Note receivable, net of current portion	-	-	-	-	-	-
Deferred rent receivable	-	-	4,159	-	-	-
Assets limited as to use, net of current portion	-	-	-	-	-	-
Other long-term assets	34,460	4,000	818	9,225	380	8,386
Deferred financing costs	-	-	-	-	-	-
Property and equipment, net	556,447	550,180	765,251	398,194	234,263	364,870
Total assets	\$ 2,139,764	\$ 2,158,461	\$ 2,394,395	\$ 4,682,500	\$ 1,475,009	\$ 1,518,066
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 150,937	\$ 71,861	\$ 247,373	\$ 259,093	\$ 81,586	\$ 109,939
Due to related parties	130,260	72,442	-	41,409	5,677	2,919
Deferred revenue	-	-	-	-	-	-
Due to beneficiary	-	-	-	-	-	-
Related party note payable, current portion	500,000	1,350,000	-	-	150,000	300,000
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt, current portion	-	-	-	-	-	-
Total current liabilities	781,197	1,494,303	247,373	300,502	237,263	412,858
Capital lease obligations, net of current portion	-	-	-	-	-	-
Long-term related party note payable	-	-	-	-	-	-
Long-term debt, net of current portion	-	-	-	-	-	-
Liability for asset retirement obligation	-	-	-	-	-	-
Deferred rent liabilities	743,069	743,069	-	74,853	636,901	-
Total liabilities	1,524,266	2,237,372	247,373	375,355	874,164	412,858
Commitments and contingencies						
Net assets (deficit)						
Unrestricted (deficit)	549,932	(382,997)	1,964,597	4,114,664	418,614	1,094,618
Temporarily restricted	65,566	304,086	182,425	192,481	182,231	10,590
Total net assets (deficit)	615,498	(78,911)	2,147,022	4,307,145	600,845	1,105,208
Total liabilities and net assets	\$ 2,139,764	\$ 2,158,461	\$ 2,394,395	\$ 4,682,500	\$ 1,475,009	\$ 1,518,066

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

ASSETS	Alliance Kory Hunter Middle School	Alliance Leadership Middle Academy	Alliance 6- 12 College Ready Academy No. 21	Alliance College-Ready Middle Academy No. 12	Eliminating Entries	Combined Total
<i>(Continued from the previous page)</i>						
Current assets						
Cash and cash equivalents	\$ 475,419	\$ 1,250,362	\$ 984,186	\$ 1,306,934	\$ -	\$ 58,428,886
Grants, contributions and pledges receivable, current portion	-	-	-	-	-	1,195,000
Related party receivable	-	-	-	-	-	675,113
Public funding receivables	329,665	416,379	93,038	459,537	-	14,754,967
Note receivable, current portion	-	-	-	-	-	-
Due from related parties	338,850	335,400	41,382	177,163	(8,467,818)	-
Related party note receivable, current portion	-	-	-	-	(18,900,000)	-
Assets limited to use, current portion	-	-	-	-	-	24,741,886
Prepaid expenses and other current assets	38,164	11,890	26,203	67,941	-	2,982,519
Total current assets	1,182,098	2,014,031	1,144,809	2,011,575	(27,367,818)	102,778,371
Grants, contributions and pledges receivable, net of current portion	-	-	-	-	-	2,434,410
Related party, net of current portion	-	-	-	-	(318,729)	-
Related party note receivable	-	-	-	-	(2,187,500)	-
Note receivable, net of current portion	-	-	-	-	-	22,935,589
Deferred rent receivable	-	93,370	-	-	(7,725,701)	797,356
Assets limited as to use, net of current portion	-	-	-	-	-	16,028,275
Other long-term assets	11,815	307	33,333	2,700	-	332,963
Deferred financing costs	-	-	-	-	(862,540)	6,836,585
Property and equipment, net	436,525	435,555	323,525	416,606	(192,392)	226,034,335
Total assets	\$ 1,630,438	\$ 2,543,263	\$ 1,501,667	\$ 2,430,881	\$ (38,654,680)	\$ 378,177,884
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 142,894	\$ 162,944	\$ 210,958	\$ 210,082	\$ -	\$ 12,319,454
Due to related parties	98,610	6,747	12,992	79,022	(8,467,818)	-
Deferred revenue	-	-	-	-	-	2,023,150
Due to beneficiary	-	-	-	-	-	-
Related party note payable, current portion	400,000	-	500,000	-	(18,900,000)	-
Capital lease obligations, current portion	-	-	-	-	-	-
Long-term debt, current portion	-	-	-	-	-	5,293,410
Total current liabilities	641,504	169,691	723,950	289,104	(27,367,818)	19,636,014
Capital lease obligations, net of current portion	-	-	-	-	-	-
Long-term related party note payable	-	-	-	-	(2,187,500)	-
Long-term debt, net of current portion	-	-	-	-	(318,729)	223,720,571
Liability for asset retirement obligation	-	-	-	-	-	310,801
Deferred rent liabilities	271,972	-	-	128,118	(7,725,701)	188,138
Total liabilities	913,476	169,691	723,950	417,222	(37,599,748)	243,855,524
Commitments and contingencies						
Net assets (deficit)						
Unrestricted (deficit)	698,211	2,210,959	418,344	1,769,797	(1,054,932)	123,823,820
Temporarily restricted	18,751	162,613	359,373	243,862	-	10,498,540
Total net assets (deficit)	716,962	2,373,572	777,717	2,013,659	(1,054,932)	134,322,360
Total liabilities and net assets	\$ 1,630,438	\$ 2,543,263	\$ 1,501,667	\$ 2,430,881	\$ (38,654,680)	\$ 378,177,884

