



**CONSOLIDATED FINANCIAL REPORT
JUNE 30, 2021**

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Alliance College-Ready Public Schools

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Alliance College-Ready Public Schools and affiliates (Alliance), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Education Audit Appeals Panel's *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Alliance College-Ready Public Schools and affiliates as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021 on our consideration of Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alliance's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Singer Lewak LLP".

December 2, 2021

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS	2021	2020
Current assets		
Cash and cash equivalents	\$ 99,152,432	\$ 86,151,624
Promises to give	-	333,333
Related party receivables	-	5,743,934
Grants and contracts receivable	49,891,393	21,421,716
Notes receivable	-	6,378,594
Assets limited as to use	33,404,258	12,321,217
Right of use assets	747,720	-
Prepaid expenses and other assets	<u>2,776,690</u>	<u>3,021,495</u>
Total current assets	<u>185,972,493</u>	<u>135,371,913</u>
Noncurrent assets		
Rent receivable	930,627	914,590
Assets limited as to use	14,950,288	36,712,356
Other assets	653,740	698,951
Right of use assets	4,540,901	-
Property and equipment, net	<u>245,090,206</u>	<u>248,398,412</u>
Total noncurrent assets	<u>266,165,762</u>	<u>286,724,309</u>
Total assets	<u>\$ 452,138,255</u>	<u>\$ 422,096,222</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 12,018,440	\$ 17,570,605
Refundable advances	10,792,345	-
Lease liabilities	697,179	-
Notes payable	<u>23,282,401</u>	<u>15,506,944</u>
Total current liabilities	<u>46,790,365</u>	<u>33,077,549</u>
Noncurrent liabilities		
Notes payable	214,884,453	240,159,411
Lease liabilities	4,662,242	-
Other liabilities	<u>397,191</u>	<u>382,236</u>
Total noncurrent liabilities	<u>219,943,886</u>	<u>240,541,647</u>
Total liabilities	<u>266,734,251</u>	<u>273,619,196</u>
Net assets		
Without donor restrictions	181,006,959	144,373,833
With donor restrictions	<u>4,397,045</u>	<u>4,103,193</u>
Total net assets	<u>185,404,004</u>	<u>148,477,026</u>
Total liabilities and net assets	<u>\$ 452,138,255</u>	<u>\$ 422,096,222</u>

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Federal revenue	\$ 37,655,938	\$ -	\$ 37,655,938
State revenue	141,539,107	-	141,539,107
Local revenues	35,204,585	-	35,204,585
Private grants and contributions	1,984,029	2,817,695	4,801,724
Rental income	474,962	-	474,962
Other school revenues	54,421	-	54,421
Interest and other income	2,345,661	-	2,345,661
Net assets released from restrictions	<u>2,523,843</u>	<u>(2,523,843)</u>	<u>-</u>
Total revenue and support	<u>221,782,546</u>	<u>293,852</u>	<u>222,076,398</u>
Expenses			
Program services	175,173,999	-	175,173,999
General and administrative	<u>12,210,912</u>	<u>-</u>	<u>12,210,912</u>
Total expenses	<u>187,384,911</u>	<u>-</u>	<u>187,384,911</u>
Change in net assets before other changes	34,397,635	293,852	34,691,487
Other changes			
Loss on disposal of property and equipment	(148,183)	-	(148,183)
Gain on debt extinguishment	<u>2,383,674</u>	<u>-</u>	<u>2,383,674</u>
Change in net assets after other changes	36,633,126	293,852	36,926,978
Net assets, beginning of year	<u>144,373,833</u>	<u>4,103,193</u>	<u>148,477,026</u>
Net assets, end of year	<u>\$ 181,006,959</u>	<u>\$ 4,397,045</u>	<u>\$ 185,404,004</u>

See notes to consolidated financial statements.

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

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

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2021 and 2020

	2021		
	Program Services	General and Administrative	Total
Salaries and benefits	\$ 114,686,429	\$ 8,012,613	\$ 122,699,042
Books and supplies	13,461,644	70,537	13,532,181
Depreciation and amortization	8,291,675	173,101	8,464,776
Facilities, repairs, and other leases	4,931,779	410,139	5,341,918
Interest	12,405,096	-	12,405,096
Operations and housekeeping	8,511,327	1,375,271	9,886,598
Professional services	7,901,844	2,169,114	10,070,958
Pupil services	4,984,205	137	4,984,342
Total expenses by function	<u>\$ 175,173,999</u>	<u>\$ 12,210,912</u>	<u>\$ 187,384,911</u>

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

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 36,926,978	\$ (2,141,420)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	9,056,566	8,349,894
Amortization of financing costs	(520,990)	921,693
Accretion expense	-	18,901
Repayment of grant advance	-	93,578
Gain on debt extinguishment	(2,383,674)	-
Loss on disposal of property and equipment	(148,183)	-
Changes in operating assets and liabilities:		
Promises to give	333,333	1,296,343
Related party receivables	5,743,934	(5,658,934)
Grants and contracts receivable	(28,469,677)	(3,098,421)
Prepaid expenses and other current assets	244,805	(1,025,472)
Rent receivable	(16,037)	(21,684)
Other noncurrent assets	45,211	(70,020)
Accounts payable and accrued expenses	(5,552,165)	2,709,272
Refundable advances	10,792,345	-
Other noncurrent liabilities	14,955	(116,494)
Net cash provided by operating activities	<u>26,067,401</u>	<u>1,257,236</u>
Cash flows from investing activities		
Purchases of property and equipment	(5,529,377)	(7,549,754)
Proceeds from notes receivable	6,378,594	-
Net cash provided by (used in) investing activities	<u>849,217</u>	<u>(7,549,754)</u>
Cash flows from financing activities		
Borrowings on debts	-	33,186,062
Principal payments on debt	(14,594,837)	(10,245,450)
Net cash provided by (used in) financing activities	<u>(14,594,837)</u>	<u>22,940,612</u>
Net change in cash, cash equivalents, and restricted cash	12,321,781	16,648,094
Cash, cash equivalents, and restricted cash, beginning of year	135,185,197	118,537,103
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 147,506,978</u>	<u>\$ 135,185,197</u>
Supplemental schedule of noncash financing activities		
Deferred financing costs acquired through issuance of debt	<u>\$ -</u>	<u>\$ 1,073,670</u>
Settlement of notes receivable	<u>\$ -</u>	<u>\$ 15,012,675</u>
Schedule of supplemental cash flow information		
Cash paid for interest	<u>\$ 7,544,253</u>	<u>\$ 7,582,723</u>

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

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

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

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

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

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

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

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

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

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

Principles of Consolidation

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

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

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

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

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation (Continued)

The consolidated financial statements include the following schools:

- Alliance Gertz-Ressler High School/Richard Merkin 6–12 Complex
- Alliance Collins Family College-Ready Academy High School
- Alliance Judy Ivie Burton Technology Academy High School
- Alliance Marc and Eva Stern Math and Science School
- Alliance Dr. Olga Mohan High School
- Alliance Patti and Peter Neuwirth Leadership Academy
- Alliance Ouchi – O’Donovan 6–12 Complex
- Alliance Piera Barbaglia Shaheen Health Services Academy
- Alliance Morgan McKinzie High School
- Alliance Leichtman-Levine Family Foundation Environmental Science High School
- Alliance Cindy and Bill Simon Technology Academy High School
- Alliance Tennenbaum Family Technology High School
- Alliance Susan and Eric Smidt Technology High School
- Alliance Ted K. Tajima High School
- Alliance Renee and Meyer Luskin Academy High School
- Alliance Margaret M. Bloomfield Technology Academy High School
- Alliance Alice M. Baxter College-Ready High School – **Closed effective June 30, 2021**
- Alliance Jack H. Skirball Middle School
- Alliance College-Ready Middle Academy No. 4
- Alliance College-Ready Middle Academy No. 5 – **Closed effective June 30, 2021**
- Alliance College-Ready Middle Academy No. 8
- Alliance Kory Hunter Middle School
- Alliance Virgil Roberts Leadership Academy
- Alliance College-Ready Middle Academy No. 12
- Alliance Marine – Innovation and Technology 6-12 Complex

Use of Estimates

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

As of June 30, 2021, and 2020, a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of corresponding amounts within the statements of cash flows is as follows:

	2021	2020
Cash and cash equivalents	\$ 99,152,432	\$ 86,151,624
Assets limited as to use, current portion	33,404,258	12,321,217
Assets limited as to use, noncurrent portion	14,950,288	36,712,356
	<u>\$147,506,978</u>	<u>\$135,185,197</u>

Promises to Give

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

Alliance determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2021 and 2020, Alliance deemed no allowance was required.

Grants and contracts Receivable

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

Property and Equipment

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-lived Assets

Alliance reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment would be recorded in circumstances where undiscounted cash flows expected to be generated by an asset are less than the carrying value of that asset. As of June 30, 2021, and 2020, there were no events or changes in circumstances indicating the carrying amount of long-lived assets may not be recoverable.

Deferred Financing Costs

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

Income Taxes

Alliance is exempt from federal and state income taxes under Internal Revenue Code §501(c)(3) and California Revenue and Taxation Code §23701(d). Accordingly, no provision for income taxes is included in the accompanying financial statements. Alliance, its subsidiaries and its affiliates file annual informational tax returns in the U.S. federal and California jurisdictions. Management has analyzed the tax positions taken by Alliance, and has concluded that, as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Alliance is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Net Assets

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

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

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

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

Functional Allocation of Expenses

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

Fair Value of Financial Instruments

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

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

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

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

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Risk

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

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

Federal, state, and local funding accounted for approximately 95% total consolidated revenue for the years ended June 30, 2021 and 2020.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2021, Alliance adopted 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. Alliance elected the modified retrospective transition method for adoption of ASU 2016-02. Alliance also elected the practical expedient package to not reassess at adoption a) expired or existing contracts for whether they are or contain a lease b) the lease classification of any existing leases, or c) initial indirect costs for existing leases. As a result of the implementation of this guidance, Alliance recognized right-of-use assets of \$5,992,905, and lease liabilities totaling \$6,006,010. The adoption did not result in a material impact to the statement of activities for the year ended June 30, 2021.

NOTE 4 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2021, and 2020, the following table reflects Alliance’s financial assets available to meet general expenditures within one year of the statement of financial position.

