

**Partnerships to Uplift Communities Lakeview Terrace
Partnerships to Uplift Communities Los Angeles
Partnerships to Uplift Communities Valley**

Consolidated Financial Statements

June 30, 2020

**Independent Auditor's Report on
Consolidated Financial Statements**

For The Fiscal Year Ended

June 30, 2020

PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES

PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE

PUC Community Charter Middle School and PUC Community Early College High School [#0213]

PUC CALS Middle and Early College High [#0331]

PUC Milagro Charter School [#0600]

PUC Lakeview Charter Academy [#0603]

PUC Triumph Charter Academy [#0797]

PUC Excel Charter Academy [#0798]

PUC Nueva Esperanza Charter Academy [#1092]

PUC Lakeview Charter High School [#1241]

PUC Early College Academy for Leaders and Scholars [#1354]

PUC Community Charter Elementary School [#1657]

PUC Inspire Charter School [#1626]

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Partnerships to Uplift Communities Lakeview Terrace
Partnerships to Uplift Communities Los Angeles
Partnerships to Uplift Communities Valley
Burbank, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Partnerships to Uplift Communities Los Angeles (a nonprofit organization), Partnerships to Uplift Communities Valley (a nonprofit organization), and Partnerships to Uplift Communities Lakeview Terrace (a nonprofit organization), (collectively referred to as "Partnerships to Uplift Communities"), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation of these consolidated 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 representation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Partnerships to Uplift Communities as of June 30, 2020, and the consolidated changes in their net assets and their cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the index to financial statements is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title II, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 April 5, 2021, on our consideration of Partnerships to Uplift Communities' 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 solely 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 Partnerships to Uplift Communities' 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 Partnerships to Uplift Communities' internal control over financial reporting and compliance.

BAKER TILLY US, LLP

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

San Diego, California
April 5, 2021

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

| | |
|-------------------------------------|----------------------|
| Current assets: | |
| Cash | \$ 14,985,650 |
| Restricted cash, current portion | 2,113,076 |
| Accounts receivable | 8,862,205 |
| Due from related party | 323,910 |
| Prepaid expenses | 90,863 |
| Other current assets | 715 |
| Deferred rent | 76,879 |
| Total current assets | <u>26,453,298</u> |
| Restricted cash, noncurrent portion | 4,528,579 |
| Fixed assets, net | 44,105,618 |
| Noncurrent assets: | |
| Deposits | 691,757 |
| Total noncurrent assets | <u>49,325,954</u> |
| Total assets | <u>\$ 75,779,252</u> |

LIABILITIES AND NET ASSETS

| | |
|--|----------------------|
| Current liabilities: | |
| Accounts payable | \$ 1,749,275 |
| Due to related party | 312,493 |
| Accrued expenses | 3,043,177 |
| Deferred rent | 419,162 |
| Other current liabilities | 1,287,223 |
| Current portion of debt obligations, net | 733,232 |
| Total current liabilities | <u>7,544,562</u> |
| Long-term liabilities | |
| Debt obligations, net, less current portion | 44,693,582 |
| Total long-term liabilities: | <u>44,693,582</u> |
| Total liabilities | <u>52,238,144</u> |
| Net assets: | |
| Net assets with donor restrictions | 968,725 |
| Net assets without donor restrictions - Undesignated | 22,572,383 |
| Total net assets | <u>23,541,108</u> |
| Total liabilities and net assets | <u>\$ 75,779,252</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020**

| | Net Assets without donor restrictions | Net Assets with donor restrictions | Total |
|---|--|---|----------------------|
| REVENUES | | | |
| Revenue limit sources: | | | |
| State aid | \$ 33,520,714 | \$ - | \$ 33,520,714 |
| Education protection account | 3,597,153 | - | 3,597,153 |
| In-lieu of property taxes | 13,332,564 | - | 13,332,564 |
| Federal revenues | 5,897,307 | - | 5,897,307 |
| State revenues | 8,721,911 | - | 8,721,911 |
| Local revenues: | | | |
| Donations | 49,153 | - | 49,153 |
| Fundraising | 701,169 | - | 701,169 |
| Miscellaneous | 1,001,884 | - | 1,001,884 |
| Total revenues before transfers | 66,821,855 | - | 66,821,855 |
| Net assets transferred from restriction | 872,539 | (872,539) | - |
| Total revenues | 67,694,394 | (872,539) | 66,821,855 |
| EXPENSES | | | |
| Program services: | | | |
| Education | 44,665,947 | - | 44,665,947 |
| Support services: | | | |
| Management and general | 20,761,162 | - | 20,761,162 |
| Total expenses | 65,427,109 | - | 65,427,109 |
| CHANGE IN NET ASSETS | 2,267,285 | (872,539) | 1,394,746 |
| NET ASSETS, BEGINNING OF YEAR | 20,305,098 | 1,841,264 | 22,146,362 |
| NET ASSETS, END OF YEAR | <u>\$ 22,572,383</u> | <u>\$ 968,725</u> | <u>\$ 23,541,108</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2020

| | <u>Program Services</u> | <u>Support Services</u> | <u>Totals</u> |
|--|-----------------------------|-----------------------------------|----------------------|
| | <u>Education</u> | <u>Management and General</u> | |
| Certificated salaries | \$ 15,588,854 | \$ 6,963,149 | \$ 22,552,003 |
| Classified salaries | 2,319,626 | 4,384,841 | 6,704,467 |
| Employee benefits | 6,083,446 | 2,729,810 | 8,813,256 |
| Books and supplies | 3,873,492 | 1,745,205 | 5,618,697 |
| Travel and conferences | 22,640 | 10,951 | 33,591 |
| Dues and memberships | 49,840 | 22,769 | 72,609 |
| Insurance | 351,830 | 156,831 | 508,661 |
| Operation and housekeeping services | 685,470 | 304,587 | 990,057 |
| Rental, leases, repairs, and non-capitalized improvements | 6,929,175 | 4,287,950 | 11,217,125 |
| Professional/consulting services and operating expenditures | 7,684,530 | 3,439,808 | 11,124,338 |
| Communications | 308,365 | 139,235 | 447,600 |
| Depreciation | - | 865,886 | 865,886 |
| Miscellaneous | 768,679 | - | 768,679 |
| Total expenses before eliminations | 44,665,947 | 25,051,022 | 69,716,969 |
| Intercompany eliminations | | (4,289,860) | (4,289,860) |
| Total expenses | <u>\$ 44,665,947</u> | <u>\$ 20,761,162</u> | <u>\$ 65,427,109</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020**

| | |
|--|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Change in net assets | \$ 1,394,746 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 2,120,795 |
| Amortization of debt discount | 255,473 |
| Intercompany | 498,622 |
| (Increase) decrease in operating assets: | |
| Accounts receivable | (669,108) |
| Due from related party | 358,741 |
| Prepaid expenses | (52,413) |
| Other current assets | 1,836 |
| Deferred rent assets | (75,099) |
| Deposits | (11,386) |
| Increase (decrease) in operating liabilities: | |
| Accounts payable | (303,807) |
| Accrued expenses | 358,135 |
| Deferred rent | (30,000) |
| Other current liabilities | (171,790) |
| Net cash flows provided by operating activities | <u>3,674,745</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Purchase of fixed assets | <u>(1,387,966)</u> |
| Net cash flows used in investing activities | <u>(1,387,966)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Payments on debt obligations | <u>(925,478)</u> |
| Net cash flows used in financing activities | <u>(925,478)</u> |
| NET INCREASE IN CASH | 1,361,301 |
| CASH AND RESTRICTED CASH, BEGINNING OF YEAR | <u>20,266,004</u> |
| CASH AND RESTRICTED CASH, END OF YEAR | <u><u>\$ 21,627,305</u></u> |
| SUPPLEMENTAL DISCLOSURE: | |
| Cash paid for interest | <u><u>\$ 2,877,790</u></u> |
| RECONCILIATION OF CASH AND RESTRICTED CASH TO THE STATEMENT OF FINANCIAL POSITION | |
| Cash | \$ 14,985,650 |
| Restricted cash, current portion | 2,113,076 |
| Restricted cash, noncurrent portion | 4,528,579 |
| TOTAL CASH AND RESTRICTED CASH | <u><u>\$ 21,627,305</u></u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020

1. ORGANIZATION AND MISSION

Partnerships to Uplift Communities (PUC) Los Angeles (a nonprofit organization) operates five charter schools which are referred to below. PUC Valley (a nonprofit organization) operates Tri-lake Charter School Properties, LLC and five charter schools which are referred to below. PUC Lakeview Terrace (a nonprofit organization) operates Southern California Charter School Properties, LLC and two charter schools, referred to below. All three nonprofit organizations are collectively, hereto forth, referred to as the “Organization”.

| Charter Name | Charter Number | Sponsoring District |
|---|-----------------------|-------------------------------------|
| PUC Community Charter Middle and PUC Community Charter Early College High (CALSMSHS) | 0213 | Los Angeles Unified School District |
| PUC CALS Middle and Early College High (CCMSHS) | 0331 | Los Angeles Unified School District |
| PUC Milagro Charter School (MCS) | 0600 | Los Angeles Unified School District |
| PUC Lakeview Charter Academy (LCA) | 0603 | Los Angeles Unified School District |
| PUC Triumph Charter Academy and PUC Triumph Charter High (TCA) | 0797 | Los Angeles Unified School District |
| PUC Excel Charter Academy (ECA) | 0798 | Los Angeles Unified School District |
| PUC Nueva Esperanza Charter Academy (NECA) | 1092 | Los Angeles Unified School District |
| PUC Lakeview Charter High School (LCHS) | 1241 | Los Angeles Unified School District |
| PUC Early College Academy for Leaders and Scholars (ECALS) | 1354 | Los Angeles Unified School District |
| PUC Community Charter Elementary School (CCE) | 1657 | Los Angeles Unified School District |
| PUC Inspire Charter School (ICA) | 1626 | Los Angeles Unified School District |

The Organization commenced operations during the 1999-2000 fiscal year with Community Charter Middle School. Below is the charter information for each Charter School:

| Charter Name | Original School Start Date | Term of Charter | Charter Expiration | Enrollment Average |
|--|-----------------------------------|------------------------|---------------------------|---------------------------|
| PUC Community Charter Middle and PUC PUC Community Charter Early College High | September 8, 1999 | 5 Years | June 30, 2024 | 766 |
| PUC CALS Middle and Early College High | September 11, 2000 | 5 Years | June 30, 2025 | 528 |
| PUC Milagro Charter School | September 1, 2004 | 5 Years | June 30, 2024 | 274 |
| PUC Lakeview Charter Academy | September 1, 2004 | 5 Years | June 30, 2025 | 327 |
| PUC Triumph Charter Academy and PUC Triumph Charter High | September 24, 2007 | 5 Years | June 30, 2026 | 737 |
| PUC Excel Charter Academy | September 18, 2006 | 5 Years | June 30, 2023 | 296 |
| PUC Nueva Esperanza Charter Academy | September 9, 2009 | 5 Years | June 30, 2024 | 432 |
| PUC Lakeview Charter High School | September 14, 2010 | 5 Years | June 30, 2024 | 385 |
| PUC Early College Academy for Leaders and Scholars | August 29, 2011 | 5 Years | June 30, 2026 | 390 |
| PUC Community Charter Elementary School | July 1, 2014 | 5 Years | June 30, 2024 | 287 |
| PUC Inspire Charter School | July 1, 2014 | 5 Years | June 30, 2024 | 295 |

The mission of the Organization is to ensure every student graduates from high school prepared for college success.