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

	Consolidated Alliance for College-Ready Public Schools Corporation	Consolidated Alliance for College-Ready Public Schools Facilities Corporation	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 High School
<i>(Continued on the next page)</i>										
Revenue and support										
Federal revenue	\$ 4,985,080	\$ 528,294	\$ 1,256,765	\$ 769,719	\$ 775,043	\$ 624,430	\$ 572,218	\$ 835,815	\$ 1,435,415	\$ 581,199
State revenue	-	-	9,975,307	6,429,547	6,413,421	6,065,502	4,379,893	6,846,719	10,275,568	4,673,571
Local revenues	-	-	1,874,583	1,160,751	1,154,468	1,120,869	852,059	1,216,530	1,933,740	836,326
Private grants and contributions	29,373,409	21,057,599	391,698	327,621	271,699	257,191	272,578	355,386	403,763	254,596
Management fees	11,757,097	-	-	-	-	-	-	-	-	-
Rent income	4,717,642	9,971,842	-	-	-	-	-	-	-	-
Other school revenues	-	-	371,916	53,996	207,771	122,897	171,106	58,532	429,225	63,986
Interest and other income	7,729,373	1,095,585	67,056	51,438	46,876	32,360	11,744	24,883	77,675	23,161
Total revenue and support	58,562,601	32,653,320	13,937,325	8,793,072	8,869,278	8,223,249	6,259,598	9,337,865	14,555,386	6,432,839
Functional expenses										
Program services	15,606,579	7,175,824	10,714,252	6,630,029	6,715,024	6,877,045	4,958,746	7,496,778	11,462,735	5,853,566
Support services										
Management and general	35,944,715	19,660,946	2,347,970	1,275,410	1,103,347	1,250,425	725,788	1,389,029	2,108,578	1,079,009
Fundraising	931,566	-	-	-	-	-	-	-	-	-
Total functional expenses	52,482,860	26,836,770	13,062,222	7,905,439	7,818,371	8,127,470	5,684,534	8,885,807	13,571,313	6,932,575
Change in net assets	6,079,741	5,816,550	875,103	887,633	1,050,907	95,779	575,064	452,058	984,073	(499,736)
Net assets (deficit), beginning of year	33,383,778	12,355,592	8,016,314	5,853,257	4,638,153	4,318,581	3,720,609	2,209,879	10,355,580	2,236,675
Net assets (deficit)end of year	\$ 39,463,519	\$ 18,172,142	\$ 8,891,417	\$ 6,740,890	\$ 5,689,060	\$ 4,414,360	\$ 4,295,673	\$ 2,661,937	\$ 11,339,653	\$ 1,736,939

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

	Alliance Morgan McKinzie High School	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
<i>(Continued on the next page)</i>										
Revenue and support										
Federal revenue	\$ 460,358	\$ 545,801	\$ 580,576	\$ 432,035	\$ 603,245	\$ 372,367	\$ 655,574	\$ 561,729	\$ 393,182	\$ 612,586
State revenue	6,634,429	5,390,725	5,489,713	3,723,411	5,247,287	2,509,597	5,648,114	2,840,509	2,112,716	4,200,080
Local revenues	583,757	995,474	970,373	758,326	954,699	487,448	1,031,141	524,147	393,450	838,654
Private grants and contributions	343,027	320,218	161,957	235,492	290,338	140,253	314,615	38,304	372,386	279,030
Management fees	-	-	-	-	-	-	-	-	-	-
Rent income	-	-	-	-	-	-	-	-	-	-
Other school revenues	65,745	86,548	58,606	83,800	21,718	190,901	19,629	2,178	64,517	13,009
Interest and other income	20,863	30,789	24,216	20,682	9,282	8,661	47,863	16,513	23,349	19,892
Total revenue and support	8,108,179	7,369,555	7,285,441	5,253,746	7,126,569	3,709,227	7,716,936	3,983,380	3,359,600	5,963,251
Functional expenses										
Program services	4,623,902	5,591,516	5,803,956	4,381,697	5,941,249	3,764,285	6,110,438	3,448,725	2,327,398	4,892,560
Support services										
Management and general	839,626	1,091,658	841,795	853,641	1,298,467	646,293	1,327,588	172,583	916,923	1,111,771
Fundraising	-	-	-	-	-	-	-	-	-	-
Total functional expenses	5,463,528	6,683,174	6,645,751	5,235,338	7,239,716	4,410,578	7,438,026	3,621,308	3,244,321	6,004,331
Change in net assets	2,644,651	686,381	639,690	18,408	(113,147)	(701,351)	278,910	362,072	115,279	(41,080)
Net assets (deficit), beginning of year	6,881,709	2,330,737	1,047,659	1,358,044	(116,780)	680,371	1,757,703	253,426	(194,190)	2,188,102
Net assets (deficit)end of year	\$ 9,526,360	\$ 3,017,118	\$ 1,687,349	\$ 1,376,452	\$ (229,927)	\$ (20,980)	\$ 2,036,613	\$ 615,498	\$ (78,911)	\$ 2,147,022

The accompanying notes are an integral part of these financial statements.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

	Alliance College-Ready Middle Academy No. 4	Alliance College-Ready Middle Academy No. 5	Alliance College-Ready Middle Academy No. 7	Alliance College-Ready Middle Academy No. 8	Alliance Kory Hunter Middle School	Alliance Leadership Middle Academy	Alliance 6-12 College-Ready Academy No. 21	Alliance College-Ready Middle Academy No. 12	Eliminating Entries	Combined Total
<i>(Continued from the previous page)</i>										
Revenue and support										
Federal revenue	\$ 714,569	\$ 352,538	\$ (2,157)	\$ 500,034	\$ 599,471	\$ 691,692	\$ 295,399	\$ 676,621	\$ -	\$ 21,409,598
State revenue	4,378,713	3,125,662	96,370	2,482,896	2,608,040	3,358,921	392,885	4,037,061	-	119,336,657
Local revenues	885,096	620,644	-	558,046	548,502	760,761	94,861	793,576	-	21,948,281
Private grants and contributions	104,363	177,473	2,153	63,201	18,694	1,875,989	394,751	76,118	(45,394,320)	12,779,582
Management fees	-	-	-	-	-	-	-	-	(11,757,097)	-
Rent income	-	-	-	-	-	-	-	-	(14,202,848)	486,636
Other school revenues	75,204	11,812	-	16,447	18,868	440,497	335,979	39,436	(1,988,105)	1,036,218
Interest and other income	31,246	7,447	9,462	17,582	12,413	37,458	4,545	27,292	(1,411,884)	8,117,822
Total revenue and support	6,189,191	4,295,576	105,828	3,638,206	3,805,988	7,165,318	1,518,420	5,650,104	(74,754,254)	185,114,794
Functional expenses										
Program services	4,921,450	3,746,579	10,714	2,785,960	2,985,835	3,949,042	957,429	4,443,159	(26,736,001)	127,440,471
Support services										
Management and general	823,461	561,579	1,796,299	473,155	566,908	1,069,315	376,187	660,009	(47,752,129)	34,560,346
Fundraising	-	-	-	-	-	-	-	-	(124,958)	806,608
Total functional expenses	5,744,911	4,308,158	1,807,013	3,259,115	3,552,743	5,018,357	1,333,616	5,103,168	(74,613,088)	162,807,425
Change in net assets	444,280	(12,582)	(1,701,185)	379,091	253,245	2,146,961	184,804	546,936	(141,166)	22,307,369
Net assets (deficit), beginning of year	3,862,865	613,427	1,701,185	726,117	463,717	226,611	592,913	1,466,723	(913,766)	112,014,991
Net assets (deficit)end of year	\$ 4,307,145	\$ 600,845	\$ -	\$ 1,105,208	\$ 716,962	\$ 2,373,572	\$ 777,717	\$ 2,013,659	\$ (1,054,932)	\$ 134,322,360