	2021	2020
Cash and cash equivalents	\$ 99,152,432	\$ 86,151,624
Promise to give	-	333,333
Related party receivables	-	5,734,934
Grants and contracts receivable	49,891,393	21,421,716
Financial assets available to meet general expenditures within one year	<u>\$149,043,825</u>	<u>\$113,650,607</u>

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES (Continued)

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

NOTE 5 – GRANTS AND CONTRACTS RECEIVABLE

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

	2021	2020
Federal revenue	\$ 5,800,173	\$ 1,313,045
State apportionment and other state revenue	42,994,324	16,392,002
Local revenue	1,096,896	3,716,669
	<u>\$ 49,891,393</u>	<u>\$ 21,421,716</u>

NOTE 6 – ASSETS LIMITED AS TO USE

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

	2021	2020
Facilities maintenance reserve	\$ 1,586,141	\$ 1,350,426
Sinking funds and bond reserve	13,364,147	35,361,932
Construction draws and interest payments	29,656,964	9,401,391
Funds restricted to support specific initiatives	3,747,294	2,919,824
	48,354,546	49,033,573
Less current portion	(33,404,258)	(12,321,217)
Noncurrent portion	<u>\$ 14,950,288</u>	<u>\$ 36,712,356</u>

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2021	2020
Land	\$ 57,935,403	\$ 57,051,226
Buildings and building improvements	220,164,339	218,912,950
Construction in progress	2,744,430	1,360,500
Furniture and equipment	8,296,619	10,984,869
Software	571,096	760,736
	289,711,887	289,070,281
Accumulated depreciation	(44,621,681)	(40,671,869)
Total	\$245,090,206	\$248,398,412

Included in property and equipment is \$6,617,157, net of accumulated depreciation, of building and building improvements classified as held-for-sale.

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

	2021	2020
Buildings and building improvements	\$ 12,730,483	\$ 12,730,483
Accumulated depreciation	(4,031,320)	(3,713,058)
Total	\$ 8,699,163	\$ 9,017,425

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – NOTES PAYABLE

Notes payable consist of the following at June 30:

	2021	2020
ExEd Facilities XII LLC promissory notes paid-in-full.	\$ -	\$ 3,242,268
Subordinated loan payable totaling \$280,250 to Charter School Financing Partnership, bearing 0% interest, unless there is default, at which time the loan will bear interest of 3% per annum. Principal will be paid monthly, with the final installment due in February 2022. The loan is secured by a trust deed on the 4610 S. Main Street property.	46,725	126,825
Various bond payables, including Series 2011 A, 2011B RB-3, and 2011B RB-4 totaling \$7,676,275, \$1,690,474, and \$2,339,216, respectively, to the Community Development Trust, LP, bearing interest at a rate of 6.6% per annum with interest payments due quarterly. The note matures on September 15, 2030, at which time all unpaid principal and interest becomes due. The notes are secured by a trust deed on the 1918 Broadway Charter Financing LLC property.	11,705,965	11,705,965
California School Finance Authority Charter School Revenue Bonds, 2014 Series A and B – Term bonds of \$5,000,000 and \$3,975,000 mature on March 15, 2034, with an interest rate of 5.74% and 7.75% per annum, respectively; secured by a trust deed on the 461 W. 9 th Street Charter Facilities LLC property.	8,534,808	8,784,173
California School Finance Authority Charter School Revenue Bonds, Series 2013 – Term bonds of \$10,750,000 maturing on June 15, 2034, with an interest rate of 5.35%, secured by a trust deed on the 7907 Santa Fe Avenue Charter Facilities LLC property.	10,750,000	10,750,000
California Statewide Communities Development promissory notes paid-in-full.	-	5,520,000

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – NOTES PAYABLE (Continued)

	2021	2020
<p>California School Finance Authority School Facility Revenue Bonds: Series 2015A bond issued for \$55,260,000, matures July 1, 2045, with an interest rate of 3% to 5% plus an original premium of \$3,216,960. Secured by trust deed on properties. Series 2016A bond issued for \$19,100,000, matures July 1, 2051 with an interest rate of 3% to 5% plus an original premium of \$2,766,371. Series 2016C bond issued for \$57,995,000, matures July 1, 2052, with an interest rate of 3% to 5.00% less an original discount of \$109,096. Series 2016D bond issued for \$335,000 matures on July 1, 2020, with an interest rate of 5.25%. The bonds are secured by trust deeds on properties.</p>	\$132,612,416	\$134,696,431
<p>California Statewide Communities Development Authority School Facility Revenue Bonds, Series 2011 – Term bonds of \$2,750,000 mature on July 1, 2022, with an interest rate of 5.875% per annum; term bonds of \$4,125,000 maturing July 1, 2031, with an interest rate of 6.75% per annum; term bonds of \$15,690,000 mature on July 1, 2046, with an interest rate of 7% per annum less an original discount of \$487,008. The bonds are secured by a trust deed on property. Subsequent to year end, the bonds were paid-in-full.</p>	20,039,996	20,324,404
<p>California Statewide Communities Development Authority School Facility Revenue Bonds, Series 2012 – Term bonds of \$475,000 maturing on July 1, 2022, with an interest rate of 5.125% per annum; term bonds of \$1,820,000 mature July 1, 2032, with an interest rate of 6.1% per annum; term bonds of \$6,160,000 mature on July 1, 2047, with an interest rate of 6.375% per annum. The bonds are secured by a trust deed on property.</p>	8,115,000	8,165,000
<p>California School Finance Authority School Facilities Revenue Bonds Statewide Communities Development Authority Insured Educational Facilities Revenue Bonds, 2014 Series A – Term bonds of \$15,690,000 mature on July 1, 2048 with an interest rate of 5.25% to 6.40%. The bonds are secured by a trust deed on property.</p>	14,290,170	14,490,362
<p>Equitable Facilities Fund note, paid-in-full.</p>	-	5,231,000

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – NOTES PAYABLE (Continued)

	2021	2020
Charter School Facilities Grant totaling \$4,612,506 and \$10,134,671, respectively, bearing interest at a rate of 2% per annum. Payment terms to be determined upon operations of charter school facilities in which the proceeds were used.	\$ 10,084,267	\$ 10,471,234
Promissory note to PCSD 1111 West Manchester Ave LLC for \$1,450,000 maturing on July 1, 2024. The note is non-interest bearing, principal payments of \$207,000 are due annually commencing on July 1, 2018; secured by trust deeds properties.	622,000	829,000
Alliance Facilities Corp entered into a loan agreement with Equitable Facilities Fund and borrowed \$26,916,709 on December 6, 2019 bearing interest at a rate of 5% per annum plus an original premium of \$1,038,352.	27,218,685	27,703,860
	244,020,032	262,040,522
Less deferred financing cost	(5,853,178)	(6,374,167)
Less current portion	(23,282,401)	(15,506,944)
Total noncurrent notes payable	\$214,884,453	\$240,159,411

In conjunction with certain long-term debt agreements, Alliance has agreed, among other things, to (1) maintain certain debt coverage ratios, (2) maintain certain insurance coverage limits and (3) limit the amount of liens, except those in favor of the lender. At June 30, 2021, Alliance was in compliance with the consolidated covenant requirements. An independent consultant may be engaged if a majority of the debt holders so choose. At June 30, 2021, Alliance complied with all of its reporting requirements under its debt agreements. As of June 30, 2021, aggregate future maturities of long-term debt and sinking fund requirements for each of the next five years ending June 30 and thereafter are as follows:

2022	\$ 24,123,404
2023	3,868,984
2024	3,968,792
2025	4,448,891
2026	4,740,238
Thereafter	197,268,791
	238,419,100
Bond premiums, net	5,600,932
Less deferred financing cost	(5,853,178)
	\$ 238,166,854

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2021 and 2020 are restricted by donors for the following purposes or periods:

	2021	2020
Facilities	\$ -	\$ 29,867
Graduate scholarships	663,843	734,629
School operations	705,240	740,575
Professional development	219,956	292,390
School programs	2,808,006	461,632
Technology	-	<u>1,286,598</u>
	4,397,045	3,545,691
Passage of time	-	<u>557,502</u>
	<u>\$ 4,397,045</u>	<u>\$ 4,103,193</u>

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

	2021	2020
Facilities	\$ 29,867	\$ 714,837
Graduate scholarships	504,335	585,104
School operations	73,109	1,079,991
Professional development	72,434	80,947
School programs	-	341,276
Technology	<u>1,286,596</u>	<u>102,144</u>
	1,966,341	2,904,299
Passage of time	<u>557,502</u>	<u>1,105,833</u>
	<u>\$ 2,523,843</u>	<u>\$ 4,010,132</u>

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – RENTAL INCOME UNDER OPERATING LEASES

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

Years Ending <u>June 30,</u>	
2022	\$ 440,907
2023	446,419
2024	451,999
2025	457,649
2026	463,369
Thereafter	<u>8,151,817</u>
	<u>\$ 10,412,160</u>

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

	<u>2021</u>	<u>2020</u>
Land	\$ 7,000,000	\$ 7,000,000
Buildings and building improvements	6,894,437	6,845,647
Accumulated depreciation	<u>(1,985,785)</u>	<u>(1,840,569)</u>
	<u>\$ 11,908,652</u>	<u>\$ 12,005,078</u>

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Leases

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

Leases (Continued)

In addition, Alliance is obligated to establish an Extraordinary Repair Fund (the Fund) in an interest-bearing state trust account for the purpose of replacement or renewal of the assets constructed on the site or for the cost of demolition. Annual installment payments into the Fund of \$25,000 and \$75,000 start in fiscal years 2017 and 2034, respectively, and will continue until the end of the lease term, or until the Fund reaches \$1,500,000. If the balance in the Fund exceeds the total costs of renewal or demolition upon the termination of the lease, the excess balance is to be refunded to Alliance. As of June 30, 2021, and 2020, Alliance has recorded an asset retirement obligation of \$397,191 and \$378,385, respectively, relating to this lease.

Alliance is obligated under various noncancelable operating and financing lease agreements for equipment, office, school facilities and land. The leases require monthly payments ranging from \$539 to \$54,167 and expire through August 2049. Several of the leases have options to extend the terms from one to five years, per the agreements. The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2021, was 6.5%. For the years ended June 30, 2021, and 2020, rent expense totaled \$2,839,111, and \$2,570,939, respectively.

Future maturities on lease liabilities for the years ending June 30, are as follows:

2022	\$	697,180
2023		748,379
2024		790,995
2025		149,790
2026		45,671
Thereafter		<u>2,927,406</u>
		5,359,421
Less present value discount		<u>(70,800)</u>
Total		<u>\$ 5,288,621</u>

Legal Proceedings

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – EMPLOYEE RETIREMENT PLANS

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

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

Copies of the STRS annual financial report may be obtained from the STRS’s headquarter, 100 Waterfront Place, West Sacramento, California 95605 and www.calstrs.com.

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 2021 and 2020 was 16.49% and 17.55% of annual payroll, respectively. The contribution requirements of the plan members are established and may be amended by State statute.

