



**CONSOLIDATED FINANCIAL REPORT
JUNE 30, 2023**

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 Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Alliance College-Ready Public Schools and its affiliates (Alliance), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alliance as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the Education Audit Appeals Panel's *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alliance's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating statements of financial position, activities, functional expenses and cash flows. The accompanying supplementary information is presented for the purpose 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 November 20, 2023, 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 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 black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style.

November 20, 2023

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

ASSETS		
	2023	2022
Current assets		
Cash and cash equivalents	\$ 197,881,936	\$ 132,705,608
Grants and contracts receivable	27,973,452	30,218,644
Assets limited as to use	12,159,238	12,256,109
Prepaid expenses and other assets	2,470,109	2,944,611
Total current assets	240,484,735	178,124,972
Noncurrent assets		
Rent receivable	946,306	941,220
Assets limited as to use	17,184,241	16,020,565
Other assets	573,216	535,768
Right-of-use assets	7,745,689	4,573,402
Property and equipment, net	242,028,927	243,606,724
Total noncurrent assets	268,478,379	265,677,679
Total assets	\$ 508,963,114	\$ 443,802,651
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 14,221,223	\$ 13,914,178
Refundable advances	51,605,147	13,247,311
Lease liabilities	790,063	780,246
Bonds and notes payable, net	3,897,097	7,054,599
Total current liabilities	70,513,530	34,996,334
Noncurrent liabilities		
Other liabilities	437,654	416,932
Lease liabilities	7,288,101	3,916,591
Bonds and notes payable, net	203,457,549	207,197,811
Total noncurrent liabilities	211,183,304	211,531,334
Total liabilities	281,696,834	246,527,668
Net assets		
Without donor restrictions	226,081,066	196,169,122
With donor restrictions	1,185,214	1,105,861
Total net assets	227,266,280	197,274,983
Total liabilities and net assets	\$ 508,963,114	\$ 443,802,651

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Federal revenue	\$ 41,049,503	\$ -	\$ 41,049,503
State revenue	175,261,840	-	175,261,840
Local revenues	41,490,657	-	41,490,657
Grants and contributions	19,064,227	3,144,794	22,209,021
Rental income	862,928	-	862,928
Other school revenues	474,495	-	474,495
Interest and other income	3,541,740	-	3,541,740
Net assets released from restrictions	<u>3,065,441</u>	<u>(3,065,441)</u>	<u>-</u>
Total revenue and support	<u>284,810,831</u>	<u>79,353</u>	<u>284,890,184</u>
Expenses			
Program services	232,373,174	-	232,373,174
General and administrative	<u>22,525,713</u>	<u>-</u>	<u>22,525,713</u>
Total expenses	<u>254,898,887</u>	<u>-</u>	<u>254,898,887</u>
Change in net assets	29,911,944	79,353	29,991,297
Net assets, beginning	<u>196,169,122</u>	<u>1,105,861</u>	<u>197,274,983</u>
Net assets, ending	<u>\$ 226,081,066</u>	<u>\$ 1,185,214</u>	<u>\$ 227,266,280</u>

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	Without donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Federal revenue	\$ 38,736,617	\$ -	\$ 38,736,617
State revenue	145,632,288	-	145,632,288
Local revenues	36,917,175	-	36,917,175
Grants and contributions	3,331,193	2,182,948	5,514,141
Rental income	499,299	-	499,299
Other school revenues	780,641	-	780,641
Interest and other income	763,064	-	763,064
Net assets released from restrictions	5,474,132	(5,474,132)	-
 Total revenue and support	 <u>232,134,409</u>	 <u>(3,291,184)</u>	 <u>228,843,225</u>
Expenses			
Program services	199,175,838	-	199,175,838
General and administrative	17,796,408	-	17,796,408
 Total expenses	 <u>216,972,246</u>	 <u>-</u>	 <u>216,972,246</u>
 Change in net assets	 15,162,163	 (3,291,184)	 11,870,979
 Net assets, beginning	 <u>181,006,959</u>	 <u>4,397,045</u>	 <u>185,404,004</u>
 Net assets, ending	 <u>\$ 196,169,122</u>	 <u>\$ 1,105,861</u>	 <u>\$ 197,274,983</u>

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2023 and 2022

	2023		
	Program Services	General and Administrative	Total
Salaries and benefits	\$ 148,945,698	\$ 13,969,546	\$ 162,915,244
Books and supplies	16,749,217	276,593	17,025,810
Professional fees and services	11,387,552	6,010,679	17,398,231
Pupil services	15,743,470	-	15,743,470
Operations and housekeeping	14,672,157	1,726,812	16,398,969
Interest	10,571,397	73,936	10,645,333
Depreciation and amortization	6,833,377	102,392	6,935,769
Facilities, repairs, and other leases	7,470,306	365,755	7,836,061
	\$ 232,373,174	\$ 22,525,713	\$ 254,898,887

	2022		
	Program Services	General and Administrative	Total
Salaries and benefits	\$ 121,358,274	\$ 10,298,187	\$ 131,656,461
Books and supplies	17,342,387	110,168	17,452,555
Professional fees and services	10,620,468	5,544,378	16,164,846
Pupil services	13,651,848	-	13,651,848
Operations and housekeeping	11,358,033	1,637,323	12,995,356
Interest	11,902,610	-	11,902,610
Depreciation and amortization	7,381,498	104,278	7,485,776
Facilities, repairs, and other leases	5,560,720	102,074	5,662,794
	\$ 199,175,838	\$ 17,796,408	\$ 216,972,246

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 29,991,297	\$ 11,870,979
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,935,769	7,485,776
Amortization of financing costs	348,464	886,589
Change in operating lease	209,040	52,635
Changes in operating assets and liabilities:		
Grants and contracts receivable	2,245,192	19,672,749
Prepaid expenses and other assets	474,502	(167,921)
Rent receivable	(5,086)	(10,593)
Other noncurrent assets	(37,448)	117,972
Accounts payable and accrued expenses	307,045	1,895,738
Refundable advances	38,357,836	2,454,966
Other noncurrent liabilities	20,722	19,741
	78,847,333	44,278,631
Cash flows from investing activities		
Purchases of property and equipment	(5,357,972)	(6,002,294)
Cash flows from financing activities		
Principal payments on debt	(7,246,228)	(24,801,033)
Net change in cash and cash equivalents and restricted cash and cash equivalents	66,243,133	13,475,304
Cash and cash equivalents and restricted cash and cash equivalents, beginning	160,982,282	147,506,978
Cash and cash equivalents and restricted cash and cash equivalents, ending	\$ 227,225,415	\$ 160,982,282
Schedule of supplemental cash flow information		
Cash paid for interest	\$ 5,784,490	\$ 7,544,253
Supplemental Disclosure of Non-cash Investing and Financial Activity		
Additions to new leased assets obtained from new lease liabilities	\$ 4,006,221	\$ -
Cash and cash equivalents and restricted cash and cash equivalents consists of the following:		
Cash and cash equivalents	\$ 197,881,936	\$ 132,705,608
Assets limited as to use, noncurrent portion	12,159,238	12,256,109
Assets limited as to use, current portion	17,184,241	16,020,565
	\$ 227,225,415	\$ 160,982,282

See notes to consolidated financial statements.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Serving Los Angeles County for nearly 20 years, Alliance College-Ready Public Schools was founded on the belief that all children are capable of learning and achieving at high levels – regardless of their income level, ability, or socio-economic background.

Currently serving over 12,000 scholars across 26 middle and high schools in Los Angeles’ most underserved communities, Alliance is one of the largest, most successful nonprofit public school networks in the nation, with a scholar graduation and college acceptance rate over 95%. The Alliance aspiration is that 75% of scholars earn a four-year degree.

Alliance schools are nationally-ranked, with intimate class sizes and specialized curriculum to suit the needs of scholars and their communities. Alliance has been recognized by the U.S. Department of Education, the California Department of Education, the USC Rossier School of Education, and the U.S. News & World Report.

Alliance schools are community-driven and people-centered, strengthening their surrounding neighborhoods by providing families and scholars with the highest quality public education. Alliance focuses on the social and emotional wellbeing of scholars and staff, offers competitive teacher salaries and benefits, and personalizes the educational and professional experience of every person in the Alliance network.

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

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation (Continued)

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 St. 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.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation (Continued)

- 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 Jack H. Skirball Middle School
- Alliance College-Ready Middle Academy No. 4
- 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.

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.

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.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Contracts Receivable

Grants and contracts receivable are reported at net realizable value. Alliance determines the allowance for uncollectable grants and contracts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2023 and 2022, Alliance determined no allowance was deemed necessary.

Property and Equipment

Property and equipment additions over \$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.

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, 2023 and 2022, there were no events or changes in circumstances indicating the carrying amount of long-lived assets may not be recoverable.