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include financial activities of three tax exempt nonprofit public benefit corporations, PUC Los Angeles, PUC Valley, and PUC Lakeview Terrace. PUC Valley includes its wholly owned subsidiary, Tri-Lake Charter School Properties, LLC (a single member limited liability company) (TL-LLC). PUC Lakeview Terrace includes its wholly owned subsidiary, Southern California Charter School Properties, LLC (a single member limited liability company) (SC-LLC). All of the organizations are controlled through common Boards of Directors. All significant inter-organizational accounts have been eliminated in consolidation.

Financial Statement Presentation

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-14, Not for Profit entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As of June 30, 2020, there were no net assets without donor restrictions that have been designated by the Board of Directors for operating reserves or future program development.

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 restrictions expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2020, the Organization had \$968,725 in net assets with donor restrictions.

Accounting Method - Basis of Accounting

The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations. The Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose. The Organization uses the same accounting methods for tax and financial reporting.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Cash and Cash Equivalents

Cash is, from time to time, variously composed of cash on hand and cash in banks. The Organization considers all highly liquid investments with original maturities of three months or less at time of acquisition to be cash equivalents. As of June 30, 2020, there were no cash equivalents.

Deferred Debt Issuance Costs

Costs related to the registration and issuance of the PUC Valley and PUC Lake View Terrace bonds are initially capitalized and are amortized as additional interest expense over the life of the related debt instruments. The aggregate costs, net of accumulated amortization, were \$3,615,452 at June 30, 2020, which is reported as a deduction from the related debt on the consolidated statement of financial position. Amortization expense for the year ended June 30, 2020 was \$341,452.

Fixed Assets

Fixed assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives of 5 to 10 years. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets, sold or retired, and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the earnings. Management has elected to capitalize and depreciate all assets costing \$2,500 or more; all other assets are charged to expense in the year incurred.

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Sources and Recognition

The Organization primarily receives funds from the California Department of Education (CDE). Revenue limit sources and state revenues received from the CDE are determined based on the Organization's average daily attendance (ADA) of students and recognized in the period the ADA occurs.

In addition, the Organization receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

The Organization recognizes federal revenue to the extent that eligible expenditures have been incurred.

Revenue that is restricted is recorded as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions.

Functional Allocation of Expenses

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases ("Topic 842"). Topic 842 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the present value of payments to be made to lessor, on its statement of financial position for all leases greater than 12 months. In May 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) — Effective Dates for Certain Entities* ("ASU 2020-05"), which deferred the effective date of this new guidance for the Company by one year to annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Although the full impact of this new guidance on the Organization's financial statements has not yet been determined, the future adoption of this guidance will require the Organization to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases (See Note 10).

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). The guidance in ASU No. 2014-09 provides that an entity should recognize revenue to depict the transfer of goods or services provided and establishes the following steps to be applied by an entity: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies the performance obligation.

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements (continued)

In June 2020, the FASB issued ASU 2020-05, which deferred the effective date of this guidance by one year, which makes this guidance effective for the Organization for annual reporting periods beginning after December 15, 2019, which for the Organization is its fiscal year beginning July 1, 2020. The Organization is still evaluating the potential impact of this guidance on its financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (ASU 2016-18). ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 was effective for annual financial statements issued for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company adopted ASU 2016-18 during the fiscal year beginning July 1, 2019.

3. CASH AND RESTRICTED CASH

Cash and restricted cash at June 30, 2020, consisted of the following:

| | |
|---|----------------------|
| Cash in banks | \$ 14,985,650 |
| Restricted cash | <u>6,641,655</u> |
| Total cash and restricted cash in banks | <u>\$ 21,627,305</u> |

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any such losses on these accounts. At June 30, 2020, the Organization had \$21,927,738 in excess of FDIC insured limits.

Restricted cash balances represent amounts held by Zions Bank, as fiscal agent, in connection with bonds payable. These funds are held in connection with future principal and interest payments, repairs, and general reserve requirements (See Note 8).

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

3. CASH AND RESTRICTED CASH (continued)

Restricted cash at June 30, 2020, consisted of the following:

| | |
|-----------------------------------|---------------------|
| Interest account | \$ 1,294,743 |
| Principal account | 818,333 |
| Reserve account | 3,730,997 |
| Repairs reserve | 547,582 |
| Enrollment stabilization account | 250,000 |
| Total restricted cash | <u>6,641,655</u> |
| Less current portion | <u>(2,113,076)</u> |
| Total non-current restricted cash | <u>\$ 4,528,579</u> |

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating with a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment with continue to be met, ensuring the sustainability of the Organization.

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

| | |
|--|----------------------|
| Cash | \$ 14,985,650 |
| Less: net assets with donor restrictions | 968,725 |
| Accounts receivable | <u>8,862,205</u> |
| Total financial assets available within one year | <u>\$ 22,879,130</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

5. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020, consisted of the following:

| | | |
|---------------------------|--|---------------------|
| Revenue Limit Sources: | | |
| State Aid | | \$ 4,814,598 |
| In Lieu of Property Taxes | | 905,843 |
| Federal | | 995,531 |
| State | | 1,634,952 |
| Local: | | |
| Miscellaneous | | 511,281 |
| Total | | <u>\$ 8,862,205</u> |

6. INTERCOMPANY BALANCES AND ACTIVITIES

Due To/From Other Entities

Balances due to and due from other entities at June 30, 2020, consisted of the following:

| <u>Due To</u> | <u>Due From</u> | <u>Amount</u> | <u>Purpose</u> |
|----------------------|-----------------|---------------|---------------------|
| PUC Los Angeles | | | Tenant improvements |
| - MCS | | \$ 20,019 | Iprep liabilities |
| - ECA | | (14,476) | |
| - SRCA | | 128 | |
| - ECALS | | 18,456 | |
| - CAFLSC | | (24,127) | |
| PUC Valley | | | |
| - NECA | | 193,034 | |
| - LCHS | | 119,459 | |
| PUC Lakeview Terrace | | | Tenant improvements |
| - TL-LLC | | (312,493) | |
| | Total | <u>\$ -</u> | |

PUC Valley advanced \$2,806,874 to TL-LLC in order to continue construction on the facility. On September 28, 2016, PUC Valley and TL-LLC executed a Promissory Note to repay the final balance with interest of 3.25% per annum. The Promissory Note's maturity date was extended from August 1, 2020 to April 30, 2021, due to the COVID-19 Pandemic. The principal and interest will be due on a monthly basis in the amount of \$62,439. The intercompany balances are eliminated in the consolidation.

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7. FIXED ASSETS

Fixed assets at June 30, 2020, consisted of the following:

| | |
|---|----------------------|
| Land | \$ 3,934,642 |
| Buildings | 43,082,730 |
| Site improvements | 5,957,416 |
| Equipment | 3,923,100 |
| Less: accumulated depreciation | <u>(12,792,270)</u> |
| Total fixed assets, net of depreciation | <u>\$ 44,105,618</u> |

During the fiscal year ended June 30, 2020, \$2,120,795 was charged to depreciation expense.

8. DEBT OBLIGATIONS

Bonds Payable – PUC Lake View Terrace

On December 1, 2012, the Organization issued \$26,540,000 in Series 2012 Bonds (2012 Bonds) for the financing and refinancing of the acquisition and renovations of certain educational facilities. The Bonds were issued with an interest rate ranging from 4.75% to 7.00% and mature on August 1, 2047. The debt obligations, net, at June 30, 2020 consisted of the following:

| | <u>Current</u> | <u>Long-term</u> | <u>Total</u> |
|---------------------------------------|-------------------|----------------------|----------------------|
| Debt Obligations | \$ 415,000 | \$ 23,960,000 | \$ 24,375,000 |
| Less: unamortized debt issuance costs | (56,910) | (1,387,329) | (1,444,239) |
| | <u>\$ 358,090</u> | <u>\$ 22,572,671</u> | <u>\$ 22,930,761</u> |

Future annual payments of principal and interest on the 2012 Bonds as of June 30, 2020, are as follows:

| Year Ending | Amortization of | | | |
|--------------------|------------------------|----------------------|----------------------|-----------------------|
| June 30, | Principal | Interest | Totals | Debt Issuance |
| | | | | Costs |
| 2021 | \$ 415,000 | \$ 1,251,916 | \$ 1,666,916 | \$ (56,910) |
| 2022 | 435,000 | 1,231,729 | 1,666,729 | (56,910) |
| 2023 | 455,000 | 1,210,591 | 1,665,591 | (56,910) |
| 2024 | 475,000 | 1,187,910 | 1,662,910 | (56,910) |
| 2025 | 500,000 | 1,163,535 | 1,663,535 | (56,910) |
| Thereafter | 22,095,000 | 15,886,585 | 37,981,585 | (1,159,689) |
| Totals | <u>\$ 24,375,000</u> | <u>\$ 21,932,266</u> | <u>\$ 46,307,266</u> | <u>\$ (1,444,239)</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
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8. DEBT OBLIGATIONS (continued)

Bonds Payable – PUC Valley

On March 1, 2014, the Organization issued \$26,030,000 in Series 2014 Bonds (2014 Bonds) for the financing and refinancing of and the acquisition of and renovations to certain educational facilities. The Bonds were issued with an interest rate ranging from 5.35% to 7.00% and mature on August 30, 2044. The debt obligations, net, at June 30, 2020 consisted of the following:

| | <u>Current</u> | <u>Long-term</u> | <u>Total</u> |
|---------------------------------------|-------------------|----------------------|----------------------|
| Debt Obligations | \$ 440,000 | \$ 24,065,000 | \$ 24,505,000 |
| Less: unamortized debt issuance costs | (84,220) | (1,944,643) | (2,028,863) |
| | <u>\$ 355,780</u> | <u>\$ 22,120,357</u> | <u>\$ 22,476,137</u> |

Future annual payments of principal and interest on the 2014 Bonds as of June 30, 2020, are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> | <u>Amortization of Debt Issuance Costs</u> |
|---------------------------------|----------------------|----------------------|----------------------|--|
| 2021 | \$ 440,000 | \$ 1,581,488 | \$ 2,021,488 | \$ (84,220) |
| 2022 | 460,000 | 1,557,413 | 2,017,413 | (84,220) |
| 2023 | 485,000 | 1,532,134 | 2,017,134 | (84,220) |
| 2024 | 510,000 | 1,505,518 | 2,015,518 | (84,220) |
| 2025 | 540,000 | 1,477,430 | 2,017,430 | (84,220) |
| Thereafter | 22,070,000 | 17,823,261 | 39,893,261 | (1,607,763) |
| Totals | <u>\$ 24,505,000</u> | <u>\$ 25,477,244</u> | <u>\$ 49,982,244</u> | <u>\$ (2,028,863)</u> |

Revolving Loan – PUC Los Angeles

In August 18, 2017, PUC International Preparatory Academy (iPrep), a charter school within PUC Los Angeles, took out a two-year California School Finance Authority Revolving Loan in the principal amount of \$250,000, with interest at 0.22% per annum. The loan matured on March 20, 2021, with principal payments of \$125,000 plus annual interest. Future annual payments of principal and interest of the revolving loan as of June 30, 2020, are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|---------------------------------|------------------|-----------------|------------------|
| 2021 | \$ 19,362 | \$ 39 | \$ 19,401 |
| Totals | <u>\$ 19,362</u> | <u>\$ 39</u> | <u>\$ 19,401</u> |

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8. DEBT OBLIGATIONS (continued)