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

<u>Years Ended</u> <u>June 30,</u>	<u>Required</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2019	\$ 10,557,090	16.28%	100%
2020	\$ 11,551,499	17.55%	100%
2021	\$ 10,740,694	16.49%	100%

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Public Employees’ Retirement System (CalPERS)

Plan Description

Alliance-affiliated schools contribute to the School Employer Pool under the California Public Employees’ Retirement System (CalPERS), a cost-sharing, multiple-employer, public employee retirement system defined-benefit pension plan administered by CalPERS (Plan EIN 94-6207465). The plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes required supplementary information. According to the most recently available Schools Pool Actuarial Valuation Report for the year ended June 30, 2020, the Schools Pool total plan assets are \$71.4 billion, the total actuarial present value of accumulated plan benefits is \$122.8 billion, contributions from all employers totaled \$3.5 billion, and the plan is 68.6% 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 Q Street, Sacramento, California 95811 and www.calpers.ca.gov.

Funding Policy

Active plan members are required to contribute 7.00% of their salaries for PEPRA or Classic status, respectively; currently, the Alliance-affiliated schools contribute the employees’ portion for California School Employees Association and confidential staff members. The Alliance-affiliated schools are required to contribute at an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The Alliance-affiliated schools’ contribution rate to CalPERS for fiscal years 2021 and 2020 was 28.10% and 25.81%, respectively.

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

<u>Years Ended</u> <u>June 30,</u>	<u>Required</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2019	\$ 2,443,423	18.062%	100%
2020	\$ 2,950,700	25.810%	100%
2021	\$ 3,275,483	28.100%	100%

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Defined-contribution Plan

Eligible employees of Alliance can participate in a 403(b) plan sponsored by Alliance. Participants can elect to contribute up to 5% of their pretax annual compensation, as defined in the Plan, subject to Section 403(b) of the Internal Revenue Code contribution limitations. For corporate participants, Alliance makes a contribution of 5% of the participant's eligible salary. Alliance's total contribution for the years ended June 30, 2021 and 2020, was \$545,099 and \$556,761, respectively.

NOTE 13 – RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which Alliance operates.

NOTE 14 – RELATED PARTY CONTRIBUTIONS

During the years ended June 30, 2021 and 2020, Alliance received contributions from a related affiliate amounting to \$4,426,905 and \$3,005,929, respectively.

NOTE 15 – SUBSEQUENT EVENTS

Alliance has evaluated subsequent events and transactions through December 2, 2021, the date on which the financial statements were issued.

On July 1, 2021, Alliance paid off the California Statewide Communities Development Authority School Facility Revenue Bonds, Series 2011 term bonds. See Note 8.

SUPPLEMENTARY INFORMATION

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2021

	Alliance College- Ready Public Schools	Alliance Gertz- Ressler Richard Merkin 6-12 Complex	Alliance Judy Ivie Burton Technology Academy High	Alliance Collins Family College- Ready High	Alliance Dr. Olga Mohan High
ASSETS					
Current assets					
Cash and cash equivalents	\$ 29,258,502	\$ 3,520,943	\$ 7,174,724	\$ 7,216,854	\$ 5,099,005
Related party receivables	3,927,377	-	-	144,919	-
Grants and contracts receivable	97,559	3,588,204	2,277,289	2,517,240	1,781,550
Related party notes receivable	2,350,000	-	-	-	-
Assets limited to use	3,747,294	187,996	-	-	-
Right of use assets	-	102,036	87,022	73,480	-
Prepaid expenses and other assets	2,911,347	14,217	8,102	17,425	5,427
Total current assets	42,292,079	7,413,396	9,547,137	9,969,918	6,885,982
Noncurrent assets					
Related party notes receivable	4,898,848	-	-	-	-
Other assets	49,539	-	11,632	12,563	-
Investments in affiliates	3,352,015	-	-	-	-
Right of use assets	-	15,651,412	6,968,618	8,366,066	-
Property and equipment, net	348,901	4,751,156	2,049,284	838,959	523,153
Total noncurrent assets	8,649,303	20,402,568	9,029,534	9,217,588	523,153
Total assets	\$ 50,941,382	\$ 27,815,964	\$ 18,576,671	\$ 19,187,506	\$ 7,409,135
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	\$ 2,192,356	\$ 726,593	\$ 236,224	\$ 456,641	\$ 650,731
Refundable advances	-	741,863	505,744	464,509	791,400
Related party payables	-	201,293	122,463	-	126,653
Related party note payable	-	-	-	-	-
Lease liabilities	-	94,551	93,447	102,567	-
Notes payable	-	-	-	-	-
Total current liabilities	2,192,356	1,764,300	957,878	1,023,717	1,568,784
Noncurrent liabilities					
Related party note payable	-	-	-	-	-
Notes payable	-	-	-	-	-
Lease liabilities	-	15,367,481	7,123,346	9,265,065	-
Total noncurrent liabilities	-	15,367,481	7,123,346	9,265,065	-
Total liabilities	2,192,356	17,131,781	8,081,224	10,288,782	1,568,784
Net assets (deficit)					
Without donor restrictions	47,163,855	10,402,594	10,446,973	8,761,388	5,790,823
With donor restrictions	1,585,171	281,589	48,474	137,336	49,528
Total net assets (deficit)	48,749,026	10,684,183	10,495,447	8,898,724	5,840,351
Total liabilities and net assets	\$ 50,941,382	\$ 27,815,964	\$ 18,576,671	\$ 19,187,506	\$ 7,409,135

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2021

	Alliance Marc & Eva Stern Math and Science	Alliance Ouchi - O'Donovan 6-12 Complex	Alliance Patti and Peter Neuwirth Leadership Academy	Alliance Piera Barbaglia Shaheen Health Services Academy	Alliance Morgan McKinzie High School
ASSETS					
Current assets					
Cash and cash equivalents	\$ 4,765,486	\$ 8,688,155	\$ 1,591,617	\$ 453,075	\$ 574,049
Related party receivables	-	-	-	-	-
Grants and contracts receivable	2,378,924	3,386,457	2,349,307	2,135,067	1,705,647
Related party notes receivable	-	-	-	-	-
Assets limited to use	-	-	-	-	-
Right of use assets	146,642	146,437	67,493	100,291	-
Prepaid expenses and other assets	8,495	88,596	4,979	17,908	74,671
Total current assets	7,299,547	12,309,645	4,013,396	2,706,341	2,354,367
Noncurrent assets					
Related party notes receivable	-	-	-	-	-
Other assets	14,715	4,000	-	22,300	-
Investments in affiliates	-	-	-	-	-
Right of use assets	8,144,732	11,046,974	8,858,856	8,416,568	-
Property and equipment, net	1,019,645	3,671,585	821,795	110,948	20,558,805
Total noncurrent assets	9,179,092	14,722,559	9,680,651	8,549,816	20,558,805
Total assets	\$ 16,478,639	\$ 27,032,204	\$ 13,694,047	\$ 11,256,157	\$ 22,913,172
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	\$ 249,098	\$ 345,475	\$ 315,439	\$ 297,933	\$ 237,879
Refundable advances	466,925	777,748	473,411	659,109	345,408
Related party payables	65,045	260,246	130,234	142,258	204,248
Related party note payable	-	-	-	-	750,000
Lease liabilities	149,853	145,433	54,352	-	-
Notes payable	-	-	-	106,041	288,733
Total current liabilities	930,921	1,528,902	973,436	1,205,341	1,826,268
Noncurrent liabilities					
Related party note payable	-	-	-	-	550,000
Notes payable	-	-	-	709,560	8,979,934
Lease liabilities	8,220,468	11,019,886	8,905,998	8,966,060	-
Total noncurrent liabilities	8,220,468	11,019,886	8,905,998	9,675,620	9,529,934
Total liabilities	9,151,389	12,548,788	9,879,434	10,880,961	11,356,202
Net assets (deficit)					
Without donor restrictions	7,199,979	14,400,371	3,688,746	265,289	11,317,145
With donor restrictions	127,271	83,045	125,867	109,907	239,825
Total net assets (deficit)	7,327,250	14,483,416	3,814,613	375,196	11,556,970
Total liabilities and net assets	\$ 16,478,639	\$ 27,032,204	\$ 13,694,047	\$ 11,256,157	\$ 22,913,172

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2021

	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
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,263,992	\$ 2,028,170	\$ 276,284	\$ 662,289	\$ 575,932
Related party receivables	-	-	-	-	-
Grants and contracts receivable	2,039,022	1,952,491	1,038,047	1,920,797	1,706,307
Related party notes receivable	-	-	-	-	-
Assets limited to use	-	-	-	-	-
Right of use assets	587,389	111,875	-	51,018	95,713
Prepaid expenses and other assets	78,133	10,175	7,100	4,713	5,372
Total current assets	<u>4,968,536</u>	<u>4,102,711</u>	<u>1,321,431</u>	<u>2,638,817</u>	<u>2,383,324</u>
Noncurrent assets					
Related party notes receivable	-	-	-	-	-
Other assets	-	-	-	-	-
Investments in affiliates	-	-	-	-	-
Right of use assets	1,411,154	8,144,055	-	6,173,115	8,225,963
Property and equipment, net	109,786	472,545	92,327	509,935	274,051
Total noncurrent assets	<u>1,520,940</u>	<u>8,616,600</u>	<u>92,327</u>	<u>6,683,050</u>	<u>8,500,014</u>
Total assets	<u>\$ 6,489,476</u>	<u>\$ 12,719,311</u>	<u>\$ 1,413,758</u>	<u>\$ 9,321,867</u>	<u>\$ 10,883,338</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	\$ 214,096	\$ 255,774	\$ 153,151	\$ 226,006	\$ 187,037
Refundable advances	372,567	395,368	266,346	512,390	348,117
Related party payables	63,713	19,892	101,729	81,667	16,781
Related party note payable	-	-	-	-	400,000
Lease liabilities	587,389	82,634	-	53,361	115,587
Notes payable	-	-	-	-	-
Total current liabilities	<u>1,237,765</u>	<u>753,668</u>	<u>521,226</u>	<u>873,424</u>	<u>1,067,522</u>
Noncurrent liabilities					
Related party note payable	-	-	-	-	100,000
Notes payable	-	-	-	-	-
Lease liabilities	1,411,154	8,384,086	-	6,168,428	8,766,386
Total noncurrent liabilities	<u>1,411,154</u>	<u>8,384,086</u>	<u>-</u>	<u>6,168,428</u>	<u>8,866,386</u>
Total liabilities	<u>2,648,919</u>	<u>9,137,754</u>	<u>521,226</u>	<u>7,041,852</u>	<u>9,933,908</u>
Net assets (deficit)					
Without donor restrictions	3,597,675	3,341,764	866,062	2,143,278	881,723
With donor restrictions	242,882	239,793	26,470	136,737	67,707
Total net assets (deficit)	<u>3,840,557</u>	<u>3,581,557</u>	<u>892,532</u>	<u>2,280,015</u>	<u>949,430</u>
Total liabilities and net assets	<u>\$ 6,489,476</u>	<u>\$ 12,719,311</u>	<u>\$ 1,413,758</u>	<u>\$ 9,321,867</u>	<u>\$ 10,883,338</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2021