Leases

Alliance determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease income is recognized on a straight-line basis over the lease term.

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, 2023 and 2022, 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.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Revenue and 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.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received.

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.

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.

Subsequent Events

Management has evaluated subsequent events through November 20, 2023, the date on which the financial statements were issued.

NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2023 and 2022, the following table reflects Alliance’s financial assets available to meet general expenditures within one year of the statement of financial position:

	2023	2022
Cash and cash equivalents	\$197,881,936	\$132,705,608
Grants and contracts receivable	27,973,452	30,218,644
Financial assets available to meet general expenditures within one year	\$225,855,388	\$162,924,252

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.

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

NOTE 4 – GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following at June 30:

	2023	2022
Federal agencies	\$ 7,560,613	\$ 10,881,310
State apportionment and other state revenue	18,737,781	19,000,630
Local revenue	1,675,058	336,704
	<u>\$ 27,973,452</u>	<u>\$ 30,218,644</u>

NOTE 5 – ASSETS LIMITED AS TO USE

Assets limited as to use consists of cash and cash equivalents held by several trustees for reserve fund requirements for notes payable (see Note 7) and consist of the following at June 30:

	2023	2022
Facilities maintenance reserve	\$ 1,920,401	\$ 1,780,711
Sinking funds and bond reserve	15,263,840	14,239,854
Construction draws and interest payments	8,816,312	8,621,151
Funds restricted to support specific initiatives	3,342,926	3,634,958
	29,343,479	28,276,674
Less current portion	(12,159,238)	(12,256,109)
Noncurrent portion	<u>\$ 17,184,241</u>	<u>\$ 16,020,565</u>

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

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2023	2022
Land	\$ 57,935,403	\$ 57,935,403
Buildings and building improvements	230,987,112	222,002,708
Construction in progress	1,427,040	6,659,137
Furniture and equipment	4,155,915	4,898,482
Software	560,657	560,657
	295,066,127	292,056,387
Accumulated depreciation	(53,037,200)	(48,449,663)
Total	\$242,028,927	\$243,606,724

Included in property and equipment as of June 30, 2023 and 2022, is \$7,535,590, net of accumulated depreciation, of land, building and 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:

	2023	2022
Buildings and building improvements	\$ 12,730,483	\$ 12,730,483
Accumulated depreciation	(4,667,844)	(4,349,582)
Total	\$ 8,062,639	\$ 8,380,901

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

NOTE 7 – BONDS AND NOTES PAYABLE

At June 30, 2023 and 2022, bonds and notes payable consist of the following:

	2023	2022
<p>Bonds payable, 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.</p>	\$ 11,705,965	\$ 11,705,965
<p>California School Finance Authority Charter School Revenue Bonds, Series 2013 – Term bonds of \$10,750,000 maturing on June 15, 2034, with an interest rate of 5.35%, secured by a trust deed on the 7907 Santa Fe Avenue Charter Facilities LLC property.</p>	10,750,000	10,750,000
<p>California 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. 9th Street Charter Facilities LLC property. As of December 15, 2022, the 2014 Series A term bond was paid off in full.</p>	3,812,070	7,360,370
<p>California School Finance Authority School Facility Revenue Bonds: Series 2015A&B 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&B bonds 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&D bond issued for \$57,995,000, matures July 1, 2052, with an interest rate of 3% to 5.25% less an original discount of \$109,096. The bonds are secured by trust deeds on properties.</p>	128,183,522	130,444,955

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

NOTE 7 – BONDS AND NOTES PAYABLE (Continued)

	2023	2022
California Statewide Communities Development Authority School Facility Revenue Bonds, Series 2012 – Term bonds of \$475,000 matured on July 1, 2022, with an interest rate of 5.125%; term bonds of \$1,820,000 matures July 1, 2032, with an interest rate of 6.375%; term bonds of \$6,160,000 mature on July 1, 2047, with an interest rate of .375%. The bonds are secured by a trust deed on property.	\$ 7,980,000	\$ 8,060,000
California School Finance Authority School Facilities Revenue Bonds Statewide Communities Development Authority Insured Educational Facilities Revenue Bonds, 2013A 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 the property.	13,859,788	14,079,979
Charter School Facilities Grant totaling \$4,612,506 and \$10,134,671, respectively, bearing interest at a rate of 2%. Payment terms to be determined upon operations of charter school facilities in which the proceeds were used.	9,286,756	9,689,494
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 a trust deed on the property.	208,000	415,000
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.	<u>26,186,679</u>	<u>26,713,241</u>
	211,972,780	219,219,004
Less deferred financing cost	(4,618,134)	(4,966,594)
Less current portion	<u>(3,897,097)</u>	<u>(7,054,599)</u>
Total noncurrent bonds and notes payable	<u>\$203,457,549</u>	<u>\$207,197,811</u>

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

NOTE 7 – BONDS AND NOTES PAYABLE (Continued)

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, 2023, Alliance was in compliance with the consolidated covenant requirements. At June 30, 2023, Alliance complied with all of its reporting requirements under its debt agreements.

As of June 30, 2023, aggregate future maturities of bonds and notes payable and sinking fund requirements for each of the next five years ending June 30, and thereafter are as follows:

2024	\$	3,897,097
2025		3,944,728
2026		4,426,638
2027		4,633,540
2028		4,864,322
Thereafter		<u>184,559,794</u>
		206,326,119
Bond premiums, net		5,646,661
Less deferred financing cost		<u>(4,618,134)</u>
		<u>\$ 207,354,646</u>

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 and 2022 are restricted by donors for the following purposes:

	<u>2023</u>		<u>2022</u>
Graduate scholarships	\$ 464,621	\$	399,560
School operations	471,735		320,964
Professional development	136,546		183,805
School programs	<u>112,312</u>		<u>201,532</u>
	<u>\$ 1,185,214</u>		<u>\$ 1,105,861</u>

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

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors, as follows for the years ended June 30,:

	2023	2022
Graduate scholarships	\$ 538,658	\$ 600,465
School operations	2,181,229	2,100,791
Professional development	47,259	36,151
School programs	298,295	2,736,725
	<u>\$ 3,065,441</u>	<u>\$ 5,474,132</u>

NOTE 9 – 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 ten-year options to extend

During the year ended June 30, 2023, Alliance entered into a three-year sublease lease agreement. The agreement requires monthly base payments of \$23,750, with annual increases up to 15%, and additional monthly rent equal to the tenant's proportionate share of the operating expenses incurred by Alliance. The lease expires on June 30, 2025, and has an option to extend for one year.

The future minimum rentals to be received under these noncancelable operating leases at June 30, 2023 are as follows:

Years Ending June 30,			
2024	\$	780,499	
2025		822,499	
2026		463,369	
2027		469,161	
2028		475,026	
Thereafter		7,207,630	
			<u>\$ 10,218,184</u>

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

NOTE 9 – RENTAL INCOME UNDER OPERATING LEASES (Continued)

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

	2023	2022
Land	\$ 10,984,272	\$ 7,000,000
Buildings and building improvements	23,975,866	6,897,197
Accumulated depreciation	(5,488,578)	(2,135,598)
	<u>\$ 29,471,560</u>	<u>\$ 11,761,599</u>

NOTE 10 – 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.

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 which start in 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 2023 and 2022, Alliance has recorded an asset retirement obligation of \$437,654 and \$416,932, respectively, relating to this lease, which is included in other liabilities on the statements of financial position.

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 \$4,059 to \$58,333 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, 2023 was 6.50%. For the years ended June 30, 2023 and 2022, rent expense totaled \$2,909,371 and \$2,612,831, respectively.

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

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued)

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

2024		\$	790,063
2025			476,833
2026			405,167
2027			452,775
2028			504,185
Thereafter			5,449,141
			8,078,164
Less present value discount			(332,475)
Total			\$ 7,745,689

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.

Examinations

Certain federal grants which the Organization administers and for which it receives reimbursements are subject to audit and final acceptance by federal granting agencies. The amount of expenditures that may be disallowed by the grantor, if any, cannot be determined at this time. The Organization expects that such amounts, if any, would not have a material impact on the financial position and cash flows of the Organization.

NOTE 11 – 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.

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

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

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 2023 and 2022 was 19.10% and 18.10% 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>
2021	\$ 10,740,694	16.49%	100%
2022	\$ 11,805,785	18.10%	100%
2023	\$ 15,468,325	19.10%	100%

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, 2022, the Schools Pool total plan assets are \$79.3 billion, the total actuarial present value of accumulated plan benefits is \$139.8 billion, contributions from all employers totaled \$3.8 billion, and the plan is 67.9% funded. The Alliance-affiliated schools did not contribute more than 5% of the total contributions to the plan.