Long-term liabilities activity includes debt and other long-term liabilities. Changes in obligations for the fiscal year ended June 30, 2020, are as follows:

| Long-Term Debt Activities | Beginning Balance June 30, 2019 | Increases | Decreases | Ending Balance June 30, 2020 | Amounts Due Within One Year |
|--|--|------------------|---------------------|---|--|
| Bonds Payable: | | | | | |
| PUC Lakeview Terrace | \$ 24,760,000 | \$ - | \$ (385,000) | \$ 24,375,000 | \$ 415,000 |
| PUC Valley | 24,920,000 | - | (415,000) | 24,505,000 | 440,000 |
| Notes Payable: | | | | | |
| PUC Los Angeles | 144,840 | - | (125,478) | 19,362 | 19,362 |
| Total long-term debt activities | 49,824,840 | - | (925,478) | 48,899,362 | 874,362 |
| Less: unamortized debt debt issuance costs | (3,615,458) | - | 142,355 | (3,473,103) | 141,130 |
| Totals | <u>\$ 46,209,382</u> | <u>\$ -</u> | <u>\$ (783,123)</u> | <u>\$ 45,426,814</u> | <u>\$ 733,232</u> |

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of entitlements received but not expended as of June 30, 2020. At June 30, 2020, the Organization's net assets with donor restrictions:

| | |
|---|-------------------|
| Proposition 39 - California Clean Energy Jobs Act | \$ 968,725 |
| Totals | <u>\$ 968,725</u> |

10. OPERATING LEASES

The Organization leases office equipment and facilities under lease arrangements that expire during the 2046-2047 fiscal years. The future minimum lease payments as of June 30, 2020, are as follows:

| Year Ending June 30, | Future Operating Lease Payments | | |
|---------------------------------|--|-----------------------|-----------------------|
| | LLC | Other | Totals |
| | Lease Payments | Lease Payments | |
| 2021 | \$ 3,629,581 | \$ 2,113,060 | \$ 5,742,641 |
| 2022 | 3,630,005 | 1,332,180 | 4,962,185 |
| 2023 | 3,634,680 | 1,167,856 | 4,802,536 |
| 2024 | 3,640,638 | 1,177,272 | 4,817,910 |
| 2025 | 3,630,651 | 1,042,336 | 4,672,987 |
| Thereafter | 73,876,533 | 12,536,855 | 86,413,388 |
| Total | <u>92,042,088</u> | <u>\$ 19,369,559</u> | <u>\$ 111,411,647</u> |

The Organization receives no sublease rental revenues nor pays any contingent rentals associated with this lease. For the fiscal year ended June 30, 2020, the aggregate operating lease expense was \$6,442,573.

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11. EMPLOYEE RETIREMENT SYSTEMS

STRS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS).

Plan Description

The Organization contributes to STRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available actuarial valuation report as of June 30, 2019, total plan net assets are \$225.5 billion, the total actuarial present value of accumulated plan benefits is \$392.2 billion, contributions from all employers totaled \$5.5 billion and the plan is 66.0% funded. The Organization did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

Funding Policy

Active plan members are required to contribute 10.20% of their salary and the Organization is required to contribute 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 year 2019-2020 was 17.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions to STRS for the fiscal year ending June 30, 2020, were \$3,878,491 and equal 100% of the required contributions for the year.

PUC Schools Retirement Savings Plan

Plan Description

On January 1, 2008, the Organization established a defined contribution plan called PUC Schools Retirement Savings Plan (Plan) under the provisions of the Employee Retirement Security Act of 1974 (ERISA). The Organization is a sponsor of the Plan.

All employees, except for those which are temporary or seasonal, students of the Organization's charter schools, or work less than 20 hours per week, are eligible to make elective deferrals. The Organization may make a discretionary matching contribution equal to 100% of the participant's elective deferrals up to 2.05% of the participant's contribution as employees who are 21 years of age, employed for a period of 90 days and are not participants of the State Teachers' Retirement System. The Organization's contributions to the Plan for the fiscal year ending June 30, 2020, were \$27,312, and equal 100% of the required contributions for the fiscal year.

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12. RELATED PARTY TRANSACTIONS

Lease Agreements

CALSMSHS, CCMSHS and LCA have rental agreements with Southern California Charter School Properties, LLC (SC-LLC). CALSMSHS, CCMSHS and LCA pay a monthly rent of approximately \$37,000, \$71,300 and \$31,100, respectively. Total payments for the fiscal year ended June 30, 2020, were \$1,676,733. The amount was recognized as rental income for the SC-LLC and rental expenditure for CALSMSHS, CCMSHS and LCA and was, therefore, eliminated from the consolidated financial statements.

TCH-TCA and LCHS have rental agreements with Tri-lake Charter School Properties, LLC (TL-LLC). TCA and LCHS pay a monthly rent of approximately \$147,700 and \$84,000, respectively. Total payments for the fiscal year ended June 30, 2020, were \$2,613,087. The amount was recognized as rental income for the TL-LLC and rental expenditure for TCA and LCHS and was, therefore, eliminated from the consolidated financial statements.

13. SCHOOL ADMINISTRATIVE SERVICES AGREEMENT

On July 1, 2013, each individual school of Partnerships to Uplift Communities Los Angeles, Partnerships to Uplift Communities Lake View Terrace and Partnerships to Uplift Communities Valley entered into a service agreement with PUC National, under which PUC National provides school administrative services at the direction of the Organization's Board of Directors. These services include, but are not limited to governance, financial administration, Human Resources, Information Technology and Data Management. The term of the agreement remains in effect in perpetuity, unless terminated by either party or modified by mutual agreement by both parties. Fees are 9.25% of each individual school's total unrestricted revenue, excluding Federal revenues. Total fees charged by PUC National to the organization for the year ended June 30, 2020 were \$5,350,820.

14. COMMITMENTS AND CONTINGENCIES

State Allowances, Awards, and Grants

The Organization has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

15. RISK RELATED TO COVID-19 PANDEMIC

On March 10, 2020, the World Health Organization declared the coronavirus 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

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15. RISK RELATED TO COVID-19 PANDEMIC (continued)

businesses. The coronavirus and actions taken to mitigate 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 areas in which the Organization operates.

While it is unknown how long these conditions will last and what the complete financial effects will be to the Organization, the Organization believes it reasonably possible that it is vulnerable to the risk of a near-term severe adverse impact, including, but not limited to declining student enrollment resulting in decreased state and federal aid, and decreased donations and contributions.

16. SUBSEQUENT EVENTS

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements from the balance sheet date through April 5, 2021, which is the date the consolidated financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year consolidated financial statements.

SUPPLEMENTARY INFORMATION

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Partnerships to Uplift Communities consists of the following 11 charter schools:

PUC Community Charter Middle School and PUC Community Early College High School [#0213] is a Grade 6 through Grade 12 Charter School and was granted its charter by the Los Angeles Unified School District on June 9, 2009, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2024.

PUC CALS Middle and Early College High [#0331] is a Grade 6 through Grade 12 Charter School and was granted its charter by the Los Angeles Unified School District on May 18, 2010, for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2025.

PUC Milagro Charter School [#0600] is a Grade Kindergarten through Grade 5 Charter School and was granted its charter by the Los Angeles Unified School District on June 9, 2009, for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2024.

PUC Lakeview Charter Academy [#0603] is a Grade 6 through Grade 8 Charter School and was granted its charter by the Los Angeles Unified School District on June 9, 2009, for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2024.

PUC Triumph Charter Academy [#0797] is a Grade 6 through Grade 12 Charter School and was granted its charter renewal by the Los Angeles Unified School District on March 1, 2011 for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. During the year ended June 30, 2016, PUC Triumph Charter High School was merged into PUC Triumph Charter Academy. The charter was renewed through June 30, 2025.

PUC Excel Charter Academy [#0798] is a Grade 6 through Grade 8 Charter School and was granted its charter by the Los Angeles Unified School District on March 1, 2011, for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2023.

PUC Nueva Esperanza Charter Academy [#1092] is a Grade 6 through Grade 8 Charter School and was granted its charter by the Los Angeles Unified School District on February 10, 2009, for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2024.

PUC Lakeview Charter High School [#1241] is a Grade 9 through Grade 12 Charter School, serving Grade 9 and Grade 10, and was granted its charter renewal by the Los Angeles Unified School District on May 18, 2010, for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2025.

PUC Early College Academy for Leaders and Scholars [#1354] is a Grade 9 through Grade 12 Charter School, serving Grades 9 through Grade 11, and was granted its charter by the Los Angeles Unified School District on June 21, 2011, for a 5-year term, pursuant to the terms of the Charter Schools Act of 1992, as amended. The charter was renewed through June 30, 2024.

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JUNE 30, 2020**

PUC Community Charter Elementary School [#1657] is a Grade Kindergarten through Grade 5 Charter School, serving Grades Kindergarten through Grade 3, and was granted its charter by the Los Angeles Unified School District on July 1, 2019, for a 5-year term expiring on June 30, 2024, pursuant to the terms of the Charter Schools Act of 1992, as amended.

PUC Inspire Charter School [#1626] is a Grade 6 through Grade 8 Charter School, serving Grades 6 through Grade 8, and was granted its charter by the Los Angeles Unified School District on July 1, 2019, for a 5-year term expiring on June 30, 2024, pursuant to the terms of the Charter Schools Act of 1992, as amended.

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ORGANIZATION
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The Board of Directors for the fiscal year ended June 30, 2020, was comprised of the following members:

Partnerships to Uplift Communities Lakeview Terrace

| Name | Office | Term | Term Expiration |
|-----------------------|-------------------------|---------|------------------------|
| Juana Maria Valdivida | Chairman | 2 Years | January 2023 |
| Martin Nava | Vice-Chairman/Treasurer | 2 Years | December 2022 |
| Angelica Brody | Secretary | 2 Years | Resigned December 2019 |
| Antonio Pizano | Member | 2 Years | June 2021 |
| Xavier Reyes | Member | 2 Years | June 2021 |

Partnerships to Uplift Communities Los Angeles

| Name | Office | Term | Term Expiration |
|-----------------------|-------------------------|---------|------------------------|
| Juana Maria Valdivida | Chairman | 2 Years | January 2023 |
| Martin Nava | Vice-Chairman/Treasurer | 2 Years | December 2022 |
| Angelica Brody | Secretary | 2 Years | Resigned December 2019 |
| Antonio Pizano | Member | 2 Years | June 2021 |
| Xavier Reyes | Member | 2 Years | June 2021 |

Partnerships to Uplift Communities Valley

| Name | Office | Term | Term Expiration |
|-----------------------|-------------------------|---------|------------------------|
| Juana Maria Valdivida | Chairman | 2 Years | January 2023 |
| Martin Nava | Vice-Chairman/Treasurer | 2 Years | December 2022 |
| Angelica Brody | Secretary | 2 Years | Resigned December 2019 |
| Antonio Pizano | Member | 2 Years | June 2021 |
| Xavier Reyes | Member | 2 Years | June 2021 |

PUC Schools Administration

| Name | Position |
|----------------------|------------------------------------|
| Concepcion Rivas | Superintendent |
| Veronica Alonzo | Deputy Superintendent of Academics |
| Meredith McOlvin | Director of Inclusion & SPED |
| Gerard Montero | Director of Compliance |
| Christine Sartiaguda | Director of Clinical Counseling |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PUC Community Charter Middle School and PUC Community Early College High School

| | Second Period Report | Annual Report |
|--------------|-------------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Grades 4 - 6 | 116.27 | 116.34 |
| Grades 7 - 8 | 227.07 | 227.07 |
| Grades 9 -12 | <u>416.23</u> | <u>415.24</u> |
| Total | <u><u>759.57</u></u> | <u><u>758.65</u></u> |

Community Charter Middle School is 100% classroom-based and generates no ADA from a full-time independent study program.