	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 Marine-Innovation and Technology 6-12 Complex	Alliance Jack H. Skirball Middle School
ASSETS					
Current assets					
Cash and cash equivalents	\$ 3,268,823	\$ 2,400,708	\$ -	\$ 1,009,931	\$ 1,462,386
Related party receivables	44,401	-	-	-	-
Grants and contracts receivable	1,898,467	2,509,454	972,830	3,557,938	1,312,884
Related party notes receivable	-	-	-	-	-
Assets limited to use	-	-	-	-	-
Right of use assets	115,710	34,335	-	165,372	45,368
Prepaid expenses and other assets	8,138	7,049	-	22,403	53,651
Total current assets	<u>5,335,539</u>	<u>4,951,546</u>	<u>972,830</u>	<u>4,755,644</u>	<u>2,874,289</u>
Noncurrent assets					
Related party notes receivable	-	-	-	-	-
Other assets	-	-	-	14,495	-
Investments in affiliates	-	-	-	-	-
Right of use assets	8,765,891	7,297,482	-	16,269,158	5,007,489
Property and equipment, net	551,676	129,510	-	545,597	584,890
Total noncurrent assets	<u>9,317,567</u>	<u>7,426,992</u>	<u>-</u>	<u>16,829,250</u>	<u>5,592,379</u>
Total assets	<u>\$ 14,653,106</u>	<u>\$ 12,378,538</u>	<u>\$ 972,830</u>	<u>\$ 21,584,894</u>	<u>\$ 8,466,668</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	\$ 382,590	\$ 236,285	\$ 26,470	\$ 542,820	\$ 191,338
Refundable advances	391,515	424,990	151,326	632,050	320,070
Related party payables	-	125,401	239,786	100,500	116,459
Related party note payable	-	-	-	1,000,000	-
Lease liabilities	115,587	53,919	-	150,329	45,078
Notes payable	-	-	-	-	-
Total current liabilities	<u>889,692</u>	<u>840,595</u>	<u>417,582</u>	<u>2,425,699</u>	<u>672,945</u>
Noncurrent liabilities					
Related party note payable	-	-	-	1,300,000	-
Notes payable	-	-	-	-	-
Lease liabilities	8,766,386	8,002,520	-	16,602,325	4,998,235
Total noncurrent liabilities	<u>8,766,386</u>	<u>8,002,520</u>	<u>-</u>	<u>17,902,325</u>	<u>4,998,235</u>
Total liabilities	<u>9,656,078</u>	<u>8,843,115</u>	<u>417,582</u>	<u>20,328,024</u>	<u>5,671,180</u>
Net assets (deficit)					
Without donor restrictions	4,941,263	3,432,320	555,248	1,067,623	2,780,798
With donor restrictions	55,765	103,103	-	189,247	14,690
Total net assets (deficit)	<u>4,997,028</u>	<u>3,535,423</u>	<u>555,248</u>	<u>1,256,870</u>	<u>2,795,488</u>
Total liabilities and net assets	<u>\$ 14,653,106</u>	<u>\$ 12,378,538</u>	<u>\$ 972,830</u>	<u>\$ 21,584,894</u>	<u>\$ 8,466,668</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2021

	Alliance College-Ready Middle Academy No. 4	Alliance College-Ready Middle Academy No. 5	Alliance College-Ready Middle Academy No. 8	Alliance Kory Hunter Middle School	Alliance Virgil Roberts Leadership Academy
ASSETS					
Current assets					
Cash and cash equivalents	\$ 3,187,875	\$ (10)	\$ 2,720,568	\$ 2,578,648	\$ 561,645
Related party receivables	-	-	455	-	-
Grants and contracts receivable	1,530,633	887,712	1,590,405	1,628,393	1,540,527
Related party notes receivable	-	-	-	-	-
Assets limited to use	-	-	-	-	-
Right of use assets	81,917	-	40,193	78,687	61,198
Prepaid expenses and other assets	8,398	14	35,695	5,178	3,754
Total current assets	<u>4,808,823</u>	<u>887,716</u>	<u>4,387,316</u>	<u>4,290,906</u>	<u>2,167,124</u>
Noncurrent assets					
Related party notes receivable	-	-	-	-	-
Other assets	-	-	-	28,825	-
Investments in affiliates	-	-	-	-	-
Right of use assets	7,084,106	-	4,926,055	6,355,836	7,097,370
Property and equipment, net	1,311,779	308,585	434,723	156,495	141,074
Total noncurrent assets	<u>8,395,885</u>	<u>308,585</u>	<u>5,360,778</u>	<u>6,541,156</u>	<u>7,238,444</u>
Total assets	<u>\$ 13,204,708</u>	<u>\$ 1,196,301</u>	<u>\$ 9,748,094</u>	<u>\$ 10,832,062</u>	<u>\$ 9,405,568</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	\$ 228,704	\$ 30,922	\$ 331,154	\$ 206,790	\$ 239,027
Refundable advances	311,948	136,601	305,353	335,559	311,089
Related party payables	25,852	1,334,143	-	63,888	89,271
Related party note payable	-	-	-	-	200,000
Lease liabilities	80,223	-	46,145	86,690	58,715
Notes payable	-	-	-	-	-
Total current liabilities	<u>646,727</u>	<u>1,501,666</u>	<u>682,652</u>	<u>692,927</u>	<u>898,102</u>
Noncurrent liabilities					
Related party note payable	-	-	-	-	200,000
Notes payable	-	-	-	-	-
Lease liabilities	7,004,033	-	5,116,536	6,574,790	7,020,480
Total noncurrent liabilities	<u>7,004,033</u>	<u>-</u>	<u>5,116,536</u>	<u>6,574,790</u>	<u>7,220,480</u>
Total liabilities	<u>7,650,760</u>	<u>1,501,666</u>	<u>5,799,188</u>	<u>7,267,717</u>	<u>8,118,582</u>
Net assets (deficit)					
Without donor restrictions	5,526,131	(305,365)	3,708,675	3,475,850	1,162,018
With donor restrictions	27,817	-	240,231	88,495	124,968
Total net assets (deficit)	<u>5,553,948</u>	<u>(305,365)</u>	<u>3,948,906</u>	<u>3,564,345</u>	<u>1,286,986</u>
Total liabilities and net assets	<u>\$ 13,204,708</u>	<u>\$ 1,196,301</u>	<u>\$ 9,748,094</u>	<u>\$ 10,832,062</u>	<u>\$ 9,405,568</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2021

	Alliance College-Ready Middle Academy No. 12	Total	Eliminating Entries	Alliance College-Ready Public Schools Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,487,682	\$ 94,827,333	\$ -	\$ 94,827,333
Related party receivables	-	4,117,152	(3,666,728)	450,424
Grants and contracts receivable	1,588,242	49,891,393	-	49,891,393
Related party notes receivable	-	2,350,000	(2,350,000)	-
Assets limited to use	-	3,935,290	-	3,935,290
Right of use assets	82,451	2,274,627	-	2,274,627
Prepaid expenses and other assets	21,220	3,422,160	(2,327,933)	1,094,227
		-		
Total current assets	<u>5,179,595</u>	<u>160,817,955</u>	<u>(8,344,661)</u>	<u>152,473,294</u>
Noncurrent assets				
Related party notes receivable	-	4,898,848	(2,150,000)	2,748,848
Other assets	-	158,069	-	158,069
Investments in affiliates	-	3,352,015	-	3,352,015
Right of use assets	6,457,456	160,668,356	-	160,668,356
Property and equipment, net	105,538	40,422,742	-	40,422,742
		-		
Total noncurrent assets	<u>6,562,994</u>	<u>209,500,030</u>	<u>(2,150,000)</u>	<u>207,350,030</u>
		-		
Total assets	<u>\$ 11,742,589</u>	<u>\$ 370,317,985</u>	<u>\$ (10,494,661)</u>	<u>\$ 359,823,324</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	\$ 180,407	\$ 9,340,940	\$ (2,327,933)	\$ 7,013,007
Refundable advances	314,650	10,756,056	-	10,756,056
Related party payables	35,206	3,666,728	(3,666,728)	-
Related party note payable	-	2,350,000	(2,350,000)	-
Lease liabilities	86,690	2,202,550	-	2,202,550
Notes payable	-	394,774	-	394,774
		-		
Total current liabilities	<u>616,953</u>	<u>28,711,048</u>	<u>(8,344,661)</u>	<u>20,366,387</u>
Noncurrent liabilities				
Related party note payable	-	2,150,000	(2,150,000)	-
Notes payable	-	9,689,494	-	9,689,494
Lease liabilities	6,574,790	164,258,453	-	164,258,453
		-		
Total noncurrent liabilities	<u>6,574,790</u>	<u>176,097,947</u>	<u>(2,150,000)</u>	<u>173,947,947</u>
		-		
Total liabilities	<u>7,191,743</u>	<u>204,808,995</u>	<u>(10,494,661)</u>	<u>194,314,334</u>
Net assets (deficit)				
Without donor restrictions	4,499,719	161,111,945	-	161,111,945
With donor restrictions	51,127	4,397,045	-	4,397,045
		-		
Total net assets (deficit)	<u>4,550,846</u>	<u>165,508,990</u>	<u>-</u>	<u>165,508,990</u>
		-		
Total liabilities and net assets	<u>\$ 11,742,589</u>	<u>\$ 370,317,985</u>	<u>\$ (10,494,661)</u>	<u>\$ 359,823,324</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS ACTIVITIES
Year Ended June 30, 2021