The accompanying notes are an integral part of these financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Alliance for College-Ready Public Schools and School Affiliates
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alliance for College-Ready Public Schools and its combined school affiliates (collectively, the Alliance), which comprise the combined statement of financial position as of June 30, 2016, the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements (collectively, the financial statements), and have issued our report thereon dated December 14, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness is a deficiency, or a combination of deficiencies, in internal control*, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency is a deficiency, or a combination of deficiencies, in internal control* that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alliance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Singer Lewak LLP

December 14, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Alliance for College-Ready Public Schools and School Affiliates
Los Angeles, California

Report on Compliance for Each Major Federal Program

We have audited Alliance for College-Ready Public Schools and its combined school affiliates' (collectively, "Alliance") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Alliance's major federal programs for the year ended June 30, 2016. Alliance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Alliance's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Alliance's compliance.

Opinion on Each Major Federal Program

In our opinion, Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Alliance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alliance's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



December 14, 2016

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Directors
Alliance for College-Ready Public Schools and School Affiliates
Los Angeles, California

Compliance

We have audited the Alliance for College-Ready Public Schools and school affiliates (collectively, the Alliance) compliance with the requirements specified in the Education Audit Appeals Panel's 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, applicable to the Alliance's statutory requirements identified below for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the Audit Guide.

Auditor's Responsibility

Our responsibility is to express an opinion on the Alliance's compliance with the requirements referred to above based on our audit. We conducted our compliance audit 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 2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in the California Code of Regulations, Title 5, Section 19810 and following (the Audit Guide). These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Alliance's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Alliance and each charter school's compliance with the state laws and regulations applicable to the following items:

<u>For Charter Schools</u>	<u>Procedures Performed</u>
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
Immunizations	N/A
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Opinion

In our opinion, the Alliance complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Alliance and each charter school for the year ended June 30, 2016.

Other Matters

The results of our audit procedures disclosed an instance of noncompliance, which are described in the accompanying schedule of Findings and Questioned Costs as item 2016-1.

The Alliance's response to the noncompliance finding identified in our audit is described in the accompanying schedule of Findings and Questioned Costs.

Singer Lewak LLP

December 14, 2016

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016**

Federal Grantor/Pass-through Grant/Program Title	Federal CFDA Number	Agency or Pass- through Number	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
U.S. Department of Agriculture								
<i>(Continued on Next Page)</i>								
Pass-through California Department of Education								
Alliance Breakfast Program	10.553	PCA 13390, 13525, 13526	\$ 191,404	\$ 125,931	\$ 109,304	\$ 62,703	\$ 80,124	\$ 150,079
National Alliance Lunch Program	10.555	PCA 13396, 13391	<u>353,730</u>	<u>266,206</u>	<u>279,317</u>	<u>151,657</u>	<u>178,345</u>	<u>314,446</u>
Total 10.553/10.555			545,134	392,137	388,621	214,360	258,469	464,525
U.S. Department of Education								
Pass-through California Department of Education								
Title I Grants to Local Educational Agencies	84.010	PCA 14329	433,088	257,922	254,750	243,960	190,229	280,569
Title II Part A PART A — TEACHER AND PRINCIPAL TRAINING AND RECRUITING FUND	84.367	N/A	5,787	3,439	3,493	3,319	2,668	3,761
State Charter School Facilities Incentive Grants	84.282D	N/A	14,562	9,909	-	14,859	-	-
Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools	84.282M	N/A	-	-	-	-	-	-
Special Education Grant to States	84.027	13379	181,039	76,933	75,805	108,199	82,270	117,366
Investing in Innovation Fund	84.396C	N/A	-	-	-	-	-	-
Teacher Incentive Fund	84.374A	S374A120062-15	-	-	-	-	-	-
Total federal expenditures			<u>\$ 1,179,610</u>	<u>\$ 740,340</u>	<u>\$ 722,669</u>	<u>\$ 584,697</u>	<u>\$ 533,636</u>	<u>\$ 866,221</u>

Note: The indirect rate agreement was in effect until 12/31/15 and the 16.4% rate was used until that time. Beginning 1/1/16 the federal de minimis 10% rate was used and will continue to be used until a new indirect rate agreement is approved.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016**

Federal Grantor/Pass-through Grant/Program Title	Federal CFDA Number	Agency or Pass- through Number	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
U.S. Department of Agriculture								
<i>(Continued on Next Page)</i>								
Pass-through California Department of Education								
Alliance Breakfast Program	10.553	PCA 13390, 13525, 13526	\$ 232,386	\$ 80,808	\$ 69,845	\$ 72,159	\$ 33,071	\$ 68,724
National Alliance Lunch Program	10.555	PCA 13396, 13391	<u>480,263</u>	<u>169,286</u>	<u>132,359</u>	<u>138,209</u>	<u>218,950</u>	<u>129,631</u>
Total 10.553/10.555			712,649	250,094	202,204	210,368	252,021	198,355
U.S. Department of Education								
Pass-through California Department of Education								
Title I Grants to Local Educational Agencies	84.010	PCA 14329	439,779	188,413	139,005	189,395	219,435	124,108
Title II Part A PART A — TEACHER AND PRINCIPAL TRAINING AND RECRUITING FUND	84.367	N/A	5,966	2,603	1,969	2,854	3,038	1,830
State Charter School Facilities Incentive Grants	84.282D	N/A	13,184	16,416	-	11,628	-	-
Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools	84.282M	N/A	-	-	-	-	-	-
Special Education Grant to States	84.027	13379	186,714	80,679	56,272	96,076	65,029	73,262
Investing in Innovation Fund	84.396C	N/A	-	-	-	-	-	-
Teacher Incentive Fund	84.374A	S374A120062-15	-	-	-	-	-	-
Total federal expenditures			<u>\$ 1,358,292</u>	<u>\$ 538,205</u>	<u>\$ 399,450</u>	<u>\$ 510,321</u>	<u>\$ 539,523</u>	<u>\$ 397,555</u>

Note: The indirect rate agreement was in effect until 12/31/15 and the 16.4% rate was used until that time. Beginning 1/1/16 the federal de minimis 10% rate was used and will continue to be used until a new indirect rate agreement is approved.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016**