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

NOTE 11 – EMPLOYEE RETIREMENT PLANS (Continued)

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 8.00% of their salaries for PEPR or 7% for 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 required employer contribution rate for fiscal years 2023 and 2022 was 25.37% and 22.91% of annual payroll, respectively.

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

<u>Years Ended June 30,</u>	<u>Required Contribution</u>	<u>Employer Contribution</u>	<u>Percent Contributed</u>
2021	\$ 3,275,483	28.10%	100%
2022	\$ 3,235,151	22.91%	100%
2023	\$ 4,575,997	25.37%	100%

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

Defined-contribution Plan

Eligible employees of 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. Until December 2021, Alliance made a contribution of 5% of the participant’s eligible salary. Alliance’s total contribution for the years ended June 30, 2023 and 2022 was \$-0- and \$310,530, respectively.

NOTE 12 – RELATED PARTY CONTRIBUTIONS

During the years ended June 30, 2023 and 2022, Alliance received contributions from a related affiliate amounting to \$5,482,695 and \$5,473,848, respectively.

SUPPLEMENTARY INFORMATION

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2023

	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	Alliance Marc & Eva Stern Math and Science	Alliance Ouchi - O'Donovan 6-12 Complex	Alliance Patti And Peter Neuwirth Leadership Academy	Alliance Piera Baraglia Shaheen Health Services Academy
ASSETS									
Current assets									
Cash and cash equivalents	\$ 41,882,109	\$ 8,680,239	\$ 13,533,137	\$ 10,383,852	\$ 8,054,483	\$ 8,802,189	\$ 12,093,116	\$ 6,232,276	\$ 4,357,555
Related party receivables	5,502,158	-	-	51,176	-	-	-	-	-
Grants and contracts receivable	62,634	2,493,538	1,635,329	1,451,209	1,010,309	1,344,840	2,280,377	1,640,612	1,151,003
Related party notes receivable	833,968	-	-	-	-	-	-	-	-
Assets limited to use	3,342,926	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	1,435,457	16,890	45,936	16,664	6,092	4,459	130,466	4,965	7,406
Total current assets	53,059,252	11,190,667	15,214,402	11,902,901	9,070,884	10,151,488	14,503,959	7,877,853	5,515,964
Noncurrent assets									
Related party notes receivable	6,959,941	-	-	-	-	-	-	-	-
Other assets	55,068	-	-	-	-	-	5,580	-	22,300
Investments in affiliates	4,062,039	-	-	-	-	-	-	-	-
Right-of-use assets	3,960,642	15,543,091	6,875,405	8,285,713	-	7,988,042	10,890,796	8,788,245	8,319,544
Property and equipment, net	1,100,973	6,995,899	2,362,626	1,783,025	356,431	1,275,386	5,709,600	514,069	26,334
Total noncurrent assets	16,138,663	22,538,990	9,238,031	10,068,738	356,431	9,263,428	16,605,976	9,302,314	8,368,178
Total assets	\$ 69,197,915	\$ 33,729,657	\$ 24,452,433	\$ 21,971,639	\$ 9,427,315	\$ 19,414,916	\$ 31,109,935	\$ 17,180,167	\$ 13,884,142
LIABILITIES AND NET ASSETS									
Current liabilities									
Accounts payable and accrued expenses	\$ 2,933,907	\$ 358,814	\$ 224,231	\$ 390,778	\$ 828,033	\$ 214,004	\$ 611,460	\$ 336,974	\$ 353,983
Refundable advances	14,114	3,885,164	2,334,812	2,292,025	2,106,757	2,323,069	3,677,010	2,576,604	2,279,263
Related party payables	-	270,804	169,347	-	126,589	110,708	271,893	170,282	48,523
Lease liabilities	-	109,129	107,258	121,416	-	170,116	165,565	67,592	-
Bonds and notes payables, net	-	-	-	-	-	-	-	-	110,362
Total current liabilities	2,948,021	4,623,911	2,835,648	2,804,219	3,061,379	2,817,897	4,725,928	3,151,452	2,792,131
Noncurrent liabilities									
Bonds and notes payables, net	-	-	-	-	-	-	-	-	491,018
Lease liabilities	4,101,724	15,158,693	6,918,700	9,034,122	-	7,890,032	10,699,147	8,776,760	9,066,913
Total noncurrent liabilities	4,101,724	15,158,693	6,918,700	9,034,122	-	7,890,032	10,699,147	8,776,760	9,557,931
Total liabilities	7,049,745	19,782,604	9,754,348	11,838,341	3,061,379	10,707,929	15,425,075	11,928,212	12,350,062
Net assets									
Without donor restrictions	61,080,518	13,933,807	14,698,085	10,133,298	6,350,760	8,706,987	15,684,860	5,251,955	1,497,302
With donor restrictions	1,067,652	13,246	-	-	15,176	-	-	-	36,778
Total net assets	62,148,170	13,947,053	14,698,085	10,133,298	6,365,936	8,706,987	15,684,860	5,251,955	1,534,080
Total liabilities and net assets	\$ 69,197,915	\$ 33,729,657	\$ 24,452,433	\$ 21,971,639	\$ 9,427,315	\$ 19,414,916	\$ 31,109,935	\$ 17,180,167	\$ 13,884,142

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2023

	Alliance Morgan McKinzie High	Alliance Leichtman- Levine Family Foundation Environmental Science High	Alliance Cindy and Bill Simon Technology Academy High	Alliance Tennenbaum Family Technology High	Alliance Susan and Eric Smidt Technology High	Alliance Ted K. Tajima High	Alliance Renee and Meyer Luskin Academy High	Alliance Margaret M. Bloomfield Technology Academy High	Alliance Marine - Innovation and Technology 6-12 Complex
ASSETS									
Current assets									
Cash and cash equivalents	\$ 1,833,867	\$ 5,531,466	\$ 6,429,753	\$ 1,573,496	\$ 3,894,661	\$ 4,778,024	\$ 7,183,788	\$ 9,016,122	\$ 6,674,887
Related party receivables	-	-	-	-	-	-	-	-	-
Grants and contracts receivable	1,022,829	845,850	981,555	441,367	762,215	1,266,507	1,454,033	1,150,621	1,826,839
Related party notes receivable	-	-	-	-	-	-	-	-	-
Assets limited to use	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	10,756	78,627	7,095	1,362	4,361	2,721	20,488	7,310	39,754
Total current assets	<u>2,867,452</u>	<u>6,455,943</u>	<u>7,418,403</u>	<u>2,016,225</u>	<u>4,661,237</u>	<u>6,047,252</u>	<u>8,658,309</u>	<u>10,174,053</u>	<u>8,541,480</u>
Noncurrent assets									
Related party notes receivable	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Investments in affiliates	-	-	-	-	-	-	-	-	-
Right-of-use assets	-	784,424	8,026,676	-	9,943,945	8,122,496	8,642,427	7,259,536	16,093,650
Property and equipment, net	20,031,049	28,846	399,446	66,316	600,717	181,515	320,369	226,044	359,633
Total noncurrent assets	<u>20,031,049</u>	<u>813,270</u>	<u>8,426,122</u>	<u>66,316</u>	<u>10,544,662</u>	<u>8,304,011</u>	<u>8,962,796</u>	<u>7,485,580</u>	<u>16,453,283</u>
Total assets	<u>\$ 22,898,501</u>	<u>\$ 7,269,213</u>	<u>\$ 15,844,525</u>	<u>\$ 2,082,541</u>	<u>\$ 15,205,899</u>	<u>\$ 14,351,263</u>	<u>\$ 17,621,105</u>	<u>\$ 17,659,633</u>	<u>\$ 24,994,763</u>
LIABILITIES AND NET ASSETS									
Current liabilities									
Accounts payable and accrued expenses	\$ 204,995	\$ 209,392	\$ 209,503	\$ 201,423	\$ 159,785	\$ 155,379	\$ 213,912	\$ 243,827	\$ 528,516
Refundable advances	1,928,402	1,711,321	2,342,610	1,030,259	1,731,602	1,991,655	1,962,778	2,034,208	4,174,176
Related party payables	107,171	71,776	63,312	89,722	40,284	77,529	63,528	89,738	114,437
Lease liabilities	-	668,701	92,329	-	98,874	131,106	131,106	61,383	171,397
Bonds and notes payables, net	550,500	-	-	-	-	-	-	-	300,000
Total current liabilities	<u>2,791,068</u>	<u>2,661,190</u>	<u>2,707,754</u>	<u>1,321,404</u>	<u>2,030,545</u>	<u>2,355,669</u>	<u>2,371,324</u>	<u>2,429,156</u>	<u>5,288,526</u>
Noncurrent liabilities									
Bonds and notes payables, net	8,384,876	-	-	-	-	-	-	-	250,000
Lease liabilities	-	115,726	8,204,619	-	9,837,070	8,511,520	8,511,521	7,883,607	16,268,213
Total noncurrent liabilities	<u>8,384,876</u>	<u>115,726</u>	<u>8,204,619</u>	<u>-</u>	<u>9,837,070</u>	<u>8,511,520</u>	<u>8,511,521</u>	<u>7,883,607</u>	<u>16,518,213</u>
Total liabilities	<u>11,175,944</u>	<u>2,776,916</u>	<u>10,912,373</u>	<u>1,321,404</u>	<u>11,867,615</u>	<u>10,867,189</u>	<u>10,882,845</u>	<u>10,312,763</u>	<u>21,806,739</u>
Net assets									
Without donor restrictions	11,722,557	4,492,297	4,932,152	761,137	3,285,922	3,484,074	6,738,260	7,346,870	3,188,024
With donor restrictions	-	-	-	-	52,362	-	-	-	-
Total net assets	<u>11,722,557</u>	<u>4,492,297</u>	<u>4,932,152</u>	<u>761,137</u>	<u>3,338,284</u>	<u>3,484,074</u>	<u>6,738,260</u>	<u>7,346,870</u>	<u>3,188,024</u>
Total liabilities and net assets	<u>\$ 22,898,501</u>	<u>\$ 7,269,213</u>	<u>\$ 15,844,525</u>	<u>\$ 2,082,541</u>	<u>\$ 15,205,899</u>	<u>\$ 14,351,263</u>	<u>\$ 17,621,105</u>	<u>\$ 17,659,633</u>	<u>\$ 24,994,763</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS FINANCIAL POSITION
June 30, 2023

