



Certified Public Accountants
and Financial Advisors

**Partnerships to Uplift
Communities**

Financial Statements

June 30, 2016

PARTNERSHIPS TO UPLIFT COMMUNITIES

**INDEPENDENT AUDITOR'S REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2016

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PARTNERSHIPS TO UPLIFT COMMUNITIES LOS ANGELES

PARTNERSHIPS TO UPLIFT COMMUNITIES VALLEY

PARTNERSHIPS TO UPLIFT COMMUNITIES LAKEVIEW TERRACE

*** * ***

**PUC COMMUNITY CHARTER MIDDLE SCHOOL & PUC COMMUNITY CHARTER
EARLY COLLEGE HIGH SCHOOL (CCMSHS)**

PUC CALS MIDDLE AND EARLY COLLEGE HIGH (CALSMSHS)

PUC MILAGRO CHARTER SCHOOL (MCS)

PUC LAKEVIEW CHARTER ACADEMY (LCA)

**PUC TRIUMPH CHARTER ACADEMY AND PUC TRIUMPH CHARTER HIGH
SCHOOL (TCA)**

PUC EXCEL CHARTER ACADEMY (ECA)

PUC SANTA ROSA CHARTER ACADEMY (SRCA)

PUC NUEVA ESPERANZA CHARTER ACADEMY (NECA)

PUC LAKEVIEW CHARTER HIGH SCHOOL (LCHS)

PUC EARLY COLLEGE ACADEMY FOR LEADERS AND SCHOLARS (ECALS)

PUC COMMUNITY CHARTER ELEMENTARY (CCE)

PUC INSPIRE CHARTER ACADEMY (ICA)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Partnerships to Uplift Communities
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, 2016, and the related consolidated statements of activities 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*, and 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, 2016, and the 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 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 2, 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 December 14 2016, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Partnerships to Uplift Communities' internal control over financial reporting and compliance.

SQUAR MILNER LLP

San Diego, California
December 14 2016

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the Fiscal Year Ended June 30, 2016

	PUC Los Angeles	PUC Valley	PUC Lakeview Terrace	Totals
ASSETS				
Current assets:				
Cash	\$ 3,158,085	\$ 1,905,606	\$ 2,112,041	\$ 7,175,732
Restricted cash, current portion	-	1,188,145	998,737	2,186,882
Accounts receivable	2,361,884	3,367,534	1,362,293	7,091,711
Prepaid expenses	8,308	3,661	6,488	18,457
Other current assets	41,047	1,019	12,818	54,884
Deferred rent	39,336	-	47,773	87,109
Deferred debt issuance costs, current portion	-	-	56,913	56,913
Total current assets	<u>5,608,660</u>	<u>6,465,965</u>	<u>4,597,063</u>	<u>16,671,688</u>
Restricted cash, noncurrent portion	-	2,433,893	2,029,710	4,463,603
Fixed assets, net	337,027	24,090,680	21,201,564	45,629,271
Deposits	179,593	159,000	325,134	663,727
Deferred debt issuance costs, net of current portion	-	2,358,172	1,614,990	3,973,162
Total assets	<u>\$ 6,125,280</u>	<u>\$ 35,507,710</u>	<u>\$ 29,768,461</u>	<u>\$ 71,401,451</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 508,176	\$ 1,838,426	\$ 687,536	\$ 3,034,138
Accrued expenses	667,579	1,209,365	711,542	2,588,486
Deferred revenue	58,812	232,307	207,775	498,894
Deferred rent	14,854	426,059	-	440,913
Other current liabilities	10,209	3,936	43	14,188
Current portion of debt obligations	-	1,077,378	320,000	1,397,378
Total current liabilities	<u>1,259,630</u>	<u>4,787,471</u>	<u>1,926,896</u>	<u>7,973,997</u>
Debt obligations, net of current portion	-	26,558,126	25,470,000	52,028,126
Total liabilities	<u>1,259,630</u>	<u>31,345,597</u>	<u>27,396,896</u>	<u>60,002,123</u>
Net assets:				
Temporarily restricted	405,134	322,979	311,566	1,039,679
Unrestricted	4,460,516	3,839,134	2,059,999	10,359,649
Total net assets	<u>4,865,650</u>	<u>4,162,113</u>	<u>2,371,565</u>	<u>11,399,328</u>
Total liabilities and net assets	<u>\$ 6,125,280</u>	<u>\$ 35,507,710</u>	<u>\$ 29,768,461</u>	<u>\$ 71,401,451</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