Federal Grantor/Pass-through Grant/Program Title	Federal CFDA Number	Agency or Pass- through Number	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
U.S. Department of Agriculture								
<i>(Continued on Next Page)</i>								
Pass-through California Department of Education								
Alliance Breakfast Program	10.553	PCA 13390, 13525, 13526	\$ 94,130	\$ 56,939	\$ 77,401	\$ 46,697	\$ 18,627	\$ 113,671
National Alliance Lunch Program	10.555	PCA 13396, 13391	<u>181,031</u>	<u>119,150</u>	<u>214,321</u>	<u>115,966</u>	<u>58,309</u>	<u>192,861</u>
Total 10.553/10.555			275,161	176,089	291,722	162,663	76,936	306,532
U.S. Department of Education								
Pass-through California Department of Education								
Title I Grants to Local Educational Agencies	84.010	PCA 14329	222,987	121,137	208,486	112,039	81,569	181,086
Title II Part A PART A — TEACHER AND PRINCIPAL TRAINING AND RECRUITING FUND	84.367	N/A	2,783	1,623	3,103	1,611	1,120	2,655
State Charter School Facilities Incentive Grants	84.282D	N/A	-	-	-	-	-	-
Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools	84.282M	N/A	-	-	-	194,242	162,804	-
Special Education Grant to States	84.027	13379	92,735	37,965	99,594	51,181	38,384	80,949
Investing in Innovation Fund	84.396C	N/A	-	-	-	-	-	-
Teacher Incentive Fund	84.374A	S374A120062-15	-	-	-	-	-	-
Total federal expenditures			<u>\$ 593,666</u>	<u>\$ 336,814</u>	<u>\$ 602,905</u>	<u>\$ 521,736</u>	<u>\$ 360,813</u>	<u>\$ 571,222</u>

Note: The indirect rate agreement was in effect until 12/31/15 and the 16.4% rate was used until that time. Beginning 1/1/16 the federal de minimis 10% rate was used and will continue to be used until a new indirect rate agreement is approved.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016**

Federal Grantor/Pass-through Grant/Program Title	Federal CFDA Number	Agency or Pass- through Number	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 Leadership Middle Academy	Alliance College- Ready Middle Academy No. 12
U.S. Department of Agriculture								
<i>(Continued on Next Page)</i>								
Pass-through California Department of Education								
Alliance Breakfast Program	10.553	PCA 13390, 13525, 13526	\$ 133,730	\$ 26,035	\$ 46,859	\$ 66,132	\$ 47,827	\$ 101,943
National Alliance Lunch Program	10.555	PCA 13396, 13391	<u>244,664</u>	<u>59,413</u>	<u>107,104</u>	<u>126,557</u>	<u>131,031</u>	<u>225,106</u>
Total 10.553/10.555			378,394	85,448	153,963	192,689	178,858	327,049
U.S. Department of Education								
Pass-through California Department of Education								
Title I Grants to Local Educational Agencies	84.010	PCA 14329	209,875	148,983	119,232	126,185	-	186,681
Title II Part A PART A — TEACHER AND PRINCIPAL TRAINING AND RECRUITING FUND	84.367	N/A	2,799	2,239	1,688	1,739	-	2,501
State Charter School Facilities Incentive Grants	84.282D	N/A	-	-	-	-	-	-
Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools	84.282M	N/A	-	-	170,233	169,733	425,578	39,102
Special Education Grant to States	84.027	13379	85,455	59,779	54,430	53,465	74,816	77,100
Investing in Innovation Fund	84.396C	N/A	-	-	-	-	-	-
Teacher Incentive Fund	84.374A	S374A120062-15	-	-	-	-	-	-
Total federal expenditures			<u>\$ 676,523</u>	<u>\$ 296,449</u>	<u>\$ 499,546</u>	<u>\$ 543,811</u>	<u>\$ 679,252</u>	<u>\$ 632,433</u>

Note: The indirect rate agreement was in effect until 12/31/15 and the 16.4% rate was used until that time. Beginning 1/1/16 the federal de minimis 10% rate was used and will continue to be used until a new indirect rate agreement is approved.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016**

Federal Grantor/Pass-through Grant/Program Title	Federal CFDA Number	Agency or Pass- through Number	Alliance College- Ready Middle Academy No. 21	Alliance	Total Federal Expenditures
U.S. Department of Agriculture					<i>(Continued from Previous Page)</i>
Pass-through California Department of Education					
Alliance Breakfast Program	10.553	PCA 13390, 13525, 13526	\$ 9,250	\$ -	\$ 2,115,779
National Alliance Lunch Program	10.555	PCA 13396, 13391	<u>16,581</u>	<u>-</u>	<u>4,604,493</u>
Total 10.553/10.555			25,831	-	6,720,272
U.S. Department of Education					
Pass-through California Department of Education					
Title I Grants to Local Educational Agencies	84.010	PCA 14329	-	-	4,678,913
Title II Part A PART A — TEACHER AND PRINCIPAL TRAINING AND RECRUITING FUND	84.367	N/A	-	-	64,588
State Charter School Facilities Incentive Grants	84.282D	N/A	-	-	80,558
Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools	84.282M	N/A	259,242	242,474	1,663,408
Special Education Grant to States	84.027	13379	9,329	-	2,014,826
Investing in Innovation Fund	84.396C	N/A	-	208,784	208,784
Teacher Incentive Fund	84.374A	S374A120062-15	<u>-</u>	<u>4,074,877</u>	<u>4,074,877</u>
Total federal expenditures			<u>\$ 294,402</u>	<u>\$ 4,526,135</u>	<u>\$ 19,506,226</u>

Note: The indirect rate agreement was in effect until 12/31/15 and the 16.4% rate was used until that time. Beginning 1/1/16 the federal de minimis 10% rate was used and will continue to be used until a new indirect rate agreement is approved.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Alliance and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. From July 1, 2015 to December 31, 2015, the Alliance elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance. On December 31, 2015, the Alliance's indirect cost rate agreement expired, and as a result from January 1, 2016 to June 30, 2016, the Alliance elected to use the 10-percent de minimus indirect cost rate.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of Alliance schools. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to the Alliance. This schedule provides information regarding the attendance of students at all grade levels offered at the Alliance.