ASSETS	Alliance Jack H. Skirball Middle	Alliance College- Ready Middle Academy 4	Alliance College- Ready Middle Academy 8	Alliance Kory Hunter Middle	Alliance Virgil Roberts Leadership Academy	Alliance College- Ready Middle Academy 12	Total	Eliminating Entries	Alliance College- Ready Public Schools Total
Current assets									
Cash and cash equivalents	\$ 3,710,972	\$ 6,292,201	\$ 5,545,679	\$ 6,227,164	\$ 2,698,016	\$ 7,363,006	\$ 192,772,058	\$ -	\$ 192,772,058
Related party receivables	-	-	-	-	-	-	5,553,334	(2,345,767)	3,207,567
Grants and contracts receivable	705,549	928,845	782,115	981,294	762,479	991,503	27,973,452	-	27,973,452
Related party notes receivable	-	-	-	-	-	-	833,968	(550,000)	283,968
Assets limited to use	-	-	-	-	-	-	3,342,926	-	3,342,926
Prepaid expenses and other assets	56,479	3,028	37,879	20,586	3,250	9,000	1,971,031	-	1,971,031
Total current assets	4,473,000	7,224,074	6,365,673	7,229,044	3,463,745	8,363,509	232,446,769	(2,895,767)	229,551,002
Noncurrent assets									
Related party notes receivable	-	-	-	-	-	-	6,959,941	(250,000)	6,709,941
Other assets	-	-	-	-	-	-	82,948	-	82,948
Investments in affiliates	-	-	-	-	-	-	4,062,039	-	4,062,039
Right-of-use assets	4,959,103	6,996,847	4,882,772	6,271,334	7,032,230	6,369,190	166,036,108	-	166,036,108
Property and equipment, net	424,859	1,417,836	436,924	122,236	247,934	1,006,375	45,994,442	(370,809)	45,623,633
Total noncurrent assets	5,383,962	8,414,683	5,319,696	6,393,570	7,280,164	7,375,565	223,135,478	(620,809)	222,514,669
Total assets	\$ 9,856,962	\$ 15,638,757	\$ 11,685,369	\$ 13,622,614	\$ 10,743,909	\$ 15,739,074	\$ 455,582,247	\$ (3,516,576)	\$ 452,065,671
LIABILITIES AND NET ASSETS									
Current liabilities									
Accounts payable and accrued expenses	\$ 251,274	\$ 316,487	\$ 267,226	\$ 202,946	\$ 258,062	\$ 403,747	\$ 10,078,658	\$ -	\$ 10,078,658
Refundable advances	1,888,741	1,718,937	1,890,401	2,069,106	1,650,753	1,991,380	51,605,147	-	51,605,147
Related party payables	76,416	57,957	108,709	59,451	83,874	73,717	2,345,767	(2,345,767)	-
Lease liabilities	51,318	89,585	52,533	98,330	66,482	98,330	2,552,550	-	2,552,550
Bonds and notes payables, net	-	-	-	-	-	-	960,862	(550,000)	410,862
Total current liabilities	2,267,749	2,182,966	2,318,869	2,429,833	2,059,171	2,567,174	67,542,984	(2,895,767)	64,647,217
Noncurrent liabilities									
Bonds and notes payables, net	-	-	-	-	-	-	9,125,894	(250,000)	8,875,894
Lease liabilities	4,898,819	6,829,883	5,014,767	6,383,641	6,891,027	6,383,641	167,380,145	-	167,380,145
Total noncurrent liabilities	4,898,819	6,829,883	5,014,767	6,383,641	6,891,027	6,383,641	176,506,039	(250,000)	176,256,039
Total liabilities	7,166,568	9,012,849	7,333,636	8,813,474	8,950,198	8,950,815	244,049,023	(3,145,767)	240,903,256
Net assets									
Without donor restrictions	2,690,394	6,625,908	4,351,733	4,809,140	1,793,711	6,788,259	210,348,010	(370,809)	209,977,201
With donor restrictions	-	-	-	-	-	-	1,185,214	-	1,185,214
Total net assets	2,690,394	6,625,908	4,351,733	4,809,140	1,793,711	6,788,259	211,533,224	(370,809)	211,162,415
Total liabilities and net assets	\$ 9,856,962	\$ 15,638,757	\$ 11,685,369	\$ 13,622,614	\$ 10,743,909	\$ 15,739,074	\$ 455,582,247	\$ (3,516,576)	\$ 452,065,671

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS ACTIVITIES
Year Ended June 30, 2023

	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	Alliance Marc & Eva Stern Math and Science	Alliance Ouchi - O'Donovan 6-12 Complex	Alliance Patti And Peter Neuwirth Leadership Academy	Alliance Pira Barbaglia Shaheen Health Services Academy
Revenue and support									
Federal revenue	\$ 784,025	\$ 3,387,530	\$ 2,484,900	\$ 1,925,193	\$ 1,185,093	\$ 1,751,030	\$ 3,348,298	\$ 1,969,407	\$ 1,309,386
State revenue	-	13,808,537	8,951,332	8,874,314	6,470,982	8,499,264	13,146,848	8,939,810	7,438,815
Local revenues	-	3,398,541	2,077,828	2,053,462	1,575,765	1,916,205	3,269,266	2,057,600	1,688,443
Grants and contributions	21,380,469	-	2,972	-	9,350	20,250	-	-	101,076
Administrative fees	20,449,086	-	-	-	-	-	-	-	-
Other school revenues	2,707	76,603	45,549	53,626	4,804	-	8,014	-	37,750
Investment gain in subsidiaries	469,282	-	-	-	-	-	-	-	-
Rental Income	369,539	-	-	-	-	-	-	-	-
Interest and other income	1,452,736	138,838	116,739	51,841	64,632	89,813	199,336	94,997	38,744
Total revenue and support	44,907,844	20,810,049	13,679,320	12,958,436	9,310,626	12,276,562	19,971,762	13,061,814	10,614,214
Expenses									
Salaries and benefits	22,577,821	11,123,038	6,661,586	7,117,551	5,607,849	6,848,731	11,137,699	7,303,628	5,829,453
Books and supplies	382,644	1,374,032	717,599	898,321	464,548	679,632	1,847,086	868,069	656,428
Professional fees and services	7,147,715	866,587	428,068	493,031	327,809	412,838	833,225	485,730	546,374
Pupil services	12,558	939,056	372,787	687,451	593,557	594,311	1,132,687	714,387	455,870
Operations and housekeeping	2,787,499	759,863	510,537	661,581	425,354	476,079	1,174,426	686,347	545,993
Interest	81,436	-	-	-	-	-	-	-	13,184
Depreciation and amortization	94,887	366,086	94,140	265,031	86,762	133,009	297,784	133,393	36,502
Facilities, repairs, and other leases	633,513	1,656,888	972,360	1,142,482	720,798	908,457	1,346,513	956,969	889,829
Administrative fees	-	1,783,095	1,226,212	1,097,175	785,872	1,060,255	1,659,692	1,101,500	907,256
Total expenses	33,718,073	18,868,645	10,983,289	12,362,623	9,012,549	11,113,312	19,429,112	12,250,023	9,880,889
Change in net assets	11,189,771	1,941,404	2,696,031	595,813	298,077	1,163,250	542,650	811,791	733,325
Net assets, beginning	50,958,399	12,005,649	12,002,054	9,537,485	6,067,859	7,543,737	15,142,210	4,440,164	800,755
Net assets, ending	\$ 62,148,170	\$ 13,947,053	\$ 14,698,085	\$ 10,133,298	\$ 6,365,936	\$ 8,706,987	\$ 15,684,860	\$ 5,251,955	\$ 1,534,080