	Alliance College-Ready Public Schools	Alliance Gertz-Ressler High School / Richard Merkin 6-12 Complex	Alliance Judy Ivie Burton Technology Academy High School	Alliance Collins Family College-Ready Academy High School	Alliance Dr. Olga Mohan High School	Alliance Marc and Eve Stern Math and Science School	Alliance Ouchi - O'Donovan 6 - 12 Complex	Alliance Patti and Peter Neuwirth Leadership Academy	Alliance Piera Barbaglia Shaheen Health Services Academy	Alliance Morgan McKinzie High School
Revenue and support										
Federal revenue	\$ 678,165	\$ 2,834,050	\$ 1,495,333	\$ 1,923,332	\$ 882,473	\$ 1,517,548	\$ 2,493,220	\$ 1,711,375	\$ 1,204,515	\$ 1,619,629
State revenue	249	10,477,254	6,948,322	6,820,304	4,987,847	6,759,297	10,559,959	6,637,236	5,503,762	4,828,289
Local revenues	-	2,638,033	1,655,273	1,616,150	1,268,126	1,599,135	2,725,348	1,555,894	1,293,669	1,182,374
Private grants and contributions	4,426,905	1,200	503	-	32,600	25,671	-	39	105,243	20,250
Management fees	21,267,862	-	-	-	-	-	-	-	-	-
Other school revenues	-	221	-	-	-	40	1,431	4,840	-	-
Interest and other income	217,444	42,318	32,224	23,439	10,271	23,583	28,948	79,092	31,902	50,205
Total revenue and support	26,590,625	15,993,076	10,131,655	10,383,225	7,181,317	9,925,274	15,808,906	9,988,476	8,139,091	7,700,747
Expenses										
Salaries and benefits	15,502,299	7,899,059	5,159,700	5,349,679	4,090,030	5,274,367	8,404,192	5,371,070	4,256,007	4,057,307
Books and supplies	93,846	1,170,128	524,705	1,307,781	320,503	462,448	766,918	485,819	457,416	861,817
Depreciation and amortization	173,101	360,062	121,308	210,331	110,103	168,226	364,276	235,506	95,435	449,267
Facilities, repairs, and other leases	411,785	1,360,019	872,447	922,859	539,124	830,164	1,149,789	758,943	757,876	110,810
Interest	-	-	-	-	-	-	-	-	17,427	188,528
Operations and housekeeping	2,107,667	465,444	268,878	250,038	312,443	258,894	503,737	235,162	369,222	311,013
Professional fees and services	2,946,831	649,391	238,621	305,172	16,209	348,821	661,362	385,309	150,196	5,493
Management fees	-	1,589,852	1,006,393	1,035,981	717,113	990,169	1,573,134	985,312	810,724	765,054
Pupil services	137	443,763	55,583	205,568	167,223	155,262	291,432	224,001	151,961	168,782
Total expenses	21,235,666	13,937,718	8,247,635	9,587,409	6,272,748	8,488,351	13,714,840	8,681,122	7,066,264	6,918,071
Change in net assets before other changes	5,354,959	2,055,358	1,884,020	795,816	908,569	1,436,923	2,094,066	1,307,354	1,072,827	782,676
Investment gain/(loss) on subsidiaries	(372,608)	-	-	-	-	-	-	-	-	-
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	-	-
Repayment of grant advance	-	-	-	-	-	-	-	(554)	-	(1,017)
Contributions redirected to affiliates	-	2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461	2,461
Change in net assets after other changes	4,982,351	2,057,819	1,886,481	798,277	911,030	1,439,384	2,096,527	1,309,261	1,075,288	784,120
Net assets (deficit), beginning of year	43,766,675	8,626,364	8,608,966	8,100,447	4,929,321	5,887,866	12,386,889	2,505,352	(700,092)	10,772,850
Net assets (deficit), end of year	\$ 48,749,026	\$ 10,684,183	\$ 10,495,447	\$ 8,898,724	\$ 5,840,351	\$ 7,327,250	\$ 14,483,416	\$ 3,814,613	\$ 375,196	\$ 11,556,970

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS ACTIVITIES
Year Ended June 30, 2021

	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 Marine-Innovation and Technology 6 – 12 Complex	Alliance Jack H. Skirball Middle School
Revenue and support										
Federal revenue	\$ 1,331,502	\$ 1,704,221	\$ 746,665	\$ 1,525,377	\$ 1,157,111	\$ 1,403,025	\$ 1,590,002	\$ 525,988	\$ 2,159,495	\$ 1,009,167
State revenue	5,186,315	5,544,787	2,956,803	5,599,984	5,165,892	5,871,010	6,296,554	2,780,863	9,710,474	4,181,407
Local revenues	1,098,698	1,284,739	756,974	1,327,336	1,199,226	1,313,057	1,522,705	668,575	2,482,543	1,170,861
Private grants and contributions	20,001	213	4,325	-	2,260	1,035	10,000	43,379	45,750	-
Management fees	-	-	-	-	-	-	-	-	-	-
Other school revenues	834	-	-	-	30	-	530	-	7,266	-
Interest and other income	14,036	94,077	7,345	71,695	54,994	28,942	9,826	10,603	31,515	50,868
Total revenue and support	7,651,386	8,628,037	4,472,112	8,524,392	7,579,513	8,617,069	9,429,617	4,029,408	14,437,043	6,412,303
Expenses										
Salaries and benefits	3,583,972	4,263,712	2,482,913	3,920,865	3,805,420	4,260,514	4,470,519	1,663,401	7,417,813	3,091,728
Books and supplies	490,889	435,222	238,270	459,656	467,016	422,707	812,118	81,552	746,571	207,231
Depreciation and amortization	68,574	107,044	19,362	101,425	60,477	127,379	73,113	88,950	189,965	110,974
Facilities, repairs, and other leases	867,642	790,886	297,032	654,911	829,388	791,279	815,646	196,280	1,499,443	483,564
Interest	-	-	-	-	-	-	-	-	-	-
Operations and housekeeping	200,912	207,022	170,787	237,397	154,040	168,258	251,003	150,860	505,167	229,354
Professional fees and services	566,395	255,174	275,018	340,527	198,647	487,877	90,526	(245,987)	210,682	280,040
Management fees	763,652	848,524	446,475	840,429	752,451	853,017	941,928	401,882	1,439,826	636,145
Pupil services	74,401	98,591	85,436	159,166	17,203	149,948	131,706	36,621	516,183	328,087
Total expenses	6,616,437	7,006,175	4,015,293	6,714,376	6,284,642	7,260,979	7,586,559	2,373,559	12,525,650	5,367,123
Change in net assets before other changes	1,034,949	1,621,862	456,819	1,810,016	1,294,871	1,356,090	1,843,058	1,655,849	1,911,393	1,045,180
Investment gain/(loss) on subsidiaries	-	-	-	-	-	-	-	-	-	-
Loss on disposal of property and equipment	-	-	-	-	-	-	-	(141,766)	-	-
Repayment of grant advance	-	3	31,327	6,850	-	-	-	-	-	-
Contributions redirected to affiliates	2,461	2,461	2,461	2,461	2,461	2,461	2,461	(1,040)	2,461	2,461
Change in net assets after other changes	1,037,410	1,624,326	490,607	1,819,327	1,297,332	1,358,551	1,845,519	1,513,043	1,913,854	1,047,641
Net assets (deficit), beginning of year	2,803,147	1,957,231	401,925	460,688	(347,902)	3,638,477	1,689,904	(957,795)	(656,984)	1,747,847
Net assets (deficit), end of year	\$ 3,840,557	\$ 3,581,557	\$ 892,532	\$ 2,280,015	\$ 949,430	\$ 4,997,028	\$ 3,535,423	\$ 555,248	\$ 1,256,870	\$ 2,795,488

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS ACTIVITIES
Year Ended June 30, 2021

	Alliance College-Ready Middle Academy No. 4	Alliance College-Ready Middle Academy No. 5	Alliance College-Ready Middle Academy No. 8	Alliance Kory Hunter Middle School	Alliance Virgil Roberts Leadership Academy	Alliance College-Ready Middle Academy No. 12	Total	Eliminating Entries	Alliance College-Ready Public Schools Total
Revenue and support									
Federal revenue	\$ 1,115,545	\$ 810,359	\$ 1,569,102	\$ 1,232,449	\$ 1,221,215	\$ 1,118,398	\$ 36,579,261	\$ -	\$ 36,579,261
State revenue	4,429,677	2,427,138	4,379,019	4,578,765	4,332,300	4,575,600	141,539,107	-	141,539,107
Local revenues	1,226,673	676,585	1,216,809	1,261,100	1,189,557	1,275,145	35,204,585	-	35,204,585
Private grants and contributions	-	-	-	10,000	52,350	-	4,801,724	-	4,801,724
Management fees	-	-	-	-	-	-	21,267,862	(21,267,862)	-
Other school revenues	-	-	1,300	-	535	-	17,027	37,394	54,421
Interest and other income	13,019	63,152	7,581	18,708	7,864	12,045	1,035,696	-	1,035,696
Total revenue and support	6,784,914	3,977,234	7,173,811	7,101,022	6,803,821	6,981,188	240,445,262	(21,230,468)	219,214,794
Expenses									
Salaries and benefits	3,229,864	1,648,178	3,238,043	3,647,896	3,310,151	3,300,343	122,699,042	-	122,699,042
Books and supplies	272,308	248,829	590,804	319,122	705,625	582,587	13,531,888	-	13,531,888
Depreciation and amortization	146,619	53,464	83,681	107,691	62,195	29,986	3,718,514	-	3,718,514
Facilities, repairs, and other leases	681,382	383,525	474,523	608,699	653,470	623,324	18,364,810	-	18,364,810
Interest	-	-	-	-	-	-	205,955	-	205,955
Operations and housekeeping	221,247	175,257	237,600	242,276	221,472	243,602	8,698,752	-	8,698,752
Professional fees and services	210,870	333,700	285,071	254,022	262,449	264,827	9,777,243	-	9,777,243
Management fees	677,205	391,408	716,495	708,233	679,544	696,916	21,267,862	(21,267,862)	-
Pupil services	293,108	153,473	283,446	256,836	285,719	250,706	4,984,342	-	4,984,342
Total expenses	5,732,603	3,387,834	5,909,663	6,144,775	6,180,625	5,992,291	203,248,408	(21,267,862)	181,980,546
Change in net assets before other changes	1,052,311	589,400	1,264,148	956,247	623,196	988,897	37,196,854	37,394	37,234,248
Investment gain/(loss) on subsidiaries	-	-	-	-	-	-	(372,608)	-	(372,608)
Loss on disposal of property and equipment	-	(6,417)	-	-	-	-	(148,183)	-	(148,183)
Repayment of grant advance	978	-	(193)	-	-	-	37,394	(37,394)	-
Contributions redirected to affiliates	2,461	(55,563)	2,461	2,461	2,461	2,461	-	-	-
Change in net assets after other changes	1,055,750	527,420	1,266,416	958,708	625,657	991,358	36,713,457	-	36,713,457
Net assets (deficit), beginning of year	4,498,198	(832,785)	2,682,490	2,605,637	661,329	3,559,488	128,795,533	-	128,795,533
Net assets (deficit), end of year	\$ 5,553,948	\$ (305,365)	\$ 3,948,906	\$ 3,564,345	\$ 1,286,986	\$ 4,550,846	\$ 165,508,990	\$ -	\$ 165,508,990