Alliance Gertz-Ressler High School / Richard Merkin 6-12 Complex

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	145.06	145.06	144.48	144.48
Secondary Grades 7 – 8	<u>294.82</u>	<u>294.82</u>	<u>294.39</u>	<u>294.39</u>
Middle school totals	<u>439.87</u>	<u>439.87</u>	<u>438.87</u>	<u>438.87</u>
Secondary Grades 9 – 12	<u>513.16</u>	<u>513.16</u>	<u>510.46</u>	<u>510.46</u>
High school totals	<u>513.16</u>	<u>513.16</u>	<u>510.46</u>	<u>510.46</u>
K – 12 totals	<u>953.04</u>	<u>953.04</u>	<u>949.33</u>	<u>949.33</u>

Alliance Collins Family College-Ready Academy High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>589.99</u>	<u>589.99</u>	<u>590.06</u>	<u>590.06</u>
Secondary totals	<u>589.99</u>	<u>589.99</u>	<u>590.06</u>	<u>590.06</u>
K – 12 totals	<u>589.99</u>	<u>589.99</u>	<u>590.06</u>	<u>590.06</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance Judy Ivie Burton Technology Academy High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>586.94</u>	<u>586.94</u>	<u>584.07</u>	<u>584.07</u>
Secondary totals	<u>586.94</u>	<u>586.94</u>	<u>584.07</u>	<u>584.07</u>
K – 12 totals	<u>586.94</u>	<u>586.94</u>	<u>584.07</u>	<u>584.07</u>

Alliance Marc and Eva Stern Math and Science School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>569.59</u>	<u>569.59</u>	<u>566.75</u>	<u>566.75</u>
Secondary totals	<u>569.59</u>	<u>569.59</u>	<u>566.75</u>	<u>566.75</u>
K – 12 totals	<u>569.59</u>	<u>569.59</u>	<u>566.75</u>	<u>566.75</u>

Alliance Dr. Olga Mohan High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>433.09</u>	<u>433.09</u>	<u>432.08</u>	<u>432.08</u>
Secondary totals	<u>433.09</u>	<u>433.09</u>	<u>432.08</u>	<u>432.08</u>
K – 12 totals	<u>433.09</u>	<u>433.09</u>	<u>432.08</u>	<u>432.08</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance Patti and Peter Neuwirth Leadership Academy

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>617.98</u>	<u>617.98</u>	<u>611.93</u>	<u>611.93</u>
Secondary totals	<u>617.98</u>	<u>617.98</u>	<u>611.93</u>	<u>611.93</u>
K – 12 totals	<u>617.98</u>	<u>617.98</u>	<u>611.93</u>	<u>611.93</u>

Alliance Ouchi – O’Donovan 6-12 Complex

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	148.24	148.24	148.44	148.44
Secondary Grades 7 – 8	<u>298.79</u>	<u>298.79</u>	<u>298.61</u>	<u>298.61</u>
Middle school totals	<u>447.03</u>	<u>447.03</u>	<u>447.05</u>	<u>447.05</u>
Secondary Grades 9 – 12	<u>535.88</u>	<u>535.88</u>	<u>534.18</u>	<u>534.18</u>
High school totals	<u>535.88</u>	<u>535.88</u>	<u>534.18</u>	<u>534.18</u>
K – 12 totals	<u>982.91</u>	<u>982.91</u>	<u>981.23</u>	<u>981.23</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance Piera Barbaglia Shaheen Health Services Academy

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>424.81</u>	<u>424.81</u>	<u>418.53</u>	<u>418.53</u>
Secondary totals	<u>424.81</u>	<u>424.81</u>	<u>418.53</u>	<u>418.53</u>
K – 12 totals	<u>424.81</u>	<u>424.81</u>	<u>418.53</u>	<u>418.53</u>

Alliance Morgan McKinzie High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>296.30</u>	<u>296.30</u>	<u>294.30</u>	<u>294.30</u>
Secondary totals	<u>296.30</u>	<u>296.30</u>	<u>294.30</u>	<u>294.30</u>
K – 12 totals	<u>296.30</u>	<u>296.30</u>	<u>294.30</u>	<u>294.30</u>

Alliance Leichtman-Levine Family Foundation Environmental Science High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>505.88</u>	<u>505.88</u>	<u>504.25</u>	<u>504.25</u>
Secondary totals	<u>505.88</u>	<u>505.88</u>	<u>504.25</u>	<u>504.25</u>
K – 12 totals	<u>505.88</u>	<u>505.88</u>	<u>504.25</u>	<u>504.25</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance Cindy and Bill Simon Technology Academy High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>493.39</u>	<u>493.39</u>	<u>489.53</u>	<u>489.53</u>
Secondary totals	<u>493.39</u>	<u>493.39</u>	<u>489.53</u>	<u>489.53</u>
K – 12 totals	<u>493.39</u>	<u>493.39</u>	<u>489.53</u>	<u>489.53</u>

Alliance Tennenbaum Family Technology High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>385.75</u>	<u>375.32</u>	<u>385.40</u>	<u>385.40</u>
Secondary totals	<u>385.75</u>	<u>375.32</u>	<u>385.40</u>	<u>385.40</u>
K – 12 totals	<u>385.75</u>	<u>385.75</u>	<u>385.40</u>	<u>385.40</u>

Alliance Susan and Eric Smidt Technology High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>488.25</u>	<u>488.25</u>	<u>488.49</u>	<u>488.49</u>
Secondary totals	<u>488.25</u>	<u>488.25</u>	<u>488.49</u>	<u>488.49</u>
K – 12 totals	<u>488.25</u>	<u>488.25</u>	<u>488.49</u>	<u>488.49</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance Ted K. Tajima High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>247.18</u>	<u>247.18</u>	<u>244.78</u>	<u>244.78</u>
Secondary totals	<u>247.18</u>	<u>247.18</u>	<u>244.78</u>	<u>244.78</u>
K – 12 totals	<u>247.18</u>	<u>247.18</u>	<u>244.78</u>	<u>244.78</u>

Alliance Renee and Meyer Luskin Academy High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grades 9 – 12	<u>524.40</u>	<u>524.40</u>	<u>520.37</u>	<u>520.37</u>
Secondary totals	<u>524.40</u>	<u>524.40</u>	<u>520.37</u>	<u>520.37</u>
K – 12 totals	<u>524.40</u>	<u>524.40</u>	<u>520.37</u>	<u>520.37</u>