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS ACTIVITIES
Year Ended June 30, 2023

	Alliance Morgan McKinzie High	Alliance Leichtman- Levine Family Foundation Environmental Science High	Alliance Cindy and Bill Simon Technology Academy High	Alliance Tennenbaum Family Technology High	Alliance Susan and Eric Smidt Technology High	Alliance Ted K. Tajima High	Alliance Renee and Meyer Luskin Academy High	Alliance Margaret M. Bloomfield Technology Academy High	Alliance Marine - Innovation and Technology 6-12 Complex
Revenue and support									
Federal revenue	\$ 1,552,864	\$ 1,208,809	\$ 1,309,454	\$ 836,546	\$ 1,229,688	\$ 1,433,448	\$ 1,475,863	\$ 2,027,046	\$ 2,362,599
State revenue	6,315,642	5,402,894	6,945,166	3,426,726	6,259,126	7,128,269	7,641,309	8,426,855	13,874,954
Local revenues	1,526,192	1,101,752	1,579,178	677,772	995,980	1,619,170	1,752,609	1,953,963	3,424,494
Grants and contributions	30,000	-	750	-	79,075	-	-	10,000	2,000
Administrative fees	-	-	-	-	-	-	-	-	-
Other school revenues	41,084	-	-	-	37,878	-	49,774	2,676	80,698
Investment gain in subsidiaries	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Interest and other income	44,587	48,269	24,089	30,995	34,727	63,785	53,292	67,191	99,222
Total revenue and support	9,510,369	7,761,724	9,858,637	4,972,039	8,636,474	10,244,672	10,972,847	12,487,731	19,843,967
Expenses									
Salaries and benefits	5,951,491	4,533,623	5,741,663	3,224,696	4,664,920	5,422,042	6,292,623	5,985,779	10,474,736
Books and supplies	765,427	511,995	440,858	334,644	335,868	575,451	540,996	686,665	1,007,906
Professional fees and services	433,508	308,016	324,904	205,611	280,974	387,524	358,667	419,189	714,025
Pupil services	423,349	507,008	610,529	519,898	688,359	211,297	434,886	492,346	1,903,544
Operations and housekeeping	493,693	400,381	458,882	227,061	406,139	268,021	385,004	393,079	1,036,987
Interest	176,974	-	-	-	-	-	-	-	-
Depreciation and amortization	362,412	31,438	92,219	12,095	111,972	40,365	114,107	49,015	141,030
Facilities, repairs, and other leases	159,247	928,117	836,446	393,816	1,120,380	885,810	855,274	993,815	1,734,520
Administrative fees	782,411	230,797	841,455	(9,753)	(50,091)	904,154	944,677	1,122,645	1,682,154
Total expenses	9,548,512	7,451,375	9,346,956	4,908,068	7,558,521	8,694,664	9,926,234	10,142,533	18,694,902
Change in net assets	(38,143)	310,349	511,681	63,971	1,077,953	1,550,008	1,046,613	2,345,198	1,149,065
Net assets, beginning	11,760,700	4,181,948	4,420,471	697,166	2,260,331	1,934,066	5,691,647	5,001,672	2,038,959
Net assets, ending	<u>\$ 11,722,557</u>	<u>\$ 4,492,297</u>	<u>\$ 4,932,152</u>	<u>\$ 761,137</u>	<u>\$ 3,338,284</u>	<u>\$ 3,484,074</u>	<u>\$ 6,738,260</u>	<u>\$ 7,346,870</u>	<u>\$ 3,188,024</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS
SCHEDULE OF SCHOOLS ACTIVITIES
Year Ended June 30, 2023

	Alliance Jack H. Skirball Middle	Alliance College- Ready Middle Academy 4	Alliance College- Ready Middle Academy 8	Alliance Kory Hunter Middle	Alliance Virgil Roberts Leadership Academy	Alliance College- Ready Middle Academy 12	Total	Eliminating Entries	Alliance College- Ready Public Schools Total
Revenue and support									
Federal revenue	\$ 1,219,318	\$ 1,544,734	\$ 1,208,856	\$ 1,676,713	\$ 1,152,580	\$ 1,587,844	\$ 39,971,224	\$ -	\$ 39,971,224
State revenue	5,194,533	5,807,634	5,345,463	5,747,572	5,321,322	6,294,473	175,261,840	-	175,261,840
Local revenues	1,286,372	1,569,316	1,379,313	1,536,586	1,325,021	1,725,829	41,490,657	-	41,490,657
Grants and contributions	60,000	-	3,079	10,000	-	-	21,709,021	-	21,709,021
Administrative fees	-	-	-	-	-	-	20,449,086	(20,449,086)	-
Other school revenues	5,193	28,139	-	-	-	-	474,495	-	474,495
Investment gain in subsidiaries	-	-	-	-	-	-	469,282	-	469,282
Rental Income	-	-	-	-	-	-	369,539	-	369,539
Interest and other income	45,733	69,769	46,562	16,896	39,690	36,476	2,968,959	(370,809)	2,598,150
Total revenue and support	7,811,149	9,019,592	7,983,273	8,987,767	7,838,613	9,644,622	303,164,103	(20,819,895)	282,344,208
Expenses									
Salaries and benefits	4,188,062	4,612,281	4,333,127	4,687,524	4,310,112	4,285,209	162,915,244	-	162,915,244
Books and supplies	554,948	741,690	611,344	832,210	513,287	684,162	17,025,810	-	17,025,810
Professional fees and services	494,390	343,014	323,032	348,279	285,022	425,645	17,193,177	-	17,193,177
Pupil services	734,216	840,175	576,484	540,187	631,033	1,125,545	15,741,520	-	15,741,520
Operations and housekeeping	465,307	316,475	446,594	258,590	479,804	354,074	14,417,770	-	14,417,770
Interest	-	-	-	-	-	-	271,594	-	271,594
Depreciation and amortization	100,567	112,880	50,252	43,257	39,547	110,077	2,918,827	-	2,918,827
Facilities, repairs, and other leases	582,721	635,359	535,116	759,397	760,771	753,720	21,162,318	-	21,162,318
Administrative fees	649,974	776,744	678,666	777,674	657,671	838,851	20,449,086	(20,449,086)	-
Total expenses	7,770,185	8,378,618	7,554,615	8,247,118	7,677,247	8,577,283	272,095,346	(20,449,086)	251,646,260
Change in net assets	40,964	640,974	428,658	740,649	161,366	1,067,339	31,068,757	(370,809)	30,697,948
Net assets, beginning	2,649,430	5,984,934	3,923,075	4,068,491	1,632,345	5,720,920	180,464,467	-	180,464,467
Net assets, ending	\$ 2,690,394	\$ 6,625,908	\$ 4,351,733	\$ 4,809,140	\$ 1,793,711	\$ 6,788,259	\$ 211,533,224	\$ (370,809)	\$ 211,162,415

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS	Alliance 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
Current assets							
Cash and cash equivalents	\$ 192,772,058	\$ -	\$ 111,446	\$ 96,276	\$ 192,979,780	\$ -	\$ 192,979,780
Related party receivables	3,207,567	-	2,566	-	3,210,133	-	3,210,133
Grants and contracts receivable	27,973,452	-	-	-	27,973,452	-	27,973,452
Related party notes receivable	283,968	-	-	-	283,968	-	283,968
Assets limited as to use	3,342,926	-	25,971	-	3,368,897	-	3,368,897
Prepaid expenses and other assets	1,971,031	-	-	-	1,971,031	-	1,971,031
Total current assets	229,551,002	-	139,983	96,276	229,787,261	-	229,787,261
Noncurrent assets							
Related party notes receivable	6,709,941	-	11,705,965	-	18,415,906	-	18,415,906
Assets limited as to use	-	-	2,184,849	-	2,184,849	-	2,184,849
Other assets	82,948	-	321,914	-	404,862	-	404,862
Investment in affiliates	4,062,039	-	-	-	4,062,039	(4,062,039)	-
Right-of-use assets	166,036,108	-	-	-	166,036,108	-	166,036,108
Property and equipment, net	45,623,633	1,044,673	-	-	46,668,306	-	46,668,306
Total noncurrent assets	222,514,669	1,044,673	14,212,728	-	237,772,070	(4,062,039)	233,710,031
Total assets	\$ 452,065,671	\$ 1,044,673	\$ 14,352,711	\$ 96,276	\$ 467,559,331	\$ (4,062,039)	\$ 463,497,292
LIABILITIES AND NET ASSETS							
Current liabilities							
Accounts payable and accrued expenses	\$ 10,078,658	\$ -	\$ 33,173	\$ -	\$ 10,111,831	\$ -	\$ 10,111,831
Refundable advances	51,605,147	-	-	-	51,605,147	-	51,605,147
Lease liabilities	2,552,550	-	-	-	2,552,550	-	2,552,550
Bonds and notes payable, net	410,862	-	-	-	410,862	-	410,862
Total current liabilities	64,647,217	-	33,173	-	64,680,390	-	64,680,390
Noncurrent liabilities							
Bonds and notes payable, net	8,875,894	-	11,398,448	-	20,274,342	-	20,274,342
Lease liabilities	167,380,145	-	-	-	167,380,145	-	167,380,145
Total long-term liabilities	176,256,039	-	11,398,448	-	187,654,487	-	187,654,487
Total liabilities	240,903,256	-	11,431,621	-	252,334,877	-	252,334,877
Net assets							
Without donor restrictions	209,977,201	-	-	-	209,977,201	-	209,977,201
With donor restrictions	1,185,214	-	-	-	1,185,214	-	1,185,214
Member's equity	-	1,044,673	2,921,090	96,276	4,062,039	(4,062,039)	-
Total net assets	211,162,415	1,044,673	2,921,090	96,276	215,224,454	(4,062,039)	211,162,415
Total liabilities and net assets	\$ 452,065,671	\$ 1,044,673	\$ 14,352,711	\$ 96,276	\$ 467,559,331	\$ (4,062,039)	\$ 463,497,292