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS	Alliance College-Ready Public Schools	Alliance Schools R.E. Holdings LLC	1918 Broadway Charter Financing LLC	113 S. Rowan Charter Financing LLC
Current assets				
Cash and cash equivalents	\$ 94,827,333	\$ -	\$ 127,690	\$ 99,700
Related party receivables	450,424	-	2,391	-
Grants and contracts receivable	49,891,393	-	-	-
Assets limited as to use	3,935,290	-	76,384	-
Right of use assets	2,274,627	-	-	-
Prepaid expenses and other current assets	1,094,227	-	-	-
Total current assets	<u>152,473,294</u>	<u>-</u>	<u>206,465</u>	<u>99,700</u>
Noncurrent assets				
Related party notes receivable	2,748,848	-	11,705,965	-
Assets limited as to use	-	-	1,201,383	-
Other assets	158,069	-	321,914	-
Investment in affiliates	3,352,015	-	-	-
Right of use assets	160,668,356	-	-	-
Property and equipment, net	40,422,742	1,167,459	-	-
Total noncurrent assets	<u>207,350,030</u>	<u>1,167,459</u>	<u>13,229,262</u>	<u>-</u>
Total assets	<u>\$ 359,823,324</u>	<u>\$ 1,167,459</u>	<u>\$ 13,435,727</u>	<u>\$ 99,700</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	\$ 7,013,007	\$ -	\$ 39,920	\$ 1,393
Refundable advances	10,756,056	-	-	-
Related party payables	-	-	-	175
Lease liabilities	2,202,550	-	-	-
Notes payable	394,774	-	-	-
Total current liabilities	<u>20,366,387</u>	<u>-</u>	<u>39,920</u>	<u>1,568</u>
Noncurrent liabilities				
Notes payable	9,689,494	-	11,309,383	-
Lease liabilities	164,258,453	-	-	-
Total long-term liabilities	<u>173,947,947</u>	<u>-</u>	<u>11,309,383</u>	<u>-</u>
Total liabilities	<u>194,314,334</u>	<u>-</u>	<u>11,349,303</u>	<u>1,568</u>
Net assets				
Without donor restrictions	161,111,945	-	-	-
Member's equity	-	1,167,459	2,086,424	98,132
With donor restrictions	4,397,045	-	-	-
Total net assets	<u>165,508,990</u>	<u>1,167,459</u>	<u>2,086,424</u>	<u>98,132</u>
Total liabilities and net assets	<u>\$ 359,823,324</u>	<u>\$ 1,167,459</u>	<u>\$ 13,435,727</u>	<u>\$ 99,700</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS	<u>Total</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Current assets			
Cash and cash equivalents	\$ 95,054,723	\$ -	\$ 95,054,723
Related party receivables	452,815	-	452,815
Grants and contracts receivable	49,891,393	-	49,891,393
Assets limited as to use	4,011,674	-	4,011,674
Right of use assets	2,274,627	-	2,274,627
Prepaid expenses and other current assets	<u>1,094,227</u>	<u>-</u>	<u>1,094,227</u>
Total current assets	<u>152,779,459</u>	<u>-</u>	<u>152,779,459</u>
Noncurrent assets			
Related party notes receivable	14,454,813	-	14,454,813
Assets limited as to use	1,201,383	-	1,201,383
Other assets	479,983	-	479,983
Investment in affiliates	3,352,015	(3,352,015)	-
Right of use assets	160,668,356	-	160,668,356
Property and equipment, net	<u>41,590,201</u>	<u>-</u>	<u>41,590,201</u>
Total noncurrent assets	<u>221,746,751</u>	<u>(3,352,015)</u>	<u>218,394,736</u>
Total assets	<u>\$ 374,526,210</u>	<u>\$ (3,352,015)</u>	<u>\$ 371,174,195</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued expenses	\$ 7,054,320	\$ -	\$ 7,054,320
Refundable advances	10,756,056	-	10,756,056
Related party payables	175	-	175
Lease liabilities	2,202,550	-	2,202,550
Notes payable	<u>394,774</u>	<u>-</u>	<u>394,774</u>
Total current liabilities	<u>20,407,875</u>	<u>-</u>	<u>20,407,875</u>
Noncurrent liabilities			
Notes payable	20,998,877	-	20,998,877
Lease liabilities	<u>164,258,453</u>	<u>-</u>	<u>164,258,453</u>
Total long-term liabilities	<u>185,257,330</u>	<u>-</u>	<u>185,257,330</u>
Total liabilities	<u>205,665,205</u>	<u>-</u>	<u>205,665,205</u>
Net assets			
Without donor restrictions	161,111,945	-	161,111,945
Member's equity	3,352,015	(3,352,015)	-
With donor restrictions	<u>4,397,045</u>	<u>-</u>	<u>4,397,045</u>
Total net assets	<u>168,861,005</u>	<u>(3,352,015)</u>	<u>165,508,990</u>
Total liabilities and net assets	<u>\$ 374,526,210</u>	<u>\$ (3,352,015)</u>	<u>\$ 371,174,195</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Alliance for College-Ready Public Schools	Alliance Schools R.E. Holdings LLC	1918 Broadway Charter Financing LLC	113 S. Rowan Charter Financing LLC	Total	Eliminating Entries	Consolidated Total
Revenue and support							
Federal revenue	\$ 36,579,261	\$ -	\$ 541,714	\$ -	\$ 37,120,975	\$ -	\$ 37,120,975
State revenue	141,539,107	-	-	-	141,539,107	-	141,539,107
Local revenues	35,204,585	-	-	-	35,204,585	-	35,204,585
Private grants and contributions	4,801,724	-	-	-	4,801,724	-	4,801,724
Other school revenues	54,421	-	-	-	54,421	-	54,421
Interest and other income	1,035,696	-	772,695	462,618	2,271,009	435,796	2,706,805
Total revenue and support	219,214,794	-	1,314,409	462,618	220,991,821	435,796	221,427,617
Expenses							
Salaries and benefits	122,699,042	-	-	-	122,699,042	-	122,699,042
Books and supplies	13,531,888	-	147	-	13,532,035	-	13,532,035
Depreciation and amortization	3,718,514	71,571	44,533	-	3,834,618	-	3,834,618
Facilities, repairs, and other leases	18,364,810	-	-	-	18,364,810	-	18,364,810
Interest	205,955	-	772,594	63,469	1,042,018	-	1,042,018
Operations and housekeeping	8,698,752	-	20,654	-	8,719,406	-	8,719,406
Professional fees and services	9,777,243	-	25,971	3,084	9,806,298	-	9,806,298
Pupil services	4,984,342	-	-	-	4,984,342	-	4,984,342
Total expenses	181,980,546	71,571	863,899	66,553	182,982,569	-	182,982,569
Change in net assets before other changes	37,234,248	(71,571)	450,510	396,065	38,009,252	435,796	38,445,048
Investment gain/(loss) on subsidiaries	(372,608)	-	-	-	(372,608)	372,608	-
Loss on disposal of property and equipment	(148,183)	-	-	-	(148,183)	-	(148,183)
Repayment of grant advance	-	-	-	-	-	-	-
Change in net assets after other changes	36,713,457	(71,571)	450,510	396,065	37,488,461	808,404	38,296,865
Member contributions	-	-	988	988	1,976	-	1,976
Member distributions	-	-	-	(1,585,384)	(1,585,384)	-	(1,585,384)
Net assets, beginning of year	128,795,533	1,239,030	1,634,926	1,286,463	132,955,952	(4,160,419)	128,795,533
Net assets, end of year	\$ 165,508,990	\$ 1,167,459	\$ 2,086,424	\$ 98,132	\$ 168,861,005	\$ (3,352,015)	\$ 165,508,990

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2021**

	Alliance for College-Ready Public Schools Facilities Corporation	2023 Union LLC	2071 HP Saturn LLC	5151 Titan LLC	11410 Avalon LLC	54th Street Lions LLC
ASSETS						
Current assets						
Cash and cash equivalents	\$ 730,777	\$ 167,614	\$ 199,240	\$ 149,956	\$ 183,019	\$ 286,148
Related party receivables	-	5,772	-	-	3,001	8,826
Assets limited as to use	27,569,522	1,244,903	-	-	-	-
Right of use assets	-	22,754	-	-	-	-
Prepaid expenses and other current assets	9,479	111,155	5,904	-	-	264,129
Total current assets	<u>28,309,778</u>	<u>1,552,198</u>	<u>205,144</u>	<u>149,956</u>	<u>186,020</u>	<u>559,103</u>
Noncurrent assets						
Rent receivable	-	-	1,858,712	78,948	-	-
Assets limited as to use	8,859,980	211,250	-	300,000	-	-
Other assets	-	20,400	-	-	-	-
Investment in affiliates	137,777,471	-	-	-	-	-
Right of use assets	-	332,630	-	-	-	-
Property and equipment, net	-	10,776,820	11,908,652	8,831,004	7,260,505	15,519,826
Total noncurrent assets	<u>146,637,451</u>	<u>11,341,100</u>	<u>13,767,364</u>	<u>9,209,952</u>	<u>7,260,505</u>	<u>15,519,826</u>
Total assets	<u>\$ 174,947,229</u>	<u>\$ 12,893,298</u>	<u>\$ 13,972,508</u>	<u>\$ 9,359,908</u>	<u>\$ 7,446,525</u>	<u>\$ 16,078,929</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable and accrued expenses	\$ 3,215,007	\$ 517,376	\$ 13,039	\$ -	\$ 245,540	\$ 573,660
Related party payables	233,953	-	89,563	57,666	-	-
Refundable advances	-	-	36,289	-	-	-
Lease liabilities	-	23,186	-	-	-	-
Notes payable	2,367,748	210,000	-	-	5,857,137	13,664,985
Total current liabilities	<u>5,816,708</u>	<u>750,562</u>	<u>138,891</u>	<u>57,666</u>	<u>6,102,677</u>	<u>14,238,645</u>
Noncurrent liabilities						
Related party note payable	-	-	-	-	-	-
Notes payable	148,067,829	13,586,195	-	-	-	-
Lease liabilities	-	628,365	-	-	9,544	28,091
Other liabilities	-	-	-	397,191	-	-
Total noncurrent liabilities	<u>148,067,829</u>	<u>14,214,560</u>	<u>-</u>	<u>397,191</u>	<u>9,544</u>	<u>28,091</u>
Total liabilities	<u>153,884,537</u>	<u>14,965,122</u>	<u>138,891</u>	<u>454,857</u>	<u>6,112,221</u>	<u>14,266,736</u>
Net assets (deficit)						
Without donor restrictions	21,062,692	-	-	-	-	-
Member's equity	-	(2,071,824)	13,833,617	8,905,051	1,334,304	1,812,193
Total net assets (deficit)	<u>21,062,692</u>	<u>(2,071,824)</u>	<u>13,833,617</u>	<u>8,905,051</u>	<u>1,334,304</u>	<u>1,812,193</u>
Total liabilities and net assets	<u>\$ 174,947,229</u>	<u>\$ 12,893,298</u>	<u>\$ 13,972,508</u>	<u>\$ 9,359,908</u>	<u>\$ 7,446,525</u>	<u>\$ 16,078,929</u>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2021**