Alliance Margaret M. Bloomfield Technology Academy High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grade 9 – 10	<u>269.45</u>	<u>269.45</u>	<u>267.12</u>	<u>267.12</u>
Secondary totals	<u>269.45</u>	<u>269.45</u>	<u>267.12</u>	<u>267.12</u>
K – 12 totals	<u>269.45</u>	<u>269.45</u>	<u>267.12</u>	<u>267.12</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance Alice M. Baxter College-Ready High School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Secondary Grade 9 – 10	<u>202.08</u>	<u>202.08</u>	<u>198.68</u>	<u>198.68</u>
Secondary totals	<u>202.08</u>	<u>202.08</u>	<u>198.68</u>	<u>198.68</u>
K – 12 totals	<u>202.08</u>	<u>202.08</u>	<u>198.68</u>	<u>198.68</u>

Alliance Jack H. Skirball Middle School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>143.07</u>	<u>143.07</u>	<u>143.31</u>	<u>143.31</u>
Secondary Grades 7 – 8	<u>283.16</u>	<u>283.16</u>	<u>281.30</u>	<u>281.30</u>
K – 12 totals	<u>426.23</u>	<u>426.23</u>	<u>424.61</u>	<u>424.61</u>

Alliance College-Ready Middle Academy No. 4

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>151.43</u>	<u>151.43</u>	<u>151.06</u>	<u>151.06</u>
Secondary Grades 7 – 8	<u>298.43</u>	<u>298.43</u>	<u>298.49</u>	<u>298.49</u>
K – 12 totals	<u>449.86</u>	<u>449.86</u>	<u>449.55</u>	<u>449.55</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance College-Ready Middle Academy No. 5

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>71.14</u>	<u>71.14</u>	<u>70.79</u>	<u>70.79</u>
Secondary Grades 7 – 8	<u>243.55</u>	<u>243.55</u>	<u>243.40</u>	<u>243.40</u>
K – 12 totals	<u>314.69</u>	<u>314.69</u>	<u>314.19</u>	<u>314.19</u>

Alliance College-Ready Middle Academy No. 8

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>142.96</u>	<u>142.96</u>	<u>142.80</u>	<u>142.80</u>
Secondary Grades 7	<u>143.60</u>	<u>143.60</u>	<u>143.68</u>	<u>143.68</u>
K – 12 totals	<u>286.56</u>	<u>286.56</u>	<u>286.48</u>	<u>286.48</u>

Alliance Kory Hunter Middle School

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>148.70</u>	<u>148.70</u>	<u>148.48</u>	<u>148.48</u>
Secondary Grades 7	<u>132.78</u>	<u>132.78</u>	<u>131.84</u>	<u>131.84</u>
K – 12 totals	<u>281.48</u>	<u>281.48</u>	<u>280.32</u>	<u>280.32</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

Alliance Leadership Middle Academy

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>118.77</u>	<u>118.77</u>	<u>117.70</u>	<u>117.70</u>
Secondary Grade 7 – 8	<u>275.08</u>	<u>275.08</u>	<u>275.77</u>	<u>275.77</u>
K – 12 totals	<u>393.85</u>	<u>393.85</u>	<u>393.47</u>	<u>393.47</u>

Alliance College Ready Middle Academy No. 12

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>138.60</u>	<u>138.60</u>	<u>138.43</u>	<u>138.43</u>
Secondary Grade 7 – 8	<u>267.33</u>	<u>267.33</u>	<u>265.82</u>	<u>265.82</u>
K – 12 totals	<u>405.93</u>	<u>405.93</u>	<u>404.25</u>	<u>404.25</u>

Alliance 6-12 College Ready Academy No. 21

	Average Daily Attendance			
	Second Period Report	Classroom- based Instruction	Annual Report	Classroom- based Instruction
Elementary Grade 6	<u>49.11</u>	<u>49.11</u>	<u>50.07</u>	<u>50.07</u>
K – 12 totals	<u>49.11</u>	<u>49.11</u>	<u>50.07</u>	<u>50.07</u>

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

The actual minutes provided during the year ended June 30, 2016 as reported below are in compliance with the instructional minutes' and days' provisions and were provided based on a traditional calendar of days totaling 189 days.

Alliance Gertz-Ressler High School / Richard Merkin 6-12 Complex

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	70,017
Grade 7	54,000	70,017
Grade 8	54,000	70,017
Grade 9	64,800	69,600
Grade 10	64,800	69,600
Grade 11	64,800	69,600
Grade 12	64,800	69,600

Alliance Collins Family College-Ready Academy High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	67,062
Grade 10	64,800	67,062
Grade 11	64,800	67,062
Grade 12	64,800	67,062

Alliance Judy Ivie Burton Technology Academy High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	73,888
Grade 10	64,800	73,888
Grade 11	64,800	73,888
Grade 12	64,800	73,888

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

Alliance Marc and Eva Stern Math and Science School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	75,411
Grade 10	64,800	75,411
Grade 11	64,800	75,411
Grade 12	64,800	75,411

Alliance Dr. Olga Mohan High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	71,700
Grade 10	64,800	71,700
Grade 11	64,800	71,700
Grade 12	64,800	71,700

Alliance Patti and Peter Neuwirth Leadership Academy

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	72,132
Grade 10	64,800	72,132
Grade 11	64,800	72,132
Grade 12	64,800	72,132

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

Alliance Ouchi – O’Donovan 6-12 Complex

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	71,640
Grade 7	54,000	71,640
Grade 8	54,000	71,640
Grade 9	64,800	72,546
Grade 10	64,800	72,546
Grade 11	64,800	72,546
Grade 12	64,800	72,546

Alliance Piera Barbaglia Shaheen Health Services Academy

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	68,583
Grade 10	64,800	68,583
Grade 11	64,800	68,583
Grade 12	64,800	68,583

Alliance Morgan McKinzie High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	75,411
Grade 10	64,800	75,411
Grade 11	64,800	75,411
Grade 12	64,800	75,411

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

Alliance Leichtman-Levine Family Foundation Environmental Science High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	70,950
Grade 10	64,800	70,950
Grade 11	64,800	70,950
Grade 12	64,800	70,950

Alliance Cindy and Bill Simon Technology Academy High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	68,805
Grade 10	64,800	68,805
Grade 11	64,800	68,805
Grade 12	64,800	68,805

Alliance Tennenbaum Family Technology High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	70,638
Grade 10	64,800	70,638
Grade 11	64,800	70,638
Grade 12	64,800	70,638

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

Alliance Susan and Eric Smidt Technology High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	71,700
Grade 10	64,800	71,700
Grade 11	64,800	71,700
Grade 12	64,800	71,700

Alliance Ted K. Tajima High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	71,700
Grade 10	64,800	71,700
Grade 11	64,800	71,700
Grade 12	64,800	71,700

Alliance Renee and Meyer Luskin Academy High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	71,700
Grade 10	64,800	71,700
Grade 11	64,800	71,700
Grade 12	64,800	71,700