	PUC Los Angeles	PUC Valley	PUC Lakeview Terrace	Totals
REVENUES				
Revenue limit sources:				
State aid	\$ 9,977,161	\$ 11,987,186	\$ 5,983,467	\$ 27,947,814
Education protection account	2,439,615	2,222,342	1,464,471	6,126,428
In-lieu of property taxes	3,337,844	3,756,364	2,079,232	9,173,440
Federal revenues	2,024,548	2,318,558	1,175,411	5,518,517
State revenues	4,001,591	4,278,683	2,731,635	11,011,909
Local revenues:				
Donations	79,181	147,295	33,243	259,719
Fundraising	251,470	207,515	251,827	710,812
Miscellaneous	632,256	482,778	1,143,513	2,258,547
Total revenues before transfers	22,743,666	25,400,721	14,862,799	63,007,186
Net assets transferred to restrictions	(137,121)	(107,597)	(90,559)	(335,277)
Total revenues	22,606,545	25,293,124	14,772,240	62,671,909
EXPENSES				
Program services:				
Education	14,985,167	15,267,593	8,595,357	38,848,117
Support services:				
Management and general	6,020,899	7,497,031	6,808,844	20,326,774
Total expenses	21,006,066	22,764,624	15,404,201	59,174,891
Change in unrestricted net assets	1,600,479	2,528,500	(631,961)	3,497,018
Decrease in temporarily restricted net assets	137,121	107,597	90,559	335,277
CHANGE IN NET ASSETS	1,737,600	2,636,097	(541,402)	3,832,295
NET ASSETS, BEGINNING OF YEAR	3,128,050	1,526,016	2,912,967	7,567,033
NET ASSETS, END OF YEAR	\$ 4,865,650	\$ 4,162,113	\$ 2,371,565	\$ 11,399,328

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016

	PUC Los Angeles	PUC Valley	PUC Lakeview Terrace	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 1,737,600	\$ 2,636,097	\$ (541,402)	\$ 3,832,295
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	102,059	192,237	589,481	883,777
Amortization	-	-	56,913	56,913
Loss on disposal of fixed assets	-	726	324,560	325,286
(Increase) decrease in operating assets:				
Accounts receivable	(160,062)	(1,297,210)	1,930,897	473,625
Intercompany receivables	567,688	(1,918,730)	-	(1,351,042)
Prepaid expenses	108,147	2,373	(3,488)	107,032
Other current assets	135,764	142,337	602,440	880,541
Deferred rent assets	(2,683)	(74,200)	28,869	(48,014)
Deposits	(1,700)	-	(1,086)	(2,786)
Increase (decrease) in operating liabilities:				
Accounts payable	285,023	1,445,988	(712,164)	1,018,847
Intercompany payables	-	1,918,730	(567,688)	1,351,042
Accrued expenses	(235,204)	(164,525)	115,432	(284,297)
Deferred revenue	58,812	232,307	117,775	408,894
Deferred rent	(85,514)	9,130	(18,366)	(94,750)
Other current liabilities	(258,994)	(249,660)	(506,995)	(1,015,649)
Net cash flows provided by operating activities	2,250,936	2,875,600	1,415,178	6,541,714
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(96,732)	(4,597,028)	(33,000)	(4,726,760)
Net cash flows used in investing activities	(96,732)	(4,597,028)	(33,000)	(4,726,760)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on debt obligations	-	(694,496)	(300,000)	(994,496)
Decrease in restricted cash	-	1,269,567	29,030	1,298,597
Net cash flows provided by (used in) financing activities	-	575,071	(270,970)	304,101
NET INCREASE (DECREASE) IN CASH	2,154,204	(1,146,357)	1,111,208	2,119,055
CASH, BEGINNING OF YEAR	1,003,881	3,051,963	1,000,833	5,056,677
CASH, END OF YEAR	<u>\$ 3,158,085</u>	<u>\$ 1,905,606</u>	<u>\$ 2,112,041</u>	<u>\$ 7,175,732</u>
SUPPLEMENTAL DISCLOSURE:				
Cash paid for interest	<u>\$ -</u>	<u>\$ 1,686,706</u>	<u>\$ 1,367,610</u>	<u>\$ 3,054,316</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