PUC CALS Middle and Early College High

| | Second Period Report | Annual Report |
|--------------|-------------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Grades 4 - 6 | 54.78 | 54.53 |
| Grades 7 - 8 | 166.29 | 164.89 |
| Grades 9 -12 | <u>267.35</u> | <u>266.18</u> |
| Total | <u><u>488.42</u></u> | <u><u>485.60</u></u> |

California Academy for Liberal Studies Charter Middle School is 100% classroom-based and generates no ADA from a full-time independent study program.

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PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

PUC Milagro Charter School

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|--|-------------------------------------|--------------------------|
| Transitional Kindergarten/Kindergarten - Grade 3 | 180.22 | 180.40 |
| Grades 4 - 6 | 90.15 | 90.23 |
| Total | <u>270.37</u> | <u>270.63</u> |

Milagro Charter School is 100% classroom-based and generates no ADA from a full-time independent study program.

PUC Lakeview Charter Academy

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|--------------|-------------------------------------|--------------------------|
| Grades 4 - 6 | 105.35 | 105.66 |
| Grades 7 - 8 | 223.77 | 223.52 |
| Total | <u>329.12</u> | <u>329.18</u> |

Lakeview Charter Academy is 100% classroom-based and generates no ADA from a full-time independent study program.

PUC Triumph Charter Academy

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|--------------|-------------------------------------|--------------------------|
| Grades 4 - 6 | 116.37 | 116.07 |
| Grades 7 - 8 | 228.00 | 228.15 |
| Grades 9 -12 | 420.68 | 416.32 |
| Total | <u>765.05</u> | <u>760.54</u> |

Triumph Charter Academy is 100% classroom-based and generates no ADA from a full-time independent study program.

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SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PUC Excel Charter Academy

| | Second Period Report | Annual Report |
|--------------|-------------------------------------|--------------------------|
| Grades 4 - 6 | 85.42 | 84.50 |
| Grades 7 - 8 | 202.77 | 203.21 |
| Total | 288.19 | 287.71 |

Excel Charter Academy is 100% classroom-based and generates no ADA from a full-time independent study program.

PUC Nueva Esperanza Charter Academy

| | Second Period Report | Annual Report |
|--------------|-------------------------------------|--------------------------|
| Grades 4 - 6 | 115.08 | 114.57 |
| Grades 7 - 8 | 227.31 | 226.34 |
| Total | 342.39 | 340.91 |

Nueva Esperanza Charter Academy is 100% classroom-based and generates no ADA from a full-time independent study program.

PUC Lakeview Charter High School

| | Second Period Report | Annual Report |
|--------------|-------------------------------------|--------------------------|
| Grades 9 -12 | 431.61 | 431.21 |
| Total | 431.61 | 431.21 |

Lakeview Charter High School is 100% classroom-based and generates no ADA from a full-time independent study program.

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PUC Early College Academy for Leaders and Scholars

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|--------------|-------------------------------------|--------------------------|
| Grades 9 -12 | 323.07 | 320.66 |
| Total | <u>323.07</u> | <u>320.66</u> |

Early College Academy for Leaders and Scholars is 100% classroom-based and generates no ADA from a full-time independent study program.

PUC Community Charter Elementary

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|--|-------------------------------------|--------------------------|
| Transitional Kindergarten/Kindergarten - Grade 3 | 195.51 | 195.51 |
| Grades 4 - 6 | 102.54 | 102.71 |
| Total | <u>298.05</u> | <u>298.22</u> |

Community Charter Elementary is 100% classroom-based and generates no ADA from a full-time independent study program.

PUC Inspire Charter Academy

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|--------------|-------------------------------------|--------------------------|
| Grades 4 - 6 | 97.65 | 97.51 |
| Grades 7 - 8 | 213.91 | 214.01 |
| Total | <u>311.56</u> | <u>311.52</u> |

Inspire Middle Academy is 100% classroom-based and generates no ADA from a full-time independent study program.

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

PUC Community Charter Middle School & Community Early College High School

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 6 | 54,000 | 68,365 | 176 | In Compliance |
| Grade 7 | 54,000 | 68,365 | 176 | In Compliance |
| Grade 8 | 54,000 | 68,365 | 176 | In Compliance |
| Grade 9 | 64,800 | 68,875 | 176 | In Compliance |
| Grade 10 | 64,800 | 68,875 | 176 | In Compliance |
| Grade 11 | 64,800 | 68,875 | 176 | In Compliance |
| Grade 12 | 64,800 | 68,875 | 176 | In Compliance |

PUC CALS Middle and Early College High

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 6 | 54,000 | 67,255 | 176 | In Compliance |
| Grade 7 | 54,000 | 67,255 | 176 | In Compliance |
| Grade 8 | 54,000 | 67,255 | 176 | In Compliance |
| Grade 9 | 64,800 | 66,144 | 176 | In Compliance |
| Grade 10 | 64,800 | 66,144 | 176 | In Compliance |
| Grade 11 | 64,800 | 66,144 | 176 | In Compliance |
| Grade 12 | 64,800 | 66,144 | 176 | In Compliance |

PUC Milagro Charter School

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Kindergarten | 36,000 | 60,260 | 176 | In Compliance |
| Grade 1 | 50,400 | 60,320 | 176 | In Compliance |
| Grade 2 | 50,400 | 60,320 | 176 | In Compliance |
| Grade 3 | 50,400 | 60,320 | 176 | In Compliance |
| Grade 4 | 54,000 | 60,320 | 176 | In Compliance |
| Grade 5 | 54,000 | 60,320 | 176 | In Compliance |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

PUC Lakeview Charter Academy

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 6 | 54,000 | 68,180 | 176 | In Compliance |
| Grade 7 | 54,000 | 68,180 | 176 | In Compliance |
| Grade 8 | 54,000 | 68,180 | 176 | In Compliance |

PUC Triumph Charter Academy

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 6 | 54,000 | 68,180 | 176 | In Compliance |
| Grade 7 | 54,000 | 68,180 | 176 | In Compliance |
| Grade 8 | 54,000 | 68,180 | 176 | In Compliance |
| Grade 9 | 64,800 | 68,365 | 176 | In Compliance |
| Grade 10 | 64,800 | 68,365 | 176 | In Compliance |
| Grade 11 | 64,800 | 68,365 | 176 | In Compliance |
| Grade 12 | 64,800 | 68,365 | 176 | In Compliance |

PUC Excel Charter Academy

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 6 | 54,000 | 72,022 | 176 | In Compliance |
| Grade 7 | 54,000 | 72,022 | 176 | In Compliance |
| Grade 8 | 54,000 | 72,022 | 176 | In Compliance |

PUC Nueva Esperanza Charter Academy

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 6 | 54,000 | 67,765 | 176 | In Compliance |
| Grade 7 | 54,000 | 67,765 | 176 | In Compliance |
| Grade 8 | 54,000 | 67,765 | 176 | In Compliance |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

PUC Lakeview Charter High School

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 9 | 64,800 | 67,995 | 176 | In Compliance |
| Grade 10 | 64,800 | 67,995 | 176 | In Compliance |
| Grade 11 | 64,800 | 67,995 | 176 | In Compliance |
| Grade 12 | 64,800 | 67,995 | 176 | In Compliance |

PUC Early College Academy for Leaders and Scholars

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 9 | 64,800 | 66,700 | 176 | In Compliance |
| Grade 10 | 64,800 | 66,700 | 176 | In Compliance |
| Grade 11 | 64,800 | 66,700 | 176 | In Compliance |
| Grade 12 | 64,800 | 66,700 | 176 | In Compliance |

PUC Community Charter Elementary

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Kindergarten | 36,000 | 58,500 | 176 | In Compliance |
| Grade 1 | 50,400 | 55,350 | 176 | In Compliance |
| Grade 2 | 50,400 | 55,350 | 176 | In Compliance |
| Grade 3 | 50,400 | 55,350 | 176 | In Compliance |
| Grade 4 | 54,000 | 55,350 | 176 | In Compliance |
| Grade 5 | 54,000 | 55,350 | 176 | In Compliance |

PUC Inspire Charter Academy

| Grade Level | 2019-2020 Minutes Requirements | 2019-2020 Actual Minutes | Number of Days Traditional Calendar | Status |
|--------------------|---|-------------------------------------|--|---------------|
| Grade 6 | 54,000 | 66,420 | 176 | In Compliance |
| Grade 7 | 54,000 | 66,420 | 176 | In Compliance |
| Grade 8 | 54,000 | 66,420 | 176 | In Compliance |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020**

| Federal Grantor/ Pass-Through Entity Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|------------------------------------|---|---------------------------------|
| U.S. Department of Agriculture | | | |
| Passed through California Department of Education: | | | |
| Child Nutrition Cluster | | | |
| Child Nutrition: School Programs | 10.555 | 13391 | \$ 2,830,875 |
| Subtotal Child Nutrition Cluster | | | <u>2,830,875</u> |
| Total U.S. Department of Agriculture | | | <u>\$ 2,830,875</u> |
| U.S. Department of Education | | | |
| Passed through California Department of Education: | | | |
| Special Education Cluster | | | |
| Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611 | 84.027 | 13379 | 937,526 |
| Subtotal Special Education Cluster | | | <u>937,526</u> |
| NCLB: Title I, Part A, Basic Grants Low-Income and Neglected | 84.010 | 14329 | 1,781,209 |
| NCLB: Title II, Part A, Teacher Quality | 84.367 | 14341 | 206,539 |
| ESSA: Title IV, Part C, Public Charter School Grants | 84.282A | 14941 | 141,158 |
| Total U.S. Department of Education | | | <u>3,066,432</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 5,897,307</u> |

NOTE ON BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Partnerships to Uplift Communities under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Partnerships to Uplift Communities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Partnerships to Uplift Communities.