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

Alliance Margaret M. Bloomfield Technology Academy High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	72,088
Grade 10	64,800	72,088

Alliance Alice M. Baxter College-Ready High School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 9	64,800	68,700
Grade 10	64,800	68,700

Alliance Jack H. Skirball Middle School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	68,280
Grade 7	54,000	66,780
Grade 8	54,000	66,780

Alliance College-Ready Middle Academy No. 4

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	69,285
Grade 7	54,000	69,285
Grade 8	54,000	71,568

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

Alliance College-Ready Middle Academy No. 5

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	71,700
Grade 7	54,000	71,700
Grade 8	54,000	71,700

Alliance College-Ready Middle Academy No. 8

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	71,700
Grade 7	54,000	71,700

Alliance Kory Hunter Middle School

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	68,850
Grade 7	54,000	68,850

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

Alliance Leadership Middle Academy

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	72,485
Grade 7	54,000	72,485
Grade 8	54,000	72,485

Alliance College Ready Middle Academy No. 12

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	70,317
Grade 7	54,000	70,317
Grade 8	54,000	70,317

Alliance College-Ready Middle Academy No. 21

<u>Grade Level</u>	<u>2015 – 2016 Minutes Offered Requirements</u>	<u>2015 – 2016 Actual Minutes Offered</u>
Grade 6	54,000	70,652

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS AND SCHOOL AFFILIATES

LOCAL EDUCATION AGENCY ORGANIZATIONAL STRUCTURE For the Year Ended June 30, 2016

	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
State Charter No.	• 645	• 718	• 714	• 788	• 790
Date and Granting Authority of the Charter Alliance	• July 1, 2013; renewed July 1, 2014; Los Angeles Unified School District	• January 11, 2005; renewed July 1, 2015; Los Angeles Unified School District	• February 6, 2006; renewed July 1, 2015; Los Angeles Unified School District	• March 7, 2006; renewed July 1, 2014; Los Angeles Unified School District	• March 7, 2006; renewed July 1, 2014; Los Angeles Unified School District
Members of the Governing Board*	<ul style="list-style-type: none"> • James Waller, Principal • Meghan Van Pelt, Principal • Sandra Tatum-Green, Parent • Carmen Jimenez, Parent • Enrique Vasquez, Teacher • Kayla Garaway, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Robert Delfino, Principal • Maria Pinedo , Parent • Ana Casillas , Parent • Sarah Ulloa-Alvarez , Teacher • Zachery Medway, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Rogelio Sanchez, Principal • Rosa Guerrero, Parent • Eduviges Larios, Parent • Marine Karapetyan, Teacher • Valerie Felix, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Kirsten Woo, Principal • Armando Madrid, Parent • Elizabeth Tirado, Parent • Lynda De Anda, Teacher • Kha Nguyen , Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Loreen Riley, Principal • Eugenia Cruz, Parent • Maria Lopez, Parent • Michael Garcia, Teacher • Mayra Olide, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member
LAUSD Ex-Officio	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD
Management	<ul style="list-style-type: none"> • James Waller, Principal • Meghan Van Pelt, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Robert Delfino, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Rogelio Sanchez, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Kirsten Woo, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Loreen Riley, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member

*The members of the governing board have a term of July 1, 2015 - June 30, 2018, which is renewable.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS AND SCHOOL AFFILIATES

LOCAL EDUCATION AGENCY ORGANIZATIONAL STRUCTURE For the Year Ended June 30, 2016

	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
State Charter No.	• 789	• 784	• 927	• 928	• 929
Date and Granting Authority of the Charter Alliance	• March 7, 2006; renewed July 1, 2011; Los Angeles Unified School District	• July 1, 2013; renewed July 1, 2014; Los Angeles Unified School District	• May 22, 2007; renewed July 1, 2013; Los Angeles Unified School District	• May 22, 2007; renewed July 1, 2013; Los Angeles Unified School District	• May 22, 2007; renewed July 1, 2013; Los Angeles Unified School District
Members of the Governing Board*	<ul style="list-style-type: none"> • Miguel Gamboa , Principal • Yari Pacheco, Parent • Nolan McCullough, Parent • Latasha Murrell, Teacher • Craig Winchell , Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Dea Tramble, Principal • Edith Funes, Principal • Amilcar Mejia, Parent • Ana Guzman, Parent • Linda Perez, Teacher • Ashley Dester, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Dr. Carla McCullough, Principal • Sandra Tatum-Green, Parent • Phillip Jordan, Parent • Elias Johansson-Miller, Teacher • Laura Gonzales, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Dr. Art Sanchez, Principal • John Aviles, Parent • Antonia Cabrera, Parent • Jessica Rendón, Teacher • Bertha Rito, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Andres Versage, Principal • Marilyn Falcon, Parent • Beata Matossian, Parent • Eli Reyna, Teacher • Salena Pacheco, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member
LAUSD Ex-Officio	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD
Management	<ul style="list-style-type: none"> • Miguel Gamboa , Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Dea Tramble, Principal • Edith Funes, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Dr. Carla McCullough, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Dr. Art Sanchez, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Andres Versage, Principal • Donna Jacobson, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member

*The members of the governing board have a term of July 1, 2015 - June 30, 2018, which is renewable.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS AND SCHOOL AFFILIATES

LOCAL EDUCATION AGENCY ORGANIZATIONAL STRUCTURE For the Year Ended June 30, 2016

	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
State Charter No.	• 1161	• 1162	• 1163	1164	• 1343
Date and Granting Authority of the Charter Alliance	• July 1, 2010; renewed July 1, 2015; Los Angeles Unified School District	• July 1, 2010; renewed July 1, 2015; Los Angeles Unified School District	• July 1, 2011; Los Angeles Unified School District	• July 1, 2011; Los Angeles Unified School District	• July 1, 2011; Los Angeles Unified School District
Members of the Governing Board*	<ul style="list-style-type: none"> • Clarence Miller, Principal • Elaine Bonner, Parent • Jacqueline A. Toomes, Parent • Carolyn Torres, Teacher • Kimberlee Kelly, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Abigail Nunez, Principal • Maria Vazquez, Parent • Perla Bernal, Parent • Jack Barlett, Teacher • Alyssa Cuervo, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Dean Marolla-Turner, Principal • Veronica Campos, Parent • Linda Hernandez, Parent • Veronica Bane, Teacher • Jorge Lee, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Carmen Vazquez, Principal • Julia Ramos, Parent • Sandra Villalobos, Parent • Ashley Dura, Teacher • Ismael Santacruz, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Rosalio Medrano, Principal • Martha Gonzalez, Parent • Guadalupe De La O, Teacher • Jessica Rivas, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member
LAUSD Ex-Officio	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD
Management	<ul style="list-style-type: none"> • Clarence Miller, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Chris Weber, Member 	<ul style="list-style-type: none"> • Abigail Nunez, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Dean Marolla-Turner, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Carmen Vazquez, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Rosalio Medrano, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member