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 PUC Home Office combined with PUC Facilities, LLC, and two charter schools, referred to below. All three nonprofit organizations are collectively, hereto forth, referred to as the “Organization”.

<u>Charter Name</u>	<u>Charter Number</u>	<u>Sponsoring District</u>
PUC Community Charter Middle and PUC Community Charter Early College High	0213	Los Angeles Unified School District
PUC CALS Middle and Early College High	0331	Los Angeles Unified School District
PUC Milagro Charter School	0600	Los Angeles Unified School District
PUC Lakeview Charter Academy	0603	Los Angeles Unified School District
PUC Triumph Charter Academy and PUC Triumph Charter High	0797	Los Angeles Unified School District
PUC Excel Charter Academy	0798	Los Angeles Unified School District
PUC Santa Rosa Charter Academy	1091	Los Angeles Unified School District
PUC Nueva Esperanza Charter Academy	1092	Los Angeles Unified School District
PUC Lakeview Charter High School	1241	Los Angeles Unified School District
PUC Early College Academy for Leaders and Scholars	1354	Los Angeles Unified School District
PUC Community Charter Elementary School	1657	Los Angeles Unified School District
PUC Inspire Charter School	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:

<u>Charter Name</u>	<u>Original School Start Date</u>	<u>Term of Charter</u>	<u>Charter Expiration</u>	<u>Enrollment Average</u>
PUC Community Charter Middle and PUC PUC Community Charter Early College High	September 8, 1999	5 Years	June 30, 2019	740
PUC CALS Middle and Early College High	September 11, 2000	5 Years	June 30, 2020	541
PUC Milagro Charter School	September 1, 2004	5 Years	June 30, 2019	275
PUC Lakeview Charter Academy	September 1, 2004	5 Years	June 30, 2019	332
PUC Triumph Charter Academy and PUC Triumph Charter High	September 24, 2007	5 Years	June 30, 2020	691
PUC Excel Charter Academy	September 18, 2006	5 Years	June 30, 2021	303
PUC Santa Rosa Charter Academy	September 16, 2009	5 Years	June 30, 2019	182
PUC Nueva Esperanza Charter Academy	September 9, 2009	5 Years	June 30, 2019	415
PUC Lakeview Charter High School	September 14, 2010	5 Years	June 30, 2020	389
PUC Early College Academy for Leaders and Scholars	August 29, 2011	5 Years	June 30, 2019	420
PUC Community Charter Elementary School	July 1, 2014	5 Years	June 30, 2019	237
PUC Inspire Charter School	July 1, 2014	5 Years	June 30, 2019	202

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

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

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-Lakes 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) which is combined with PUC Home Office (PUC). All of the organizations are controlled through majority voting by their Board of Directors. All significant inter-organizational accounts have been eliminated.

Financial Statement Presentation

The consolidated financial statements are presented in conformity with Accounting Standards Codification (ASC) 958-205, *Not-For-Profit Entities – Presentation of Financial Statements*. Under ASC 958-205, the Organization reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets: Unrestricted net assets are available to support all activities of the Organization, and are not subject to donor-imposed stipulations. These generally result from revenues generated by providing services, receiving unrestricted contributions, and receiving interest from investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Temporarily restricted net assets: Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. There were \$1,039,679 temporarily restricted net assets as of June 30, 2016.