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020**

NOTE ON SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE ON INDIRECT COST RATE

Partnerships to Uplift Communities has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2020

| | PUC Los Angeles | PUC Valley | PUC Lakeview Terrace | Totals |
|--|---------------------|----------------------|-------------------------|----------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash | \$ 4,063,679 | \$ 6,423,184 | \$ 4,498,787 | \$ 14,985,650 |
| Restricted cash, current portion | - | 1,067,190 | 1,045,886 | 2,113,076 |
| Accounts receivable | 2,760,846 | 3,964,819 | 2,136,540 | 8,862,205 |
| Due from related party | 130,876 | 193,034 | - | 323,910 |
| Prepaid expenses | 26,992 | 38,902 | 24,969 | 90,863 |
| Other current assets | - | 715 | - | 715 |
| Deferred rent | 37,212 | - | 39,667 | 76,879 |
| Total current assets | 7,019,605 | 11,687,844 | 7,745,849 | 26,453,298 |
| Restricted cash, noncurrent portion | - | 2,452,099 | 2,076,480 | 4,528,579 |
| Fixed assets, net | 1,785,931 | 22,764,775 | 19,554,912 | 44,105,618 |
| Noncurrent assets: | | | | |
| Deposits | 211,780 | 161,828 | 318,149 | 691,757 |
| Total noncurrent assets | 1,997,711 | 25,378,702 | 21,949,541 | 49,325,954 |
| Total assets | <u>\$ 9,017,316</u> | <u>\$ 37,066,546</u> | <u>\$ 29,695,390</u> | <u>\$ 75,779,252</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 452,223 | \$ 682,517 | \$ 614,535 | \$ 1,749,275 |
| Due to related party | - | 312,493 | - | 312,493 |
| Accrued expenses | 1,154,333 | 1,128,756 | 760,088 | 3,043,177 |
| Deferred rent | - | 419,162 | - | 419,162 |
| Other current liabilities | - | 988,867 | 298,356 | 1,287,223 |
| Current portion of debt obligations, net | 19,362 | 355,780 | 358,090 | 733,232 |
| Total current liabilities | 1,625,918 | 3,887,575 | 2,031,069 | 7,544,562 |
| Long-term liabilities | | | | |
| Debt obligations, net, less current portion | - | 22,120,911 | 22,572,671 | 44,693,582 |
| Total long-term liabilities | - | 22,120,911 | 22,572,671 | 44,693,582 |
| Total liabilities | 1,625,918 | 26,008,486 | 24,603,740 | 52,238,144 |
| Net assets: | | | | |
| Net assets with donor restrictions | 261,092 | 322,664 | 384,969 | 968,725 |
| Net assets without donor restrictions - Undesignated | 7,130,306 | 10,735,396 | 4,706,681 | 22,572,383 |
| Total net assets | 7,391,398 | 11,058,060 | 5,091,650 | 23,541,108 |
| Total liabilities and net assets | <u>\$ 9,017,316</u> | <u>\$ 37,066,546</u> | <u>\$ 29,695,390</u> | <u>\$ 75,779,252</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

| | W PUC Los Angeles | PUC Valley | PUC Lakeview Terrace | Totals |
|--------------------------------------|-------------------------|----------------------|-------------------------|----------------------|
| REVENUES | | | | |
| Revenue limit sources: | | | | |
| State aid | \$ 9,876,443 | \$ 15,707,541 | \$ 7,936,730 | \$ 33,520,714 |
| Education protection account | 1,156,898 | 1,491,680 | 948,575 | 3,597,153 |
| In-lieu of property taxes | 3,861,949 | 6,212,730 | 3,257,885 | 13,332,564 |
| Federal revenues | 1,880,359 | 2,724,141 | 1,292,807 | 5,897,307 |
| State revenues | 2,521,050 | 4,022,419 | 2,178,442 | 8,721,911 |
| Local revenues: | | | | |
| Donations | 37,014 | 10,149 | 1,990 | 49,153 |
| Fundraising | 237,484 | 247,882 | 215,803 | 701,169 |
| Miscellaneous | 277,574 | 498,261 | 226,049 | 1,001,884 |
| Total revenues | <u>19,848,771</u> | <u>30,914,803</u> | <u>16,058,281</u> | <u>66,821,855</u> |
| EXPENSES | | | | |
| Program services: | | | | |
| Education | 12,866,864 | 20,655,910 | 11,143,173 | 44,665,947 |
| Support services: | | | | |
| Management and general | 7,129,936 | 9,144,876 | 4,486,350 | 20,761,162 |
| Total expenses | <u>19,996,800</u> | <u>29,800,786</u> | <u>15,629,523</u> | <u>65,427,109</u> |
| CHANGE IN NET ASSETS | (148,029) | 1,114,017 | 428,758 | 1,394,746 |
| NET ASSETS, BEGINNING OF YEAR | <u>7,539,427</u> | <u>9,944,043</u> | <u>4,662,892</u> | <u>22,146,362</u> |
| NET ASSETS, END OF YEAR | <u>\$ 7,391,398</u> | <u>\$ 11,058,060</u> | <u>\$ 5,091,650</u> | <u>\$ 23,541,108</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
CONSOLIDATING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020

| | PUC Los Angeles | PUC Valley | PUC Lakeview Terrace | Totals |
|--|---------------------|---------------------|-------------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Change in net assets | \$ (148,029) | \$ 1,114,017 | \$ 428,758 | \$ 1,394,746 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | | | |
| Depreciation | 356,959 | 1,057,079 | 706,757 | 2,120,795 |
| Amortization of debt discount | - | 255,473 | - | 255,473 |
| Intercompany | 498,622 | - | - | 498,622 |
| (Increase) decrease in operating assets: | | | | |
| Accounts receivable | (29,191) | (482,300) | (157,617) | (669,108) |
| Due from related parties | (34,758) | 393,499 | - | 358,741 |
| Prepaid expenses | (13,091) | (19,248) | (20,074) | (52,413) |
| Other current assets | 1,836 | - | - | 1,836 |
| Deferred rent assets | - | (75,099) | - | (75,099) |
| Deposits | (6,420) | - | (4,966) | (11,386) |
| Accounts payable | (10,565) | (336,849) | 43,607 | (303,807) |
| Accrued expenses | 411,518 | (61,329) | 7,946 | 358,135 |
| Deferred rent | - | (30,000) | - | (30,000) |
| Other current liabilities | - | (408,704) | 236,914 | (171,790) |
| Net cash flows provided by operating activities | <u>1,026,881</u> | <u>1,406,539</u> | <u>1,241,325</u> | <u>3,674,745</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of fixed assets | (494,610) | (391,296) | (502,060) | (1,387,966) |
| Net cash flows used in investing activities | <u>(494,610)</u> | <u>(391,296)</u> | <u>(502,060)</u> | <u>(1,387,966)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Payments on debt obligations | (125,478) | (415,000) | (385,000) | (925,478) |
| Net cash flows used in by in financing activities | <u>(125,478)</u> | <u>(415,000)</u> | <u>(385,000)</u> | <u>(925,478)</u> |
| NET (DECREASE) INCREASE IN CASH | 406,793 | 600,243 | 354,265 | 1,361,301 |
| CASH AND RESTRICTED CASH, BEGINNING OF YEAR | 3,656,886 | 9,342,230 | 7,266,888 | 20,266,004 |
| CASH AND RESTRICTED CASH, END OF YEAR | <u>\$ 4,063,679</u> | <u>\$ 9,942,473</u> | <u>\$ 7,621,153</u> | <u>\$ 21,627,305</u> |
| SUPPLEMENTAL DISCLOSURE: | | | | |
| Cash paid for interest | \$ 39 | \$ 1,604,358 | \$ 1,273,393 | \$ 2,877,790 |
| RECONCILIATION OF CASH AND RESTRICTED CASH TO THE STATEMENT OF FINANCIAL POSITION | | | | |
| Cash | \$ 3,618,391 | \$ 6,423,184 | \$ 4,498,787 | \$ 14,985,650 |
| Restricted cash | - | 3,519,289 | 3,122,366 | \$ 6,641,655 |
| TOTAL CASH AND RESTRICTED CASH | <u>\$ 3,618,391</u> | <u>\$ 9,942,473</u> | <u>\$ 7,621,153</u> | <u>\$ 21,627,305</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LOS ANGELES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2020**

| | <u>CALSMHS</u> | <u>MCS</u> | <u>ECA</u> | <u>SRCA</u> | <u>ECALS</u> | <u>Totals</u> |
|--|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash | \$ 2,006,412 | \$ 610,572 | \$ 683,615 | | \$ 763,080 | \$ 4,063,679 |
| Accounts receivable | 995,097 | 519,399 | 733,416 | - | 512,934 | 2,760,846 |
| Due from related party | 21,723 | 46,220 | 13,035 | | 49,898 | 130,876 |
| Prepaid expenses | 10,353 | 6,511 | 4,109 | - | 6,019 | 26,992 |
| Deferred rent | 37,212 | - | - | - | - | 37,212 |
| Total current assets | <u>3,070,797</u> | <u>1,182,702</u> | <u>1,434,175</u> | <u>-</u> | <u>1,331,931</u> | <u>7,019,605</u> |
| Fixed assets, net | 1,029,036 | 388,319 | 173,094 | - | 195,482 | 1,785,931 |
| Noncurrent assets: | | | | | | |
| Deposits | 143,540 | 50,024 | 9,130 | - | 9,086 | 211,780 |
| Total noncurrent assets | <u>1,172,576</u> | <u>438,343</u> | <u>182,224</u> | <u>-</u> | <u>204,568</u> | <u>1,997,711</u> |
| Total assets | <u>\$ 4,243,373</u> | <u>\$ 1,621,045</u> | <u>\$ 1,616,399</u> | <u>\$ -</u> | <u>\$ 1,536,499</u> | <u>\$ 9,017,316</u> |
| LIABILITIES AND NET ASSETS | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | \$ 90,375 | \$ 9,386 | \$ 127,981 | \$ - | \$ 224,481 | \$ 452,223 |
| Due to related party | - | - | - | - | - | - |
| Accrued expenses | 418,089 | 198,969 | 271,937 | - | 265,338 | 1,154,333 |
| Current portion of long-term liabilities | 6,317 | 3,663 | 4,157 | - | 5,225 | 19,362 |
| Total current liabilities | <u>514,781</u> | <u>212,018</u> | <u>404,075</u> | <u>-</u> | <u>495,044</u> | <u>1,625,918</u> |
| Net assets: | | | | | | |
| Net assets with donor restrictions | 98,058 | (86,366) | 163,487 | - | 85,913 | 261,092 |
| Net assets without donor restrictions - Undesignated | 3,630,534 | 1,495,393 | 1,048,837 | - | 955,542 | 7,130,306 |
| Total net assets | <u>3,728,592</u> | <u>1,409,027</u> | <u>1,212,324</u> | <u>-</u> | <u>1,041,455</u> | <u>7,391,398</u> |
| Total liabilities and net assets | <u>\$ 4,243,373</u> | <u>\$ 1,621,045</u> | <u>\$ 1,616,399</u> | <u>\$ -</u> | <u>\$ 1,536,499</u> | <u>\$ 9,017,316</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LOS ANGELES
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020**

| | <u>CAFLSC</u> | <u>MCS</u> | <u>ECA</u> | <u>SRCA</u> | <u>ECALS</u> | <u>Totals</u> |
|---|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|
| REVENUES | | | | | | |
| Revenue limit sources: | | | | | | |
| State aid | \$ 3,910,381 | \$ 1,881,552 | \$ 1,868,940 | | \$ 2,215,570 | \$ 9,876,443 |
| Education protection account | 424,753 | 222,002 | 238,573 | - | 271,570 | 1,156,898 |
| In-lieu of property taxes | 1,459,316 | 785,513 | 819,360 | - | 797,760 | 3,861,949 |
| Federal revenues | 611,334 | 364,234 | 630,414 | - | 274,377 | 1,880,359 |
| State revenues | 985,460 | 565,178 | 693,780 | - | 276,632 | 2,521,050 |
| Local revenues: | | | | | | |
| Donations | 13,642 | 11,066 | 5,222 | - | 7,084 | 37,014 |
| Fundraising | 83,011 | 43,187 | 51,188 | - | 60,098 | 237,484 |
| Miscellaneous | 100,788 | 56,476 | 63,758 | - | 56,552 | 277,574 |
| Total revenues | <u>7,588,685</u> | <u>3,929,208</u> | <u>4,371,235</u> | <u>-</u> | <u>3,959,643</u> | <u>19,848,771</u> |
| EXPENSES | | | | | | |
| Program services: | | | | | | |
| Education | 4,550,638 | 2,561,832 | 2,861,855 | | 2,892,539 | 12,866,864 |
| Support services: | | | | | | |
| Management and general | 2,905,086 | 1,348,768 | 1,583,483 | | 1,292,599 | 7,129,936 |
| Total expenses | <u>7,455,724</u> | <u>3,910,600</u> | <u>4,445,338</u> | <u>-</u> | <u>4,185,138</u> | <u>19,996,800</u> |
| CHANGE IN NET ASSETS | 132,961 | 18,608 | (74,103) | - | (225,495) | (148,029) |
| NET TRANSFERS ASSETS/(LIABILITIES) | 217,450 | 124,267 | 130,523 | (623,004) | 150,764 | - |
| NET ASSETS, BEGINNING OF YEAR | 3,378,181 | 1,266,152 | 1,155,904 | 623,004 | 1,116,186 | 7,539,427 |
| NET ASSETS, END OF YEAR | <u>\$ 3,728,592</u> | <u>\$ 1,409,027</u> | <u>\$ 1,212,324</u> | <u>\$ -</u> | <u>\$ 1,041,455</u> | <u>\$ 7,391,398</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020**