*The members of the governing board have a term of July 1, 2015 - June 30, 2018, which is renewable.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS AND SCHOOL AFFILIATES

LOCAL EDUCATION AGENCY ORGANIZATIONAL STRUCTURE For the Year Ended June 30, 2016

	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
State Charter No.	• 1356	• 1460	• 779	• 1096	• 1097
Date and Granting Authority of the Charter Alliance	• July 1, 2011; Los Angeles Unified School District	• July 1, 2012; Los Angeles Unified School District	• March 7, 2006; renewed July 1, 2011; Los Angeles Unified School District	• April 14, 2009; renewed July 1, 2014; Los Angeles Unified School District	• April 14, 2009; renewed July 1, 2014; Los Angeles Unified School District
Members of the Governing Board*	<ul style="list-style-type: none"> • Ani Maymarian, Principal • Juanita Echeverria, Parent • Jennie Mora, Parent • Lyzbeth Becerra, Teacher • David Trann, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Bobby Carr, Principal • Sherry Walker, Parent • Yvonne Scheuller, Parent • Brooklin Brumund, Teacher • Kate Wintermute, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Joy May-Harris, Principal • Tammy Victory, Parent • Joan Wicks, Teacher • Stephanie Tello, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Darron Evans, Principal • Manuela Chaidez, Parent • Rosario Mejia, Parent • Mynor Mendoza, Teacher • David Barba, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Suzette Torres, Principal • Carmen Vazquez, Parent • Ruben Reyes, Parent • Donielle Bribes, Teacher • Christopher Mendizabal, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member
LAUSD Ex-Officio	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD
Management	<ul style="list-style-type: none"> • Ani Maymarian, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Bobby Carr, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Joy May-Harris, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Darron Evans, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Suzette Torres, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member

*The members of the governing board have a term of July 1, 2015 - June 30, 2018, which is renewable.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS AND SCHOOL AFFILIATES

LOCAL EDUCATION AGENCY ORGANIZATIONAL STRUCTURE For the Year Ended June 30, 2016

	Alliance College-Ready Middle Academy No. 8	Alliance Kory Hunter Middle School	Alliance Leadership Middle Academy	Alliance College-Ready Middle Academy No. 12	Alliance College-Ready Alliance 6- 12 College-Ready Academy No. 21
State Charter No.	• 1531	• 1532	• 1530	1533	• 1738
Date and Granting Authority of the Charter Alliance	• July 1, 2013; Los Angeles Unified School District	• July 1, 2013; Los Angeles Unified School District	• July 1, 2013; Los Angeles Unified School District	• July 1, 2013; Los Angeles Unified School District	• July 1, 2015; Los Angeles Unified School District
Members of the Governing Board*	<ul style="list-style-type: none"> • Melissa Chew, Principal • Veronica Mercado, Parent • Maria De Gomez, Parent • Megan Waltzberg, Teacher • Elizabeth Lopez, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Omar Reyes, Principal • Sylvia Masushige, Parent • Claudia Rodriguez, Parent • Robert Nesel, Teacher • Sherwin Parker, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Sheri Johnson, Principal • Fadialian Nelson, Parent • Marie Anderson, Parent • Tameka Taylor, Teacher • Miguel Peraza, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Robin Manly, Principal • Maria Guzman, Parent • Bianca Lopez, Parent • Scott Primrose, Teacher • Eduardo Escobar, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Jonathan Tiongco, Principal • Lorena Navarrete, Parent • Armineh Avanesian, Parent • Nicole Sanfilippo, Teacher • Rebecca Burton, Teacher • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member
LAUSD Ex-Officio	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD 	<ul style="list-style-type: none"> • Leticia Vellanoweth, LAUSD • Sharon Bradley, LAUSD
Management	<ul style="list-style-type: none"> • Melissa Chew, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Omar Reyes, Principal • Howard Lappin, President • Dale Okuno, Secretary • Sarah Ouchi, Member • Kristy Schaffer, Member • Alan Arkatov, Member 	<ul style="list-style-type: none"> • Sheri Johnson, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Robin Manly, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member 	<ul style="list-style-type: none"> • Jonathan Tiongco, Principal • Howard Lappin, President • Dale Okuno, Secretary • Chris Weber, Member • Matt Lew, Member • Darline Robles, Member

*The members of the governing board have a term of July 1, 2015 - June 30, 2018, which is renewable.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	<u> X </u> no	
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	_____ yes	<u> X </u> no	
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported	
Type of auditor’s report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Section 516 of The Uniform Guidance?	_____ yes	<u> X </u> no	
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000		
Auditee qualified as low-risk auditee?	<u> X </u> yes	_____ no	

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.374A	Teacher Incentive Fund

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding Reference Number: Item 2016-1

Compliance Requirement: Reporting requirement for Education Protection Accounts Funds (“EPA”)

Audit Finding Code: 40000 State Compliance

School Affected: Alliance Cindy and Bill Simon Technology Academy High School

Criteria: Per the reporting requirement from the California Department of Education, Proposition 30 requires all districts, counties, and charter schools to report on their Web sites an accounting of how much money was received from the EPA and how that money was spent.

Condition: During the audit, SingerLewak noted Alliance did not report EPA Fund information for Alliance Cindy and Bill Simon Technology Academy High School on the School’s Web site.

Questioned Costs: As the error relates to a reporting requirement, there are no questioned costs.

Effect: The lack of proper reporting may result in Alliance not being eligible for future state grant funding.

Cause: This condition arose because Alliance did not follow and verify the established procedures were properly followed.

Recommendation: We recommend that Alliance implement and follow procedures to ensure the reporting requirement is properly met.

Management Response: Alliance Cindy and Bill Simon Technology Academy High School was erroneously omitted from the required website disclosure due to a formatting error when the document was uploaded online. Upon notification of the missing information, Alliance immediately re-uploaded the document to include Alliance Cindy and Bill Simon Technology Academy High School's information. In the future, Alliance will review the uploaded information to help ensure all required information is included.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
AND SCHOOL AFFILIATES
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016**

SECTION V – PRIOR YEAR AUDIT FINDINGS

None.