	10704 Wilmington LLC	10101 Broadway Charter Facilities LLC	9719 Main Street Charter Facilities LLC	70th Street Charter Facilities LLC	1918 Broadway Charter Facilities LLC	4610 S. Main Street Charter Facilities LLC
ASSETS						
Current assets						
Cash and cash equivalents	\$ 106,310	\$ 135,850	\$ 149,838	\$ 315,425	\$ 136,547	\$ 108,369
Related party receivables	-	-	-	-	20,834	5,085
Assets limited as to use	-	-	-	-	-	370,173
Right of use assets	-	49,286	-	-	-	-
Prepaid expenses and other current assets	-	18,381	40,415	376,507	205,730	68,012
Total current assets	<u>106,310</u>	<u>203,517</u>	<u>190,253</u>	<u>691,932</u>	<u>363,111</u>	<u>551,639</u>
Noncurrent assets						
Rent receivable	210,789	161,153	-	372	-	34,002
Assets limited as to use	-	-	-	-	-	667,828
Other assets	-	6,500	-	8,000	-	-
Investment in affiliates	-	-	-	-	-	-
Right of use assets	-	2,610,775	-	-	-	-
Property and equipment, net	6,511,825	4,430,984	4,569,194	19,252,457	18,544,234	7,683,539
Total noncurrent assets	<u>6,722,614</u>	<u>7,209,412</u>	<u>4,569,194</u>	<u>19,260,829</u>	<u>18,544,234</u>	<u>8,385,369</u>
Total assets	<u>\$ 6,828,924</u>	<u>\$ 7,412,929</u>	<u>\$ 4,759,447</u>	<u>\$ 19,952,761</u>	<u>\$ 18,907,345</u>	<u>\$ 8,937,008</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable and accrued expenses	\$ 1,412	\$ 2,748	\$ 109	\$ 770	\$ 4,358	\$ 258,255
Related party payables	50,181	34,322	43,295	97,579	-	-
Refundable advances	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Notes payable	-	-	-	-	-	101,725
Total current liabilities	<u>51,593</u>	<u>37,070</u>	<u>43,404</u>	<u>98,349</u>	<u>4,358</u>	<u>359,980</u>
Noncurrent liabilities						
Related party note payable	-	-	-	-	11,705,965	-
Notes payable	-	-	-	-	(15,595)	7,617,920
Lease liabilities	-	2,721,326	81,767	79,373	2,344	-
Other liabilities	-	-	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>2,721,326</u>	<u>81,767</u>	<u>79,373</u>	<u>11,692,714</u>	<u>7,617,920</u>
Total liabilities	<u>51,593</u>	<u>2,758,396</u>	<u>125,171</u>	<u>177,722</u>	<u>11,697,072</u>	<u>7,977,900</u>
Net assets (deficit)						
Without donor restrictions	-	-	-	-	-	-
Member's equity	6,777,331	4,654,533	4,634,276	19,775,039	7,210,273	959,108
Total net assets (deficit)	<u>6,777,331</u>	<u>4,654,533</u>	<u>4,634,276</u>	<u>19,775,039</u>	<u>7,210,273</u>	<u>959,108</u>
Total liabilities and net assets	<u>\$ 6,828,924</u>	<u>\$ 7,412,929</u>	<u>\$ 4,759,447</u>	<u>\$ 19,952,761</u>	<u>\$ 18,907,345</u>	<u>\$ 8,937,008</u>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2021**

	7907 Santa Fe Avenue Charter Facilities LLC	5886 Compton Avenue Charter Facilities LLC	1552 Rockwood Street Charter Facilities LLC	49th and Main Charter Facilities LLC	113 S. Rowan Charter Facilities LLC	461 W. 9th Street Facilities LLC
ASSETS						
Current assets						
Cash and cash equivalents	\$ 233,542	\$ 103,091	\$ 224,923	\$ 159,090	\$ 181,648	\$ 379,086
Related party receivables	-	-	-	-	530	-
Assets limited as to use	90,552	-	-	-	-	117,434
Right of use assets	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	186,080	60,851	7,067	19,370
Total current assets	<u>324,094</u>	<u>103,091</u>	<u>411,003</u>	<u>219,941</u>	<u>189,245</u>	<u>515,890</u>
Noncurrent assets						
Rent receivable	724,623	226,957	560,297	121,574	196,434	-
Assets limited as to use	3,679,040	-	-	-	-	30,807
Other assets	99,499	2,855	12,503	-	-	-
Investment in affiliates	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-
Property and equipment, net	10,724,364	8,270,122	12,060,908	10,653,434	6,617,157	7,818,755
Total noncurrent assets	<u>15,227,526</u>	<u>8,499,934</u>	<u>12,633,708</u>	<u>10,775,008</u>	<u>6,813,591</u>	<u>7,849,562</u>
Total assets	<u>\$ 15,551,620</u>	<u>\$ 8,603,025</u>	<u>\$ 13,044,711</u>	<u>\$ 10,994,949</u>	<u>\$ 7,002,836</u>	<u>\$ 8,365,452</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable and accrued expenses	\$ 32,269	\$ 4,595	\$ 48	\$ 3,696	\$ 53,681	\$ 31,326
Related party payables	17,305	37,846	70,592	35,480	-	4,732
Refundable advances	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Notes payable	-	-	-	-	118,760	263,397
Total current liabilities	<u>49,574</u>	<u>42,441</u>	<u>70,640</u>	<u>39,176</u>	<u>172,441</u>	<u>299,455</u>
Noncurrent liabilities						
Related party note payable	1,300,744	-	-	-	-	1,448,104
Notes payable	10,446,925	-	-	-	5,880,946	7,886,356
Lease liabilities	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total noncurrent liabilities	<u>11,747,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,880,946</u>	<u>9,334,460</u>
Total liabilities	<u>11,797,243</u>	<u>42,441</u>	<u>70,640</u>	<u>39,176</u>	<u>6,053,387</u>	<u>9,633,915</u>
Net assets (deficit)						
Without donor restrictions	-	-	-	-	-	-
Member's equity	3,754,377	8,560,584	12,974,071	10,955,773	949,449	(1,268,463)
Total net assets (deficit)	<u>3,754,377</u>	<u>8,560,584</u>	<u>12,974,071</u>	<u>10,955,773</u>	<u>949,449</u>	<u>(1,268,463)</u>
Total liabilities and net assets	<u>\$ 15,551,620</u>	<u>\$ 8,603,025</u>	<u>\$ 13,044,711</u>	<u>\$ 10,994,949</u>	<u>\$ 7,002,836</u>	<u>\$ 8,365,452</u>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS
FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2021**

	11933 Allegheny Charter Facilities LLC	1111 W. Manchester Charter Facilities LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools Facilities Corporation
ASSETS					
Current assets					
Cash and cash equivalents	\$ 147,236	\$ -	\$ 4,097,709	\$ -	\$ 4,097,709
Related party receivables	-	370,004	414,052	-	414,052
Assets limited as to use	-	-	29,392,584	-	29,392,584
Right of use assets	88,290	-	160,330	-	160,330
Prepaid expenses and other current assets	-	309,383	1,682,463	-	1,682,463
Total current assets	<u>235,526</u>	<u>679,387</u>	<u>35,747,138</u>	<u>-</u>	<u>35,747,138</u>
Noncurrent assets					
Rent receivable	318,123	449,201	4,941,185	-	4,941,185
Assets limited as to use	-	-	13,748,905	-	13,748,905
Other assets	24,000	-	173,757	-	173,757
Investment in affiliates	-	-	137,777,471	(137,777,471)	-
Right of use assets	186,340	-	3,129,745	-	3,129,745
Property and equipment, net	<u>20,796,800</u>	<u>12,340,228</u>	<u>204,570,808</u>	<u>-</u>	<u>204,570,808</u>
Total noncurrent assets	<u>21,325,263</u>	<u>12,789,429</u>	<u>364,341,871</u>	<u>(137,777,471)</u>	<u>226,564,400</u>
Total assets	<u>\$ 21,560,789</u>	<u>\$ 13,468,816</u>	<u>\$ 400,089,009</u>	<u>\$ (137,777,471)</u>	<u>\$ 262,311,538</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable and accrued expenses	\$ 6,231	\$ -	\$ 4,964,120	\$ -	\$ 4,964,120
Related party payables	94,178	-	866,692	-	866,692
Refundable advances	-	-	36,289	-	36,289
Lease liabilities	86,605	-	109,791	-	109,791
Notes payable	-	207,000	22,790,752	-	22,790,752
Total current liabilities	<u>187,014</u>	<u>207,000</u>	<u>28,767,644</u>	<u>-</u>	<u>28,767,644</u>
Noncurrent liabilities					
Related party note payable	-	-	14,454,813	-	14,454,813
Notes payable	-	415,000	193,885,576	-	193,885,576
Lease liabilities	192,812	-	3,743,622	-	3,743,622
Other liabilities	-	-	397,191	-	397,191
Total noncurrent liabilities	<u>192,812</u>	<u>415,000</u>	<u>212,481,202</u>	<u>-</u>	<u>212,481,202</u>
Total liabilities	<u>379,826</u>	<u>622,000</u>	<u>241,248,846</u>	<u>-</u>	<u>241,248,846</u>
Net assets (deficit)					
Without donor restrictions	-	-	21,062,692	-	21,062,692
Member's equity	<u>21,180,963</u>	<u>12,846,816</u>	<u>137,777,471</u>	<u>(137,777,471)</u>	<u>-</u>
Total net assets (deficit)	<u>21,180,963</u>	<u>12,846,816</u>	<u>158,840,163</u>	<u>(137,777,471)</u>	<u>21,062,692</u>
Total liabilities and net assets	<u>\$ 21,560,789</u>	<u>\$ 13,468,816</u>	<u>\$ 400,089,009</u>	<u>\$ (137,777,471)</u>	<u>\$ 262,311,538</u>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Alliance for College-Ready Public Schools Facilities Corporation	2023 Union LLC	2071 HP Saturn LLC	5151 Titan LLC	11410 Avalon LLC	54th Street Lions LLC	10704 Wilmington LLC	10101 Broadway Charter Facilities LLC
Revenue and support								
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rental income	-	1,231,058	1,200,181	719,644	421,103	972,431	692,586	788,313
Interest and other income	89,611	56,165	3,035	10	630	-	-	37,826
Total revenue and support	89,611	1,287,223	1,203,216	719,654	421,733	972,431	692,586	826,139
Expenses								
Supplies	-	-	-	-	-	-	-	-
Depreciation and amortization	170,562	252,580	145,216	323,145	210,918	328,601	139,287	157,313
Facilities, repairs, and other leases	-	96,254	35,815	18,806	4,580	12,024	210,090	237,380
Interest	7,087,106	886,840	-	-	428,196	997,027	-	-
Operations and housekeeping	25,712	95,878	48,696	8,091	44,688	95,677	30,632	46,252
Professional fees and services	100,644	1,442	1,142	1,142	1,142	1,142	3,154	1,142
Total expenses	7,384,024	1,332,994	230,869	351,184	689,524	1,434,471	383,163	442,087
Change in net assets before other changes	(7,294,413)	(45,771)	972,347	368,470	(267,791)	(462,040)	309,423	384,052
Investment gain in subsidiaries	5,752,995	-	-	-	-	-	-	-
Gain on debt extinguishment	-	-	-	-	-	-	-	-
Change in net assets after other changes	(1,541,418)	(45,771)	972,347	368,470	(267,791)	(462,040)	309,423	384,052
Member contributions	1,585,362	679,508	1,020	758	2,076,128	1,494,635	204,132	-
Member distributions	-	-	(2,059,140)	(910,098)	(371,566)	(866,897)	(631,450)	(925,785)
Net assets (deficit), beginning of year	21,018,748	(2,705,561)	14,919,390	9,445,921	(102,467)	1,646,495	6,895,226	5,196,266
Net assets (deficit), end of year	\$ 21,062,692	\$ (2,071,824)	\$ 13,833,617	\$ 8,905,051	\$ 1,334,304	\$ 1,812,193	\$ 6,777,331	\$ 4,654,533