| | <u>CALSMHS</u> | <u>MCS</u> | <u>ECA</u> | <u>ECALS</u> | <u>Totals</u> |
|--|---------------------|-------------------|-------------------|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Change in net assets | \$ 132,961 | \$ 18,608 | \$ (74,103) | \$ (225,495) | \$ (148,029) |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | | | | |
| Depreciation | 232,490 | 29,037 | 42,489 | 52,943 | 356,959 |
| Transfers | 183,433 | 92,773 | 110,447 | 111,969 | 498,622 |
| Accounts receivable | (18,719) | 111,541 | (114,993) | (7,020) | (29,191) |
| Due from related party | (21,723) | - | (13,035) | - | (34,758) |
| Prepaid expenses | (3,314) | (4,899) | (952) | (3,926) | (13,091) |
| Other current assets | - | - | 851 | 985 | 1,836 |
| Deposits | (2,283) | (1,243) | (1,405) | (1,489) | (6,420) |
| Increase (decrease) in operating liabilities: | | | | | |
| Accounts payable | (40,334) | (55,922) | 63,133 | 22,558 | (10,565) |
| Accrued expenses | 153,923 | 70,257 | 83,543 | 103,795 | 411,518 |
| Net cash flows (used in) provided by operating activities | <u>616,434</u> | <u>260,152</u> | <u>95,975</u> | <u>54,320</u> | <u>1,026,881</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Purchase of fixed assets | (8,848) | (335,624) | (56,170) | (93,968) | (494,610) |
| Net cash flows used in investing activities | <u>(8,848)</u> | <u>(335,624)</u> | <u>(56,170)</u> | <u>(93,968)</u> | <u>(494,610)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | | |
| Payment on long-term liabilities | (44,376) | (25,305) | (26,260) | (29,537) | (125,478) |
| Net cash flows from (used in) financing activities | <u>(44,376)</u> | <u>(25,305)</u> | <u>(26,260)</u> | <u>(29,537)</u> | <u>(125,478)</u> |
| NET (DECREASE) IN CASH | 563,210 | (100,777) | 13,545 | (69,185) | 406,793 |
| CASH AND RESTRICTED CASH, BEGINNING OF YEAR | <u>1,443,202</u> | <u>711,349</u> | <u>670,070</u> | <u>832,265</u> | <u>3,656,886</u> |
| CASH AND RESTRICTED CASH, END OF YEAR | <u>\$ 2,006,412</u> | <u>\$ 610,572</u> | <u>\$ 683,615</u> | <u>\$ 763,080</u> | <u>\$ 4,063,679</u> |
| RECONCILIATION OF CASH AND RESTRICTED CASH TO THE STATEMENT OF FINANCIAL POSITION | | | | | |
| Cash | \$ 2,006,412 | \$ 610,572 | \$ 683,615 | \$ 763,080 | \$ 4,063,679 |
| Restricted cash | - | - | - | - | - |
| TOTAL CASH AND RESTRICTED CASH | <u>\$ 2,006,412</u> | <u>\$ 610,572</u> | <u>\$ 683,615</u> | <u>\$ 763,080</u> | <u>\$ 4,063,679</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LOS ANGELES
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2020

| | <u>Program Services</u> | <u>Support Services</u> | <u>Totals</u> |
|--|-----------------------------|-----------------------------------|----------------------|
| | <u>Education</u> | <u>Management and General</u> | |
| Certificated salaries | \$ 4,573,723 | \$ 2,388,964 | \$ 6,962,687 |
| Classified salaries | 852,477 | 852,493 | 1,704,970 |
| Employee benefits | 1,815,087 | 952,493 | 2,767,580 |
| Books and supplies | 1,118,331 | 598,304 | 1,716,635 |
| Travel and conferences | 10,499 | 5,904 | 16,403 |
| Dues and memberships | 16,689 | 8,921 | 25,610 |
| Insurance | 110,325 | 57,686 | 168,011 |
| Operation and housekeeping services | 215,308 | 108,858 | 324,166 |
| Rental, leases, repairs, and non-capitalized improvements | 1,049,451 | 572,068 | 1,621,519 |
| Professional/consulting services and operating expenditures | 2,235,709 | 1,174,604 | 3,410,313 |
| Communications | 100,586 | 52,682 | 153,268 |
| Depreciation | - | 356,959 | 356,959 |
| Misc. | 768,679 | - | 768,679 |
| Total expenses | <u>\$ 12,866,864</u> | <u>\$ 7,129,936</u> | <u>\$ 19,996,800</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LOS ANGELES
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL
REPORT -- ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

| | <u>CALSMHS</u> | <u>MCS</u> | <u>ECA</u> | <u>ECALS</u> | <u>Totals</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| June 30, 2020, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance | \$ 3,856,844 | \$ 1,285,072 | \$ 1,195,641 | \$ 1,306,725 | \$ 7,644,282 |
| Adjustments and reclassifications: | | | | | |
| Increasing (decreasing) the fund balance to net assets: | | | | | |
| Prepaid expenses (overstatement) understatement | - | - | | (1,712) | (1,712) |
| Accounts payable overstatement (understatement) | (128,252) | 123,955 | 16,683 | (263,558) | (502,344) |
| Net adjustments and reclassifications | (128,252) | 123,955 | 16,683 | (265,270) | (504,056) |
| June 30, 2020, Audited Financial Statements, Net Assets | <u>\$ 3,728,592</u> | <u>\$ 1,409,027</u> | <u>\$ 1,212,324</u> | <u>\$ 1,041,455</u> | <u>\$ 7,391,398</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC VALLEY
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2020

| | <u>TCA</u> | <u>NECA</u> | <u>LCHS</u> | <u>CCE</u> | <u>ICA</u> | <u>TL-LLC</u> | <u>Totals</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| ASSETS | | | | | | | |
| Current assets: | | | | | | | |
| Cash | \$ 1,602,164 | \$ 1,199,724 | \$ 1,649,045 | \$ 1,373,424 | \$ 530,313 | \$ 68,514 | \$ 6,423,184 |
| Restricted cash, current portion | - | - | - | - | - | 1,067,190 | 1,067,190 |
| Accounts receivable | 1,286,001 | 405,618 | 1,303,662 | 357,229 | 362,553 | 249,756 | 3,964,819 |
| Due from related party | - | 193,034 | - | - | - | - | 193,034 |
| Prepaid expenses | 14,653 | 5,452 | 8,184 | 4,232 | 6,381 | - | 38,902 |
| Other current assets | - | - | - | 715 | - | - | 715 |
| Total current assets | <u>2,902,818</u> | <u>1,803,828</u> | <u>2,960,891</u> | <u>1,735,600</u> | <u>899,247</u> | <u>1,385,460</u> | <u>11,687,844</u> |
| Restricted cash, noncurrent portion | - | - | - | - | - | 2,452,099 | 2,452,099 |
| Fixed assets, net | 201,767 | 117,384 | 244,125 | 212,391 | 204,849 | 21,784,259 | 22,764,775 |
| Deposits | 97,154 | - | 53,298 | 9,013 | 2,363 | - | 161,828 |
| Total assets | <u>\$ 3,201,739</u> | <u>\$ 1,921,212</u> | <u>\$ 3,258,314</u> | <u>\$ 1,957,004</u> | <u>\$ 1,106,459</u> | <u>\$ 25,621,818</u> | <u>\$ 37,066,546</u> |
| LIABILITIES AND NET ASSETS | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | \$ 273,839 | \$ 89,688 | \$ 199,476 | \$ 75,945 | \$ 43,569 | \$ - | \$ 682,517 |
| Due to related party | - | - | - | - | - | 312,493 | 312,493 |
| Accrued expenses | 186,298 | 91,118 | 128,129 | 91,560 | 100,566 | 531,085 | 1,128,756 |
| Deferred rent | 79,619 | 274,988 | 46,760 | 17,795 | - | - | 419,162 |
| Other current liabilities | 480,054 | 56,287 | 402,379 | 20,602 | 29,545 | - | 988,867 |
| Current portion of debt obligations, net | - | - | - | - | - | 355,780 | 355,780 |
| Total current liabilities | <u>1,019,810</u> | <u>512,081</u> | <u>776,744</u> | <u>205,902</u> | <u>173,680</u> | <u>1,199,358</u> | <u>3,887,575</u> |
| Debt obligations, net of current portion | - | - | - | - | - | 22,120,911 | 22,120,911 |
| Total long-term liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>22,120,911</u> | <u>22,120,911</u> |
| Total liabilities | <u>1,019,810</u> | <u>512,081</u> | <u>776,744</u> | <u>205,902</u> | <u>173,680</u> | <u>23,320,269</u> | <u>26,008,486</u> |
| Net assets: | | | | | | | |
| Net assets with donor restrictions | 107,272 | 54,547 | 160,845 | - | - | - | 322,664 |
| net assets without donor restrictions - Undesignated | 2,074,657 | 1,354,584 | 2,320,725 | 1,751,102 | 932,779 | 2,301,549 | 10,735,396 |
| Total net assets | <u>2,181,929</u> | <u>1,409,131</u> | <u>2,481,570</u> | <u>1,751,102</u> | <u>932,779</u> | <u>2,301,549</u> | <u>11,058,060</u> |
| Total liabilities and net assets | <u>\$ 3,201,739</u> | <u>\$ 1,921,212</u> | <u>\$ 3,258,314</u> | <u>\$ 1,957,004</u> | <u>\$ 1,106,459</u> | <u>\$ 25,621,818</u> | <u>\$ 37,066,546</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC VALLEY
COMBINING STATEMENT OF ACTIVITIES
June 30, 2020**