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Alliance 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	\$ 39,971,224	\$ -	\$ 543,032	\$ -	\$ 40,514,256	\$ -	\$ 40,514,256
State revenue	175,261,840	-	-	-	175,261,840	-	175,261,840
Local revenues	41,490,657	-	-	-	41,490,657	-	41,490,657
Grants and contributions	21,709,021	-	-	-	21,709,021	-	21,709,021
Other school revenues	474,495	-	-	-	474,495	-	474,495
Investment gain in subsidiaries	469,282	-	-	-	469,282	(469,282)	-
Rental income	369,539	-	-	-	369,539	-	369,539
Interest and other income	2,598,150	-	835,299	-	3,433,449	-	3,433,449
Total revenue and support	282,344,208	-	1,378,331	-	283,722,539	(469,282)	283,253,257
Expenses							
Salaries and benefits	162,915,244	-	-	-	162,915,244	-	162,915,244
Books and supplies	17,025,810	-	-	-	17,025,810	-	17,025,810
Professional fees and services	17,193,177	-	1,460	1,460	17,196,097	-	17,196,097
Pupil services	15,741,520	-	-	-	15,741,520	-	15,741,520
Operations and housekeeping	14,417,770	-	23,630	-	14,441,400	-	14,441,400
Interest	271,594	-	817,127	-	1,088,721	-	1,088,721
Depreciation and amortization	2,918,827	51,215	-	-	2,970,042	-	2,970,042
Facilities, repairs, and other leases	21,162,318	-	14,157	-	21,176,475	-	21,176,475
Total expenses	251,646,260	51,215	856,374	1,460	252,555,309	-	252,555,309
Change in net assets	30,697,948	(51,215)	521,957	(1,460)	31,167,230	(469,282)	30,697,948
Member contributions	-	-	1,460	1,460	2,920	(2,920)	-
Member distributions	-	-	-	-	-	-	-
Net assets, beginning	180,464,467	1,095,888	2,397,673	96,276	184,054,304	(3,589,837)	180,464,467
Net assets, ending	<u>\$ 211,162,415</u>	<u>\$ 1,044,673</u>	<u>\$ 2,921,090</u>	<u>\$ 96,276</u>	<u>\$ 215,224,454</u>	<u>\$ (4,062,039)</u>	<u>\$ 211,162,415</u>

See independent auditor's report.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	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 LLC	9719 Main Street Charter LLC	70th Street Charter LLC	1918 Broadway Charter LLC	4610 S. Main Street Charter LLC	
ASSETS												
Current assets												
Cash and cash equivalents	\$ 575,200	\$ 200,055	\$ 128,479	\$ 145,330	\$ 179,246	\$ 415,828	\$ 101,369	\$ 120,927	\$ 149,730	\$ 534,625	\$ 109,989	\$ 108,257
Related party receivables	-	24,502	-	-	5,019	11,343	-	-	-	-	24,119	5,908
Assets limited as to use	6,761,080	1,295,621	-	-	-	-	-	-	-	-	-	446,226
Prepaid expenses and other assets	10,268	4,059	8,191	-	-	290,249	-	15,533	-	153,711	-	-
Total current assets	<u>7,346,548</u>	<u>1,524,237</u>	<u>136,670</u>	<u>145,330</u>	<u>184,265</u>	<u>717,420</u>	<u>101,369</u>	<u>136,460</u>	<u>149,730</u>	<u>688,336</u>	<u>134,108</u>	<u>560,391</u>
Noncurrent assets												
Rent receivable	-	-	1,816,128	72,106	-	-	270,273	150,553	-	200	-	56,107
Assets limited as to use	8,836,168	218,523	-	400,000	-	-	-	-	-	-	-	667,828
Other assets	-	34,000	-	-	-	-	-	6,500	-	8,000	-	-
Investment in affiliates	129,896,705	-	-	-	-	-	-	-	-	-	-	-
Right-of-use assets	-	345,890	-	-	-	-	-	2,562,623	-	-	-	-
Property and equipment, net	-	10,360,040	11,624,773	8,184,714	6,857,916	14,934,514	6,233,251	4,116,358	4,363,862	18,442,815	17,859,787	7,397,566
Total noncurrent assets	<u>138,732,873</u>	<u>10,958,453</u>	<u>13,440,901</u>	<u>8,656,820</u>	<u>6,857,916</u>	<u>14,934,514</u>	<u>6,503,524</u>	<u>6,836,034</u>	<u>4,363,862</u>	<u>18,451,015</u>	<u>17,859,787</u>	<u>8,121,501</u>
Total assets	\$ 146,079,421	\$ 12,482,690	\$ 13,577,571	\$ 8,802,150	\$ 7,042,181	\$ 15,651,934	\$ 6,604,893	\$ 6,972,494	\$ 4,513,592	\$ 19,139,351	\$ 17,993,895	\$ 8,681,892
LIABILITIES AND NET ASSETS												
Current Liabilities												
Accounts payable and accrued expenses	\$ 3,073,043	\$ 518,698	\$ 10,065	\$ -	\$ 55,791	\$ 129,374	\$ 4,823	\$ 4,944	\$ 9,579	\$ 11,326	\$ 25,036	\$ 260,031
Related party payables	88,351	-	87,713	57,546	-	-	46,214	21,313	33,767	90,314	-	-
Lease liabilities	-	25,463	-	-	-	-	-	-	-	-	-	-
Bonds and notes payable, net	2,165,000	230,000	-	-	125,910	293,760	-	-	-	-	-	135,000
Total current liabilities	<u>5,326,394</u>	<u>774,161</u>	<u>97,778</u>	<u>57,546</u>	<u>181,701</u>	<u>423,134</u>	<u>51,037</u>	<u>26,257</u>	<u>43,346</u>	<u>101,640</u>	<u>25,036</u>	<u>395,031</u>
Noncurrent liabilities												
Related party note payable	-	-	-	-	-	-	-	-	-	-	11,705,965	-
Bonds and notes payable, net	123,538,815	13,192,036	-	-	5,754,004	13,424,596	-	-	-	-	(12,208)	7,455,760
Lease liabilities	-	618,958	-	-	8,965	26,084	-	2,726,963	77,379	74,720	8,001	-
Other liabilities	-	-	-	437,654	-	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>123,538,815</u>	<u>13,810,994</u>	<u>-</u>	<u>437,654</u>	<u>5,762,969</u>	<u>13,450,680</u>	<u>-</u>	<u>2,726,963</u>	<u>77,379</u>	<u>74,720</u>	<u>11,701,758</u>	<u>7,455,760</u>
Total liabilities	<u>128,865,209</u>	<u>14,585,155</u>	<u>97,778</u>	<u>495,200</u>	<u>5,944,670</u>	<u>13,873,814</u>	<u>51,037</u>	<u>2,753,220</u>	<u>120,725</u>	<u>176,360</u>	<u>11,726,794</u>	<u>7,850,791</u>
Net assets (deficit)												
Without donor restrictions	17,214,212	-	-	-	-	-	-	-	-	-	-	-
Member's equity (deficit)	-	(2,102,465)	13,479,793	8,306,950	1,097,511	1,778,120	6,553,856	4,219,274	4,392,867	18,962,991	6,267,101	831,101
Total net assets (deficit)	<u>17,214,212</u>	<u>(2,102,465)</u>	<u>13,479,793</u>	<u>8,306,950</u>	<u>1,097,511</u>	<u>1,778,120</u>	<u>6,553,856</u>	<u>4,219,274</u>	<u>4,392,867</u>	<u>18,962,991</u>	<u>6,267,101</u>	<u>831,101</u>
Total liabilities and net assets	\$ 146,079,421	\$ 12,482,690	\$ 13,577,571	\$ 8,802,150	\$ 7,042,181	\$ 15,651,934	\$ 6,604,893	\$ 6,972,494	\$ 4,513,592	\$ 19,139,351	\$ 17,993,895	\$ 8,681,892