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	9719 Main Street Charter Facilities 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	1552 Rockwood Street Charter Facilities LLC	49th and Main Charter Facilities LLC
Revenue and support								
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ 534,963	\$ -	\$ -	\$ -
Rental income	617,047	1,302,337	881,022	692,850	615,803	559,128	720,563	566,967
Interest and other income	362	-	15,768	209	1,359	-	-	1,224
Total revenue and support	<u>617,409</u>	<u>1,302,337</u>	<u>896,790</u>	<u>693,059</u>	<u>1,152,125</u>	<u>559,128</u>	<u>720,563</u>	<u>568,191</u>
Expenses								
Supplies	-	-	-	-	-	-	-	-
Depreciation and amortization	102,666	462,893	355,183	168,934	261,711	140,324	224,590	166,165
Facilities, repairs, and other leases	97,087	7,878	16,462	3,424	10,005	8,740	72,736	88,279
Interest	-	-	772,594	510,639	588,100	-	-	-
Operations and housekeeping	39,174	88,166	150,544	50,888	67,992	45,133	26,952	48,362
Professional fees and services	10,192	2,109	11,496	12,042	1,142	10,316	5,092	3,842
Total expenses	<u>249,119</u>	<u>561,046</u>	<u>1,306,279</u>	<u>745,927</u>	<u>928,950</u>	<u>204,513</u>	<u>329,370</u>	<u>306,648</u>
Change in net assets before other changes	368,290	741,291	(409,489)	(52,868)	223,175	354,615	391,193	261,543
Investment gain in subsidiaries	-	-	-	-	-	-	-	-
Gain on debt extinguishment	-	-	-	-	-	-	-	-
Change in net assets after other changes	368,290	741,291	(409,489)	(52,868)	223,175	354,615	391,193	261,543
Member contributions	878	660,084	469,134	155,000	240,145	8,562	555	521
Member distributions	(848,614)	(1,233,660)	-	-	-	(517,028)	(859,831)	(517,021)
Net assets (deficit), beginning of year	<u>5,113,722</u>	<u>19,607,324</u>	<u>7,150,628</u>	<u>856,976</u>	<u>3,291,057</u>	<u>8,714,435</u>	<u>13,442,154</u>	<u>11,210,730</u>
Net assets (deficit), end of year	<u>\$ 4,634,276</u>	<u>\$ 19,775,039</u>	<u>\$ 7,210,273</u>	<u>\$ 959,108</u>	<u>\$ 3,754,377</u>	<u>\$ 8,560,584</u>	<u>\$ 12,974,071</u>	<u>\$ 10,955,773</u>

See independent auditor's report.

**ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2021**

	113 S. Rowan Charter Facilities LLC	461 W. 9th Street Charter Facilities LLC	11933 Allegheny Charter Facilities LLC	1111 Manchester Charter Facilities LLC	Total	Eliminating Entries	Consolidated Alliance for College-Ready Public Schools Facilities Corporation
Revenue and support							
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ 534,963	\$ -	\$ 534,963
Rental income	417,970	162,938	1,397,191	683,595	14,642,727	-	14,642,727
Interest and other income	9	335,366	60	-	541,634	(21)	541,613
Total revenue and support	417,979	498,304	1,397,251	683,595	15,719,324	(21)	15,719,303
Expenses							
Supplies	-	146	-	-	146	-	146
Depreciation and amortization	395,885	223,829	423,570	178,719	4,832,091	-	4,832,091
Facilities, repairs, and other leases	-	5,641	119,967	99,705	1,144,873	-	1,144,873
Interest	301,033	654,987	-	-	12,226,522	-	12,226,522
Operations and housekeeping	50,602	58,994	144,739	20	1,167,192	-	1,167,192
Professional fees and services	23,955	77,637	4,642	175	273,590	-	273,590
Total expenses	771,475	1,021,234	692,918	278,619	19,644,414	-	19,644,414
Change in net assets before other changes	(353,496)	(522,930)	704,333	404,976	(3,925,090)	(21)	(3,925,111)
Investment gain in subsidiaries	-	-	-	-	5,752,995	(5,752,995)	-
Gain on debt extinguishment	2,383,674	-	-	-	2,383,674	-	2,383,674
Change in net assets after other changes	2,030,178	(522,930)	704,333	404,976	4,211,579	(5,753,016)	(1,541,437)
Member contributions	326,657	-	573,460	1,150	8,477,689	(6,892,305)	1,585,384
Member distributions	(1,043,048)	-	(1,233,171)	(549,166)	(12,566,475)	12,566,475	-
Net assets (deficit), beginning of year	(364,338)	(745,533)	21,136,341	12,989,856	158,717,370	(137,698,625)	21,018,745
Net assets (deficit), end of year	\$ 949,449	\$ (1,268,463)	\$ 21,180,963	\$ 12,846,816	\$ 158,840,163	\$ (137,777,471)	\$ 21,062,692

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2021

	Consolidated Alliance College-Ready Public Schools	Consolidated Alliance for College-Ready Public Schools Facilities Corporation	Eliminating Entries	Combined Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 95,054,723	\$ 4,097,709	\$ -	\$ 99,152,432
Related party receivables	452,815	414,052	(866,867)	-
Grants and contracts receivable	49,891,393	-	-	49,891,393
Assets limited as to use	4,011,674	29,392,584	-	33,404,258
Right of use assets	2,274,627	160,330	(1,687,237)	747,720
Prepaid expenses and other current assets	1,094,227	1,682,463	-	2,776,690
Total current assets	<u>152,779,459</u>	<u>35,747,138</u>	<u>(2,554,104)</u>	<u>185,972,493</u>
Noncurrent assets				
Related party notes receivable	14,454,813	-	(14,454,813)	-
Rent receivable	-	4,941,185	(4,010,558)	930,627
Assets limited as to use	1,201,383	13,748,905	-	14,950,288
Other assets	479,983	173,757	-	653,740
Right of use assets	160,668,356	3,129,745	(159,257,200)	4,540,901
Property and equipment, net	41,590,201	204,570,808	(1,070,803)	245,090,206
Total noncurrent assets	<u>218,394,736</u>	<u>226,564,400</u>	<u>(178,793,374)</u>	<u>266,165,762</u>
Total assets	<u>\$ 371,174,195</u>	<u>\$ 262,311,538</u>	<u>\$ (181,347,478)</u>	<u>\$ 452,138,255</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	\$ 7,054,320	\$ 4,964,120	\$ -	\$ 12,018,440
Refundable advances	10,756,056	36,289	-	10,792,345
Related party payables	175	866,692	(866,867)	-
Lease liabilities	2,202,550	109,791	(1,615,162)	697,179
Notes payable	394,774	22,790,752	96,875	23,282,401
Total current liabilities	<u>20,407,875</u>	<u>28,767,644</u>	<u>(2,385,154)</u>	<u>46,790,365</u>
Noncurrent liabilities				
Related party note payable	-	14,454,813	(14,454,813)	-
Notes payable	20,998,877	193,885,576	-	214,884,453
Lease liabilities	164,258,453	3,743,622	(163,339,833)	4,662,242
Other liabilities	-	397,191	-	397,191
Total noncurrent liabilities	<u>185,257,330</u>	<u>212,481,202</u>	<u>(177,794,646)</u>	<u>219,943,886</u>
Total liabilities	<u>205,665,205</u>	<u>241,248,846</u>	<u>(180,179,800)</u>	<u>266,734,251</u>
Net assets				
Without donor restrictions	161,111,945	21,062,692	(1,167,678)	181,006,959
With donor restrictions	4,397,045	-	-	4,397,045
Total net assets	<u>165,508,990</u>	<u>21,062,692</u>	<u>(1,167,678)</u>	<u>185,404,004</u>
Total liabilities and net assets	<u>\$ 371,174,195</u>	<u>\$ 262,311,538</u>	<u>\$ (181,347,478)</u>	<u>\$ 452,138,255</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Consolidated Alliance College-Ready Public Schools	Consolidated Alliance for College-Ready Public Schools Facilities Corporation	Eliminating Entries	Consolidated Total
Revenue and support				
Federal revenue	\$ 37,120,975	\$ 534,963	\$ -	\$ 37,655,938
State revenue	141,539,107	-	-	141,539,107
Local revenues	35,204,585	-	-	35,204,585
Private grants and contributions	4,801,724	-	-	4,801,724
Rental income	-	14,642,727	(14,167,765)	474,962
Other school revenues	54,421	-	-	54,421
Interest and other income	2,706,805	541,613	(902,757)	2,345,661
	<u>221,427,617</u>	<u>15,719,303</u>	<u>(15,070,522)</u>	<u>222,076,398</u>
Expenses				
Salaries and benefits	122,699,042	-	-	122,699,042
Books and supplies	13,532,035	146	-	13,532,181
Depreciation and amortization	3,834,618	4,832,091	(201,933)	8,464,776
Facilities, repairs, and other leases	18,364,810	1,144,873	(14,167,765)	5,341,918
Interest	1,042,018	12,226,522	(863,444)	12,405,096
Operations and housekeeping	8,719,406	1,167,192	-	9,886,598
Professional fees and services	9,806,298	273,590	(8,930)	10,070,958
Pupil services	4,984,342	-	-	4,984,342
	<u>182,982,569</u>	<u>19,644,414</u>	<u>(15,242,072)</u>	<u>187,384,911</u>
Change in net assets before other changes	38,445,048	(3,925,111)	171,550	34,691,487
Loss on disposal of property and equipment	(148,183)	-	-	(148,183)
Gain (loss) on debt extinguishment	-	2,383,674	-	2,383,674
Change in net assets after other changes	38,296,865	(1,541,437)	171,550	36,926,978
Member contributions	1,976	1,585,384	(1,587,360)	-
Member distributions	(1,585,384)	-	1,585,384	-
Net assets, beginning of year	<u>128,795,533</u>	<u>21,018,745</u>	<u>(1,337,252)</u>	<u>148,477,026</u>
Net assets, end of year	<u>\$ 165,508,990</u>	<u>\$ 21,062,692</u>	<u>\$ (1,167,678)</u>	<u>\$ 185,404,004</u>

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