| | TCA | NECA | LCHS | CCE | ICA | TL-LLC | Elimination | Totals |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|--------------------|----------------------|
| REVENUES | | | | | | | | |
| Revenue limit sources: | | | | | | | | |
| State aid | \$ 5,768,419 | \$ 1,720,350 | \$ 4,036,854 | \$ 2,188,395 | \$ 1,993,523 | \$ - | \$ - | \$ 15,707,541 |
| Education protection account | 652,962 | 293,170 | 429,026 | 60,676 | 55,846 | - | - | 1,491,680 |
| In-lieu of property taxes | 2,243,017 | 1,006,538 | 1,260,299 | 886,731 | 816,145 | - | - | 6,212,730 |
| Federal revenues | 694,695 | 503,802 | 666,279 | 306,080 | 553,285 | - | - | 2,724,141 |
| State revenues | 1,585,573 | 906,903 | 829,362 | 279,775 | 420,806 | - | - | 4,022,419 |
| Local revenues: | | | | | | | | |
| Donations | 6,738 | 609 | 768 | 730 | 1,304 | - | - | 10,149 |
| Fundraising | 97,801 | 22,622 | 59,486 | 38,672 | 29,301 | - | - | 247,882 |
| Rent | - | - | - | - | - | 2,613,087 | (2,613,087) | - |
| Miscellaneous | 143,995 | 75,491 | 78,167 | 49,589 | 58,155 | 92,864 | - | 498,261 |
| Total revenues | <u>11,193,200</u> | <u>4,529,485</u> | <u>7,360,241</u> | <u>3,810,648</u> | <u>3,928,365</u> | <u>2,705,951</u> | <u>(2,613,087)</u> | <u>30,914,803</u> |
| EXPENSES | | | | | | | | |
| Program services: | | | | | | | | |
| Education | 7,617,895 | 2,925,322 | 4,487,018 | 2,792,250 | 2,833,425 | - | - | 20,655,910 |
| Support services: | | | | | | | | |
| Management and general | 3,584,224 | 1,474,701 | 2,109,458 | 1,077,302 | 1,215,196 | 2,297,082 | (2,613,087) | 9,144,876 |
| Total expenses | <u>11,202,119</u> | <u>4,400,023</u> | <u>6,596,476</u> | <u>3,869,552</u> | <u>4,048,621</u> | <u>2,297,082</u> | <u>(2,613,087)</u> | <u>29,800,786</u> |
| CHANGE IN NET ASSETS | (8,919) | 129,462 | 763,765 | (58,904) | (120,256) | 408,869 | - | 1,114,017 |
| NET ASSETS, BEGINNING OF YEAR | <u>2,190,848</u> | <u>1,279,669</u> | <u>1,717,805</u> | <u>1,810,006</u> | <u>1,053,035</u> | <u>1,892,680</u> | <u>-</u> | <u>9,944,043</u> |
| NET ASSETS, END OF YEAR | <u>\$ 2,181,929</u> | <u>\$ 1,409,131</u> | <u>\$ 2,481,570</u> | <u>\$ 1,751,102</u> | <u>\$ 932,779</u> | <u>\$ 2,301,549</u> | <u>\$ -</u> | <u>\$ 11,058,060</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC VALLEY
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020

| | TCA | NECA | LCHS | CCE | ICA | TL-LLC | Totals |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | |
| Change in net assets | \$ (8,919) | \$ 129,462 | \$ 763,765 | \$ (58,904) | \$ (120,256) | \$ 408,869 | \$ 1,114,017 |
| Adjustments to reconcile change in net assets to net cash from provided by operating activities: | | | | | | | |
| Depreciation | 160,444 | 33,870 | 92,846 | 45,266 | 57,887 | 666,766 | 1,057,079 |
| Amortization of debt discount | - | 255,473 | - | - | - | - | 255,473 |
| (Increase) decrease in operating assets: | | | | | | | |
| Accounts receivable | (58,952) | 74,726 | (526,941) | 135,916 | 142,707 | (249,756) | (482,300) |
| Due from related party | 193,640 | 51,493 | 148,366 | - | - | - | 393,499 |
| Prepaid expenses | (9,730) | (3,240) | (4,703) | 2,947 | (4,522) | - | (19,248) |
| Deposits | (48,154) | - | (26,845) | - | (100) | - | (75,099) |
| Increase (decrease) in operating liabilities: | | | | | | | |
| Accounts payable | 85,310 | (86,479) | 83,739 | (13,907) | (29,445) | (376,067) | (336,849) |
| Accrued expenses | 30,978 | (10,909) | 8,466 | 15,280 | 25,702 | (130,846) | (61,329) |
| Deferred rent | - | - | (30,000) | - | - | - | (30,000) |
| Other current liabilities | (318,705) | 53,019 | (141,999) | 6,626 | (7,645) | - | (408,704) |
| Net cash flows provided by operating activities | <u>25,912</u> | <u>497,415</u> | <u>366,694</u> | <u>133,224</u> | <u>64,328</u> | <u>318,966</u> | <u>1,406,539</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | | |
| Purchase of fixed assets | (9,972) | (5,905) | (141,782) | (85,352) | (148,285) | - | (391,296) |
| Net cash flows used in investing activities | <u>(9,972)</u> | <u>(5,905)</u> | <u>(141,782)</u> | <u>(85,352)</u> | <u>(148,285)</u> | <u>-</u> | <u>(391,296)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | | | | |
| Payments on debt obligations | - | - | - | - | - | (415,000) | (415,000) |
| Net cash flows used in financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(415,000)</u> | <u>(415,000)</u> |
| NET INCREASE (DECREASE) IN CASH | <u>15,940</u> | <u>491,510</u> | <u>224,912</u> | <u>47,872</u> | <u>(83,957)</u> | <u>(96,034)</u> | <u>600,243</u> |
| CASH AND RESTRICTED CASH, BEGINNING OF YEAR | <u>1,586,224</u> | <u>708,214</u> | <u>1,424,133</u> | <u>1,325,552</u> | <u>614,270</u> | <u>3,683,837</u> | <u>9,342,230</u> |
| CASH AND RESTRICTED CASH, END OF YEAR | <u>\$ 1,602,164</u> | <u>\$ 1,199,724</u> | <u>\$ 1,649,045</u> | <u>\$ 1,373,424</u> | <u>\$ 530,313</u> | <u>\$ 3,587,803</u> | <u>\$ 9,942,473</u> |
| SUPPLEMENTAL DISCLOSURE: | | | | | | | |
| Cash paid for interest | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,604,358 | \$ 1,604,358 |
| RECONCILIATION OF CASH AND RESTRICTED CASH TO THE STATEMENT OF FINANCIAL POSITION | | | | | | | |
| Cash | \$ 1,602,164 | \$ 1,199,724 | \$ 1,649,045 | \$ 1,373,424 | \$ 530,313 | \$ 68,514 | \$ 6,423,184 |
| Restricted cash | - | - | - | - | - | 3,519,289 | \$ 3,519,289 |
| TOTAL CASH AND RESTRICTED CASH | <u>\$ 1,602,164</u> | <u>\$ 1,199,724</u> | <u>\$ 1,649,045</u> | <u>\$ 1,373,424</u> | <u>\$ 530,313</u> | <u>\$ 3,587,803</u> | <u>\$ 9,942,473</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2020

| | Program Services | Support Services | Totals |
|--|-----------------------------|-----------------------------------|---------------|
| | Education | Management and General | |
| Certificated salaries | \$ 7,007,815 | \$ 3,070,905 | \$ 10,078,720 |
| Classified salaries | 982,392 | 2,244,799 | 3,227,191 |
| Employee benefits | 2,766,253 | 1,213,045 | 3,979,298 |
| Books and supplies | 1,812,370 | 794,057 | 2,606,427 |
| Travel and conferences | 8,124 | 3,541 | 11,665 |
| Dues and memberships | 21,563 | 9,491 | 31,054 |
| Insurance | 133,054 | 58,416 | 191,470 |
| Operation and housekeeping services | 336,109 | 146,148 | 482,257 |
| Rental, leases, repairs, and non-capitalized improvements | 3,952,834 | 2,235,123 | 6,187,957 |
| Professional/consulting services and operating expenditures | 3,493,832 | 1,530,521 | 5,024,353 |
| Communications | 141,564 | 61,604 | 203,168 |
| Depreciation | | 390,313 | 390,313 |
| Total expenses before eliminations | 20,655,910 | 11,757,963 | 32,413,873 |
| Intercompany eliminations | | (2,613,087) | (2,613,087) |
| Total expenses | \$ 20,655,910 | \$ 9,144,876 | \$ 29,800,786 |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC VALLEY
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL
REPORT - - ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

| | <u>TCA</u> | <u>NECA</u> | <u>LCHS</u> | <u>CCE</u> | <u>ICA</u> | <u>Totals</u> |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| June 30, 2020, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance | \$ 3,114,591 | \$ 2,143,548 | \$ 2,545,511 | \$ 1,967,753 | \$ 1,092,849 | \$ 10,864,252 |
| Adjustments and reclassifications: | | | | | | |
| Increasing (decreasing) the fund balance to net assets: | | | | | | |
| Fixed assets, net (overstatement) understatement | - | 11,934 | - | - | | 11,934 |
| Accounts payable (understatement) overstatement | (825,915) | (746,351) | (1,246) | (216,651) | (160,070) | (1,950,233) |
| Other current liabilities overstatement (understatement) | (106,747) | | (62,695) | | | (169,442) |
| Net adjustments and reclassifications | <u>(932,662)</u> | <u>(734,417)</u> | <u>(63,941)</u> | <u>(216,651)</u> | <u>(160,070)</u> | <u>(2,107,741)</u> |
| June 30, 2020, Audited Financial Statements, Net Assets | <u>\$ 2,181,929</u> | <u>\$ 1,409,131</u> | <u>\$ 2,481,570</u> | <u>\$ 1,751,102</u> | <u>\$ 932,779</u> | <u>\$ 8,756,511</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF FINANCIAL POSITION
For the Fiscal Year Ended June 30, 2020

| | <u>CCMSHS</u> | <u>LCA</u> | <u>SC-LLC</u> | <u>Totals</u> |
|--|---------------------|---------------------|----------------------|----------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash | \$ 3,440,350 | \$ 1,020,169 | \$ 38,268 | \$ 4,498,787 |
| Restricted cash, current portion | - | - | 1,045,886 | 1,045,886 |
| Accounts receivable | 1,557,434 | 579,106 | - | 2,136,540 |
| Prepaid expenses | 19,241 | 5,728 | - | 24,969 |
| Deferred rent | 27,921 | 11,746 | - | 39,667 |
| Total current assets | <u>5,044,946</u> | <u>1,616,749</u> | <u>1,084,154</u> | <u>7,745,849</u> |
| Restricted cash, noncurrent portion | - | - | 2,076,480 | 2,076,480 |
| Fixed assets, net | 425,142 | 281,318 | 18,848,452 | 19,554,912 |
| Noncurrent assets: | | | | |
| Deposits | 227,137 | 91,012 | - | 318,149 |
| Total noncurrent assets | <u>652,279</u> | <u>372,330</u> | <u>20,924,932</u> | <u>21,949,541</u> |
| Total assets | <u>\$ 5,697,225</u> | <u>\$ 1,989,079</u> | <u>\$ 22,009,086</u> | <u>\$ 29,695,390</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 201,029 | \$ 63,548 | \$ 349,958 | \$ 614,535 |
| Accrued expenses | 258,845 | 80,652 | 420,591 | 760,088 |
| Other current liabilities | 220,497 | 77,859 | - | 298,356 |
| Current portion of debt obligations, net | - | - | 358,090 | 358,090 |
| Total current liabilities | <u>680,371</u> | <u>222,059</u> | <u>1,128,639</u> | <u>2,031,069</u> |
| Long-term liabilities: | | | | |
| Debt obligations, net, less current portion | - | - | 22,572,671 | 22,572,671 |
| Total long-term liabilities | <u>-</u> | <u>-</u> | <u>22,572,671</u> | <u>22,572,671</u> |
| Total liabilities | <u>680,371</u> | <u>222,059</u> | <u>23,701,310</u> | <u>24,603,740</u> |
| Net assets: | | | | |
| Net assets with donor restrictions | 223,945 | 161,024 | - | 384,969 |
| Net assets without donor restrictions - Undesignated | 4,792,909 | 1,605,996 | (1,692,224) | 4,706,681 |
| Total net assets | <u>5,016,854</u> | <u>1,767,020</u> | <u>(1,692,224)</u> | <u>5,091,650</u> |
| Total liabilities and net assets | <u>\$ 5,697,225</u> | <u>\$ 1,989,079</u> | <u>\$ 22,009,086</u> | <u>\$ 29,695,390</u> |