See independent auditor's report.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	7907 Santa Fe Avenue Charter LLC	5886 Compton Avenue Charter LLC	1552 Rockwood Street Charter LLC	49th and Main Charter LLC	113 S. Rowan Charter LLC	461W. 9th Street LLC	11933 Allegheny Charter LLC	1111 W. Manchester Charter LLC	Total	Eliminating Entries	Consolidated Total
ASSETS											
Current assets											
Cash and cash equivalents	\$ 216,316	\$ 101,743	\$ 381,800	\$ 157,200	\$ 176,581	\$ 606,307	\$ 121,658	\$ 371,516	\$ 4,902,156	\$ -	\$ 4,902,156
Related party receivables	-	-	-	-	12,713	-	-	-	83,604	-	83,604
Assets limited as to use	179,617	-	-	-	-	107,797	-	-	8,790,341	-	8,790,341
Prepaid expenses and other assets	-	-	126,288	29,513	-	-	-	-	637,812	-	637,812
Total current assets	395,933	101,743	508,088	186,713	189,294	714,104	121,658	371,516	14,413,913	-	14,413,913
Noncurrent assets											
Rent receivable	685,454	210,637	520,130	112,781	184,529	-	345,960	747,369	5,172,227	-	5,172,227
Assets limited as to use	4,837,614	-	-	-	-	39,259	-	-	14,999,392	-	14,999,392
Other assets	95,854	-	-	-	-	-	24,000	-	168,354	-	168,354
Investment in affiliates	-	-	-	-	-	-	-	-	129,896,705	(129,896,705)	-
Right-of-use assets	-	-	-	-	-	-	92,110	-	3,000,623	-	3,000,623
Property and equipment, net	10,247,992	7,992,080	11,611,729	10,324,222	6,365,159	7,528,767	19,960,753	11,982,789	196,389,087	-	196,389,087
Total noncurrent assets	15,866,914	8,202,717	12,131,859	10,437,003	6,549,688	7,568,026	20,422,823	12,730,158	349,626,388	(129,896,705)	219,729,683
Total assets	\$ 16,262,847	\$ 8,304,460	\$ 12,639,947	\$ 10,623,716	\$ 6,738,982	\$ 8,282,130	\$ 20,544,481	\$ 13,101,674	\$ 364,040,301	\$ (129,896,705)	\$ 234,143,596
LIABILITIES AND NET ASSETS											
Current Liabilities											
Accounts payable and accrued expenses	\$ 34,184	\$ 6,242	\$ 4,073	\$ 13,584	\$ 64,625	\$ 22,694	\$ 8	\$ -	\$ 4,248,120	\$ -	\$ 4,248,120
Related party payables	81,210	36,464	52,595	28,143	-	2,328,229	-	90,258	251,620	-	3,293,737
Lease liabilities	-	-	-	-	-	-	-	95,899	-	-	121,362
Bonds and notes payable, net	-	-	-	-	128,891	483,642	-	-	208,000	-	3,770,203
Total current liabilities	115,394	42,706	56,668	41,727	193,516	2,834,565	186,165	459,620	11,433,422	-	11,433,422
Noncurrent liabilities											
Related party note payable	1,297,500	-	-	-	-	5,412,441	-	-	18,415,906	-	18,415,906
Bonds and notes payable, net	10,493,974	-	-	-	5,890,193	3,364,162	-	-	183,101,332	-	183,101,332
Lease liabilities	-	-	-	-	-	-	-	-	3,541,070	-	3,541,070
Other liabilities	-	-	-	-	-	-	-	-	437,654	-	437,654
Total noncurrent liabilities	11,791,474	-	-	-	5,890,193	8,776,603	-	-	205,495,962	-	205,495,962
Total liabilities	11,906,868	42,706	56,668	41,727	6,083,709	11,611,168	186,165	459,620	216,929,384	-	216,929,384
Net assets (deficit)											
Without donor restrictions	-	-	-	-	-	-	-	-	17,214,212	-	17,214,212
Member's equity (deficit)	4,355,979	8,261,754	12,583,279	10,581,989	655,273	(3,329,038)	20,358,316	12,642,054	129,896,705	(129,896,705)	-
Total net assets (deficit)	4,355,979	8,261,754	12,583,279	10,581,989	655,273	(3,329,038)	20,358,316	12,642,054	147,110,917	(129,896,705)	17,214,212
Total liabilities and net assets	\$ 16,262,847	\$ 8,304,460	\$ 12,639,947	\$ 10,623,716	\$ 6,738,982	\$ 8,282,130	\$ 20,544,481	\$ 13,101,674	\$ 364,040,301	\$ (129,896,705)	\$ 234,143,596

See independent auditor's report.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	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 LLC
Revenue, gains, and support								
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions	-	-	-	-	-	-	-	-
Rental income	-	1,362,345	1,254,338	727,915	442,638	1,019,390	702,598	819,312
Investment gain in subsidiaries	4,877,891	-	-	-	-	-	-	-
Interest and other income	577,281	40,214	3,074	-	-	197,659	-	1,013
Total revenue and support	5,455,172	1,402,559	1,257,412	727,915	442,638	1,217,049	702,598	820,325
Expenses								
Depreciation and amortization	-	192,959	150,826	323,145	201,295	292,146	139,287	157,313
Facilities, repairs, and other leases	-	58,924	33,512	20,723	4,153	3,726	6,450	233,990
Interest	6,051,894	892,067	-	-	258,942	604,132	-	-
Operations and housekeeping	41,612	207,531	118,811	24	65,994	146,213	70,840	83,682
Professional fees and services	141,018	15,478	1,644	1,644	1,644	1,644	1,643	1,645
Pupil services	-	-	-	-	-	-	-	-
Total expenses	6,234,524	1,366,959	304,793	345,536	532,028	1,047,861	218,220	476,630
Change in net assets	(779,352)	35,600	952,619	382,379	(89,390)	169,188	484,378	343,695
Member contributions	-	-	16,146	8,385	-	-	34,469	-
Member distributions	-	-	(1,154,950)	(689,855)	-	-	(629,485)	(557,808)
Net assets (deficit), beginning	17,993,564	(2,138,065)	13,665,978	8,606,041	1,186,901	1,608,932	6,664,494	4,433,387
Net assets (deficit), ending	\$ 17,214,212	\$ (2,102,465)	\$ 13,479,793	\$ 8,306,950	\$ 1,097,511	\$ 1,778,120	\$ 6,553,856	\$ 4,219,274

See independent auditor's report.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	9719 Main Street Charter LLC	70th Street Charter LLC	1918 Broadway Charter LLC	4610 S. Main Street Charter LLC	7907 Santa Fe Avenue Charter LLC	5886 Compton Avenue Charter LLC	1552 Rockwood Street Charter LLC	49th and Main Charter LLC
Revenue, gains, and support								
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ 535,247	\$ -	\$ -	\$ -
Grants and contributions	-	-	-	-	-	-	-	-
Rental income	553,980	1,348,754	944,931	740,696	684,012	593,690	735,927	626,054
Investment gain in subsidiaries	-	-	-	-	-	-	-	-
Interest and other income	-	29,772	18,273	267	145,660	-	126,288	7,663
Total revenue and support	<u>553,980</u>	<u>1,378,526</u>	<u>963,204</u>	<u>740,963</u>	<u>1,364,919</u>	<u>593,690</u>	<u>862,215</u>	<u>633,717</u>
Expenses								
Depreciation and amortization	102,666	346,752	341,833	143,854	238,186	138,895	224,590	163,046
Facilities, repairs, and other leases	76,098	32,622	249,953	71,700	10,591	9,095	2,055	4,198
Interest	-	-	774,288	529,966	611,625	-	-	-
Operations and housekeeping	36,576	147,872	201,796	93,483	128,178	81,502	69,513	115,111
Professional fees and services	1,644	3,104	5,144	1,644	1,644	1,644	1,643	1,644
Pupil services	-	-	-	-	-	-	-	-
Total expenses	<u>216,984</u>	<u>530,350</u>	<u>1,573,014</u>	<u>840,647</u>	<u>990,224</u>	<u>231,136</u>	<u>297,801</u>	<u>283,999</u>
Change in net assets	336,996	848,176	(609,810)	(99,684)	374,695	362,554	564,414	349,718
Member contributions	29,008	13,152	-	-	-	6,039	6,465	6,147
Member distributions	(537,286)	(1,207,345)	-	-	-	(517,392)	(689,855)	(517,391)
Net assets (deficit), beginning	<u>4,564,149</u>	<u>19,309,008</u>	<u>6,876,911</u>	<u>930,785</u>	<u>3,981,284</u>	<u>8,410,553</u>	<u>12,702,255</u>	<u>10,743,515</u>
Net assets (deficit), ending	<u>\$ 4,392,867</u>	<u>\$ 18,962,991</u>	<u>\$ 6,267,101</u>	<u>\$ 831,101</u>	<u>\$ 4,355,979</u>	<u>\$ 8,261,754</u>	<u>\$ 12,583,279</u>	<u>\$ 10,581,989</u>

See independent auditor's report.

ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS FACILITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	113 S. Rowan Charter LLC	461W. 9th Street LLC	11933 Allegheny Charter LLC	1111 W. Manchester Charter LLC	Total	Eliminating Entries	Consolidated Total
Revenue, gains, and support							
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ 535,247	\$ -	\$ 535,247
Grants and contributions	-	500,000	-	-	500,000	-	500,000
Rental income	463,737	12,800	1,480,089	653,004	15,166,210	-	15,166,210
Investment gain in subsidiaries	-	-	-	-	4,877,891	(4,877,891)	-
Interest and other income	-	35,115	33,312	-	1,215,591	-	1,215,591
Total revenue and support	463,737	547,915	1,513,401	653,004	22,294,939	(4,877,891)	17,417,048
Expenses							
Depreciation and amortization	125,999	144,994	424,423	178,719	4,030,928	-	4,030,928
Facilities, repairs, and other leases	-	238,599	128,179	147,839	1,332,407	-	1,332,407
Interest	265,070	683,428	-	-	10,671,412	-	10,671,412
Operations and housekeeping	89,376	74,545	184,886	24	1,957,569	-	1,957,569
Professional fees and services	1,644	14,191	1,644	184	202,134	-	202,134
Pupil services	-	1,950	-	-	1,950	-	1,950
Total expenses	482,089	1,157,707	739,132	326,766	18,196,400	-	18,196,400
Change in net assets	(18,352)	(609,792)	774,269	326,238	4,098,539	(4,877,891)	(779,352)
Member contributions	-	-	67,147	35,559	222,517	(222,517)	-
Member distributions	-	(500,000)	(1,237,075)	(535,438)	(8,773,880)	8,773,880	-
Net assets (deficit), beginning	673,625	(2,219,246)	20,753,975	12,815,695	151,563,741	(133,570,177)	17,993,564
Net assets (deficit), ending	<u>\$ 655,273</u>	<u>\$ (3,329,038)</u>	<u>\$ 20,358,316</u>	<u>\$ 12,642,054</u>	<u>\$ 147,110,917</u>	<u>\$ (129,896,705)</u>	<u>\$ 17,214,212</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	Consolidated Alliance College- Ready Public Schools	Consolidated Alliance for College- Ready Public Schools Facilities Corporation	Total	Eliminating Entries	Consolidated Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 192,979,780	\$ 4,902,156	\$ 197,881,936	\$ -	\$ 197,881,936
Related party receivables	3,210,133	83,604	3,293,737	(3,293,737)	-
Grants and contracts receivable	27,973,452	-	27,973,452	-	27,973,452
Related party notes receivable	283,968	-	283,968	(283,968)	-
Assets limited as to use	3,368,897	8,790,341	12,159,238	-	12,159,238
Prepaid expenses and other assets	1,971,031	637,812	2,608,843	(138,734)	2,470,109
Total current assets	<u>229,787,261</u>	<u>14,413,913</u>	<u>244,201,174</u>	<u>(3,716,439)</u>	<u>240,484,735</u>
Noncurrent assets					
Related party notes receivable	18,415,906	-	18,415,906	(18,415,906)	-
Rent receivable	-	5,172,227	5,172,227	(4,225,921)	946,306
Assets limited as to use	2,184,849	14,999,392	17,184,241	-	17,184,241
Other assets	404,862	168,354	573,216	-	573,216
Right-of-use assets	166,036,108	3,000,623	169,036,731	(161,291,042)	7,745,689
Property and equipment, net	46,668,306	196,389,087	243,057,393	(1,028,466)	242,028,927
Total noncurrent assets	<u>233,710,031</u>	<u>219,729,683</u>	<u>453,439,714</u>	<u>(184,961,335)</u>	<u>268,478,379</u>
Total assets	<u>\$ 463,497,292</u>	<u>\$ 234,143,596</u>	<u>\$ 697,640,888</u>	<u>\$ (188,677,774)</u>	<u>\$ 508,963,114</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expenses	\$ 10,111,831	\$ 4,248,120	\$ 14,359,951	\$ (138,728)	\$ 14,221,223
Refundable advances	51,605,147	-	51,605,147	-	51,605,147
Related party payables	-	3,293,737	3,293,737	(3,293,737)	-
Lease liabilities	2,552,550	121,362	2,673,912	(1,883,849)	790,063
Bonds and notes payable, net	410,862	3,770,203	4,181,065	(283,968)	3,897,097
Total current liabilities	<u>64,680,390</u>	<u>11,433,422</u>	<u>76,113,812</u>	<u>(5,600,282)</u>	<u>70,513,530</u>
Noncurrent liabilities					
Related party note payable	-	18,415,906	18,415,906	(18,415,906)	-
Bonds and notes payable, net	20,274,342	183,101,332	203,375,674	81,875	203,457,549
Lease liabilities	167,380,145	3,541,070	170,921,215	(163,633,114)	7,288,101
Other liabilities	-	437,654	437,654	-	437,654
Total noncurrent liabilities	<u>187,654,487</u>	<u>205,495,962</u>	<u>393,150,449</u>	<u>(181,967,145)</u>	<u>211,183,304</u>
Total liabilities	<u>252,334,877</u>	<u>216,929,384</u>	<u>469,264,261</u>	<u>(187,567,427)</u>	<u>281,696,834</u>
Net assets					
Without donor restrictions	209,977,201	17,214,212	227,191,413	(1,110,347)	226,081,066
With donor restrictions	1,185,214	-	1,185,214	-	1,185,214
Total net assets	<u>211,162,415</u>	<u>17,214,212</u>	<u>228,376,627</u>	<u>(1,110,347)</u>	<u>227,266,280</u>
Total liabilities and net assets	<u>\$ 463,497,292</u>	<u>\$ 234,143,596</u>	<u>\$ 697,640,888</u>	<u>\$ (188,677,774)</u>	<u>\$ 508,963,114</u>

See independent auditor's report.

ALLIANCE COLLEGE-READY PUBLIC SCHOOLS AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Consolidated Alliance College-Ready Public Schools	Consolidated Alliance for College-Ready Public Schools Facilities Corporation	Eliminating Entries	Consolidated Total
Revenue and support				
Federal revenue	\$ 40,514,256	\$ 535,247	\$ -	\$ 41,049,503
State revenue	175,261,840	-	-	175,261,840
Local revenues	41,490,657	-	-	41,490,657
Grants and contributions	21,709,021	500,000	-	22,209,021
Rental income	369,539	15,166,210	(14,672,821)	862,928
Other school revenues	474,495	-	-	474,495
Interest and other income	3,433,449	1,215,591	(1,107,300)	3,541,740
	<u>283,253,257</u>	<u>17,417,048</u>	<u>(15,780,121)</u>	<u>284,890,184</u>
Expenses				
Salaries and benefits	162,915,244	-	-	162,915,244
Books and supplies	17,025,810	-	-	17,025,810
Professional fees and services	17,196,097	202,134	-	17,398,231
Pupil services	15,741,520	1,950	-	15,743,470
Operations and housekeeping	14,441,400	1,957,569	-	16,398,969
Interest	1,088,721	10,671,412	(1,114,800)	10,645,333
Depreciation and amortization	2,970,042	4,030,928	(65,201)	6,935,769
Facilities, repairs, and other leases	21,176,475	1,332,407	(14,672,821)	7,836,061
	<u>252,555,309</u>	<u>18,196,400</u>	<u>(15,852,822)</u>	<u>254,898,887</u>
Change in net assets	30,697,948	(779,352)	72,701	29,991,297
Net assets, beginning	<u>180,464,467</u>	<u>17,993,564</u>	<u>(1,183,048)</u>	<u>197,274,983</u>
Net assets, ending	<u>\$ 211,162,415</u>	<u>\$ 17,214,212</u>	<u>\$ (1,110,347)</u>	<u>\$ 227,266,280</u>

See independent auditor's report.