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020**

| | <u>CCMSHS</u> | <u>LCA</u> | <u>SC-LLC</u> | <u>Eliminations</u> | <u>Totals</u> |
|--|---------------------|---------------------|-----------------------|---------------------|---------------------|
| REVENUES | | | | | |
| Revenue limit sources: | | | | | |
| State aid | \$ 5,752,664 | \$ 2,184,066 | \$ - | \$ - | \$ 7,936,730 |
| Education protection account | 664,144 | 284,431 | - | - | 948,575 |
| In-lieu of property taxes | 2,280,926 | 976,959 | - | - | 3,257,885 |
| Federal revenues | 955,567 | 337,240 | - | - | 1,292,807 |
| State revenues | 1,462,855 | 715,587 | - | - | 2,178,442 |
| Local revenues: | | | | | |
| Donations | 1,389 | 601 | - | - | 1,990 |
| Fundraising | 137,232 | 78,571 | - | - | 215,803 |
| Rent | - | - | 1,676,773 | (1,676,773) | - |
| Miscellaneous | 114,270 | 66,455 | 45,324 | - | 226,049 |
| Total revenues | <u>11,369,047</u> | <u>4,643,910</u> | <u>1,722,097</u> | <u>(1,676,773)</u> | <u>16,058,281</u> |
| EXPENSES | | | | | |
| Program services: | | | | | |
| Education | 7,897,740 | 3,245,433 | - | - | 11,143,173 |
| Support services: | | | | | |
| Management and general | 3,002,874 | 1,298,722 | 1,861,527 | (1,676,773) | 4,486,350 |
| Total expenses | <u>10,900,614</u> | <u>4,544,155</u> | <u>1,861,527</u> | <u>(1,676,773)</u> | <u>15,629,523</u> |
| CHANGE IN NET ASSETS | 468,433 | 99,755 | (139,430) | - | 428,758 |
| NET ASSETS (DEFICIT), BEGINNING OF YEAR | <u>4,548,421</u> | <u>1,667,265</u> | <u>(1,552,794)</u> | <u>-</u> | <u>4,662,892</u> |
| NET ASSETS (DEFICIT), END OF YEAR | <u>\$ 5,016,854</u> | <u>\$ 1,767,020</u> | <u>\$ (1,692,224)</u> | <u>\$ -</u> | <u>\$ 5,091,650</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020

| | <u>CCMSHS</u> | <u>LCA</u> | <u>SL-LLC</u> | <u>Totals</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Change in net assets | \$ 468,433 | \$ 99,755 | \$ (139,430) | \$ 428,758 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | | | |
| Depreciation | 81,971 | 36,643 | 588,143 | 706,757 |
| (Increase) decrease in operating assets: | | | | |
| Accounts receivable | (194,825) | 37,208 | - | (157,617) |
| Prepaid expenses | (15,388) | (4,686) | - | (20,074) |
| Deposits | (3,459) | (1,507) | - | (4,966) |
| Increase (decrease) in operating liabilities: | | | | |
| Accounts payable | 56,145 | (12,538) | - | 43,607 |
| Accrued expenses | 30,464 | (14,773) | (7,745) | 7,946 |
| Other current liabilities | 181,403 | 55,511 | - | 236,914 |
| Net cash flows provided by operating activities | <u>604,744</u> | <u>195,613</u> | <u>440,968</u> | <u>1,241,325</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of fixed assets | (300,116) | (201,944) | - | (502,060) |
| Net cash flows used in investing activities | <u>(300,116)</u> | <u>(201,944)</u> | <u>-</u> | <u>(502,060)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Payments on debt obligations | - | - | (385,000) | (385,000) |
| Net cash flows used in financing activities | <u>-</u> | <u>-</u> | <u>(385,000)</u> | <u>(385,000)</u> |
| NET INCREASE IN CASH | 304,628 | (6,331) | 55,968 | 354,265 |
| CASH AND RESTRICTED CASH, BEGINNING OF YEAR | 3,135,722 | 1,026,500 | 3,104,666 | 7,266,888 |
| CASH AND RESTRICTED CASH, END OF YEAR | \$ 3,440,350 | \$ 1,020,169 | \$ 3,160,634 | \$ 7,621,153 |
| SUPPLEMENTAL DISCLOSURE: | | | | |
| Cash paid for interest | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,273,393</u> | <u>\$ 1,273,393</u> |
| RECONCILIATION OF CASH AND RESTRICTED CASH TO THE STATEMENT OF FINANCIAL POSITION | | | | |
| Cash | \$ 3,440,350 | \$ 1,020,169 | \$ 38,268 | \$ 4,498,787 |
| Restricted cash | - | - | 3,122,366 | 3,122,366 |
| TOTAL CASH AND RESTRICTED CASH | \$ 3,440,350 | \$ 1,020,169 | \$ 3,160,634 | \$ 7,621,153 |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LAKEVIEW TERRACE
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2020

| | <u>Program Services</u> | <u>Support Services</u> | <u>Totals</u> |
|--|-----------------------------|-----------------------------------|----------------------|
| | <u>Education</u> | <u>Management and General</u> | |
| Certificated salaries | \$ 4,007,316 | \$ 1,503,280 | \$ 5,510,596 |
| Classified salaries | 484,757 | 1,287,549 | 1,772,306 |
| Employee benefits | 1,502,106 | 564,272 | 2,066,378 |
| Books and supplies | 942,791 | 352,844 | 1,295,635 |
| Travel and conferences | 4,017 | 1,506 | 5,523 |
| Dues and memberships | 11,588 | 4,357 | 15,945 |
| Insurance | 108,451 | 40,729 | 149,180 |
| Operation and housekeeping services | 134,053 | 49,581 | 183,634 |
| Rental, leases, repairs, and non-capitalized improvements | 1,926,890 | 1,480,759 | 3,407,649 |
| Professional/consulting services and operating expenditures | 1,954,989 | 734,683 | 2,689,672 |
| Communications | 66,215 | 24,949 | 91,164 |
| Depreciation | - | 118,614 | 118,614 |
| Total expenses before eliminations | <u>11,143,173</u> | <u>6,163,123</u> | <u>17,306,296</u> |
| Eliminations | | <u>(1,676,773)</u> | <u>(1,676,773)</u> |
| Total expenses | <u>\$ 11,143,173</u> | <u>\$ 4,486,350</u> | <u>\$ 15,629,523</u> |

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
PUC LAKEVIEW TERRACE
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL
REPORT -- ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

| | CCMSHS | LCA | Totals |
|---|---------------|--------------|---------------|
| June 30, 2020, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance | \$ 5,894,779 | \$ 1,854,009 | \$ 7,748,788 |
| Adjustments and reclassifications: | | | |
| Increasing (decreasing) the fund balance to net assets: | | | |
| Accounts payable overstatement (understatement) | (720) | (207) | (927) |
| Other current liabilities overstatement (understatement) | (877,205) | (86,782) | (963,987) |
| Net adjustments and reclassifications | (877,925) | (86,989) | (964,914) |
| June 30, 2020, Audited Financial Statements, Net Assets | \$ 5,016,854 | \$ 1,767,020 | \$ 6,783,874 |

OTHER INDEPENDENT AUDITOR'S REPORTS



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

Board of Directors
Partnerships to Uplift Communities Lakeview Terrace
Partnerships to Uplift Communities Los Angeles
Partnerships to Uplift Communities Valley
Burbank, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Partnerships to Uplift Communities Los Angeles (a nonprofit organization), Partnerships to Uplift Communities Valley (a nonprofit organization), and Partnerships to Uplift Communities Lakeview Terrace (a nonprofit organization), (collectively referred to as "Partnerships to Uplift Communities") which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 5, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BAKER TILLY US, LLP

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

San Diego, California
April 5, 2021



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

Board of Directors
Partnerships to Uplift Communities Lakeview Terrace
Partnerships to Uplift Communities Los Angeles
Partnerships to Uplift Communities Valley
Burbank, California

Report on Compliance for Each Major Federal Program

We have audited Partnerships to Uplift Communities Los Angeles (a nonprofit organization), Partnerships to Uplift Communities Valley (a nonprofit organization), and Partnerships to Uplift Communities Lakeview Terrace (a nonprofit organization), (collectively referred to as “Partnerships to Uplift Communities”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Partnerships to Uplift Communities’ major federal programs for the fiscal year ended June 30, 2020. Partnerships to Uplift Communities’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Partnerships to Uplift Communities’ major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Partnerships to Uplift Communities’ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Partnerships to Uplift Communities’ compliance.

Opinion on Each Major Federal Program

In our opinion, Partnerships to Uplift Communities complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

BAKER TILLY US, LLP

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

San Diego, California
April 5, 2021



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
Partnerships to Uplift Communities Lakeview Terrace
Partnerships to Uplift Communities Los Angeles
Partnerships to Uplift Communities Valley
Burbank, California

Report on Compliance for Each State Program

We have audited the compliance of Partnerships to Uplift Communities Los Angeles, Partnerships to Uplift Communities Valley, and Partnerships to Uplift Communities Lakewood Terrace (collectively referred to as "Partnerships to Uplift Communities" or the "Organization") with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of Partnerships to Uplift Communities' state programs for the fiscal year ended June 30, 2020. Partnerships to Uplift Communities' state programs are identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Partnerships to Uplift Communities' state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State's Audit Guide, *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about Partnerships to Uplift Communities' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

| Description | Procedures Performed |
|--|-----------------------------|
| California Clean Energy Jobs Act | Yes |
| After/Before School Education and Safety Program | Yes |
| Proper Expenditure of Education Protection Account Funds | Yes |
| Unduplicated Local Control Funding Formula Pupil Counts | Yes |
| Local Control and Accountability Plan | Yes |
| Independent Study-Course Based Attendance | Not Applicable |
| Mode of Instruction | Yes |
| Nonclassroom-Based Instruction/Independent Study for Charter Schools | Not Applicable |
| Determination of Funding for Nonclassroom-Based Instruction | Not Applicable |
| Annual Instructional Minutes - Classroom Based | Yes |
| Charter School Facility Grant Program | Yes |

The term “Not Applicable” is used above to mean either that the Organization did not offer the program during the current fiscal year, or that the program applies only to a different type of local education agency.

Opinion on State Programs

In our opinion, Partnerships to Uplift Communities’ complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the scope of our testing of state compliance and the results of that testing based on the requirements of the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

BAKER TILLY US, LLP



San Diego, California
April 5, 2021

FINDINGS AND RECOMMENDATIONS SECTION

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
 PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
 PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2020**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported under section 200.516 Audit Findings paragraph (a) of OMB Uniform Guidance? Yes X No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--|
| 84.010 | Title I, Part A, Basic Grants Low-Income and Neglected |
| 84.027 | Special Education IDEA Grants to States, Part B |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2020**

A. Summary of Auditor's Results (Continued)

3. State Awards

Internal control over state programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None Reported

Type of auditors' report issued on compliance
for state programs: Unmodified

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

D. State Award Findings and Questioned Costs

None

**PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE
PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES
PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2020**

| <u>Findings/Recommendations</u> | <u>Current Status</u> | <u>Not Implemented</u> |
|--|-----------------------|------------------------|
| Finding 2019-01 400000 State Compliance | Implemented | N/A |