Permanently restricted net assets: Net assets that are subject to donor-imposed stipulations that the restrictions be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on the related investments for general or specific purposes. There were no permanently restricted net assets as of June 30, 2016.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Method - Basis of Accounting

The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting relates to when revenues and expenses are recognized in the accounts and reported on the consolidated financial statements. 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 generally accepted accounting principles 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.

Generally accepted accounting principles (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, 2016, 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 \$4,030,075 at June 30, 2016. Amortization expense for the year ended June 30, 2016 was \$56,913.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Revenue Sources and Recognition

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 primarily receives the funds from California Department of Education (CDE). Amounts received from the CDE are recognized by the Organization based on the average daily attendance (ADA) of students.

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

Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

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, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 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 payments to be made to lessor, on its balance sheet for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Organization has not yet assessed the potential impact of this guidance on its financial statements.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements (continued)

In August 2016, The FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 changes how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. ASU 2016-14 requires amended presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users.

These include qualitative and quantitative requirements in the following areas: (1) net asset classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments is permitted. The Organization has not yet assessed the potential impact of this guidance on its financial statements.

In April 2015, the FASB issued Accounting Standards update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (“ASU 2015-03”). ASU 2015-03 changes the presentation of debt issuance costs in financial statements, by requiring them to be presented in the balance sheet as a direct deduction from the related debt liability, rather than as an asset. Amortization of the costs is reported as interest expense. There is no change to the current guidance on the recognition and measurement of debt issuance costs. The new guidance is effective for the Organization for the fiscal year beginning July 1, 2016. Adoption of this guidance will change the classification of the debt issuance costs on the Organization’s Statement of Financial Position, but will not have any impact on the Organizations net assets or changes in net assets.

Reclassifications

Certain reclassifications have been made to the prior years’ consolidated financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

3. CASH

Cash at June 30, 2016, consisted of the following:

Deposits:

Cash in banks	
PUC Los Angeles	\$ 3,152,585
PUC Valley	1,901,606
PUC Lakeview Terrace	<u>2,110,041</u>
Total cash in banks	<u>\$ 7,164,232</u>

Cash on hand:

Petty cash	
PUC Los Angeles	\$ 5,500
PUC Valley	4,000
PUC Lakeview Terrace	<u>2,000</u>
Total petty cash	<u>11,500</u>
Total cash	<u><u>\$ 7,175,732</u></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. At June 30, 2016 the Organization had \$6,655,633 in excess of FDIC insured limits.

4. RESTRICTED CASH

Cash balances held with a fiscal agent, Zions Bank, are held to distribute funds from the Bonds for ongoing and future principal and interest payments, repairs and general reserve account.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

4. RESTRICTED CASH (continued)

Restricted cash at June 30, 2016, consisted of the following:

	PUC Valley	PUC Lakeview Terrace
Revenue fund	\$ 195	\$ 160
Interest account	842,950	678,555
Principal account	345,000	320,000
Reserve account	2,033,893	1,679,710
Expense account	-	22
Repairs reserve	150,000	350,000
Enrollment stabilization account	250,000	-
Total restricted cash	<u>3,622,038</u>	<u>3,028,447</u>
Less current portion	<u>(1,188,145)</u>	<u>(998,737)</u>
Total non-current	<u>\$ 2,433,893</u>	<u>\$ 2,029,710</u>

5. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016, consisted of the following:

	PUC Los Angeles					Totals	
	CALSMHS	MCS	ECA	SRCA	ECALS		
Revenue Limit Sources:							
State Aid	\$ 413,709	\$ 225,418	\$ 224,785	\$ 128,273	\$ 373,415	\$ 1,365,600	
In Lieu of Property Taxes	32,472	17,990	13,849	7,999	17,012	89,322	
Federal	44,738	42,469	48,573	25,447	21,998	183,225	
State	433,123	75,267	82,217	103,085	30,045	723,737	
Total	<u>\$ 924,042</u>	<u>\$ 361,144</u>	<u>\$ 369,424</u>	<u>\$ 264,804</u>	<u>\$ 442,470</u>	<u>\$ 2,361,884</u>	
	PUC Valley					Totals	
	TCA	NECA	LCHS	CCE	ICA		TL-LLC
Revenue Limit Sources:							
State Aid	\$ 536,068	\$ 330,325	\$ 342,176	\$ 178,239	\$ 122,641	\$ -	\$ 1,509,449
In Lieu of Property Taxes	32,260	29,128	18,470	9,659	7,744	-	97,261
Federal	73,202	10,500	38,335	44,248	20,249	-	186,534
State	374,301	184,778	116,709	35,873	23,651	-	735,312
Local:							
Miscellaneous	-	-	-	-	-	838,978	838,978
Total	<u>\$1,015,831</u>	<u>\$ 554,731</u>	<u>\$ 515,690</u>	<u>\$ 268,019</u>	<u>\$ 174,285</u>	<u>\$ 838,978</u>	<u>\$3,367,534</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

5. ACCOUNTS RECEIVABLE (continued)

	PUC Lakeview Terrace		
	CCMSHS	LCA	Totals
Revenue Limit Sources:			
State Aid	\$ 664,631	\$ 254,912	\$ 919,543
In Lieu of Property Taxes	49,894	19,624	69,518
Federal	67,098	38,551	105,649
State	198,830	68,753	267,583
Total	\$ 980,453	\$ 381,840	\$ 1,362,293

6. INTERCOMPANY BALANCES AND ACTIVITIES

Due To/From Other Entities

Balances due to and due from other entities at June 30, 2016, consisted of the following:

Due To	Due From	Amount	Purpose
PUC Valley			Tenant improvements
- TCA		\$ 918,730	
- NECA		500,000	
- LCHS		500,000	
	PUC Lakeview Terrace		Tenant improvements
	- TL-LLC	(1,918,730)	
	Total	\$ -	

During the year ended June 30, 2016, PUC Valley advanced \$1,918,730 to TL-LLC in order to continue construction on the facility. On December 28, 2016, PUC Valley and TL-LLC executed a Promissory Note to repay the final balance of \$2,806,874 with interest of 3.25% per annum. The Promissory Note matures on August 1, 2020 and is payable in principal and interest of \$62,435 per month.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

7. FIXED ASSETS

Fixed assets at June 30, 2016, consisted of the following:

	PUC Los Angeles					Totals
	CALSMHS	MCS	ECA	SRCA	ECALS	
Site improvements	\$ 687,372	\$ 87,111	\$ 134,662	\$ 58,011	\$ 9,438	\$ 976,594
Equipment	867,131	159,196	90,164	24,302	75,149	\$ 1,215,942
Less: accumulated depreciation	(1,422,455)	(169,708)	(186,313)	(49,984)	(27,049)	\$ (1,855,509)
Total fixed assets, net of depreciation	\$ 132,048	\$ 76,599	\$ 38,513	\$ 32,329	\$ 57,538	\$ 337,027

During the fiscal year ended June 30, 2016, \$102,059 was charged to depreciation expense.

	PUC Valley					Totals
	TCA	NECA	LCHS	ICA	IL-LLC	
Land	\$ -	\$ -	\$ -	\$ -	\$ 1,311,527	\$ 1,311,527
Buildings	-	-	-	-	1,287,042	1,287,042
Work in progress	-	-	-	-	20,444,084	20,444,084
Site improvements	499,910	90,129	179,236	66,530	-	835,805
Equipment	595,495	151,420	300,687	41,008	-	1,088,610
Less: accumulated depreciation	(501,436)	(213,269)	(145,959)	(15,724)	-	(876,388)
Total fixed assets, net of depreciation	\$ 593,969	\$ 28,280	\$ 333,964	\$ 91,814	\$ 23,042,653	\$ 24,090,680

During the fiscal year ended June 30, 2016, \$192,237 was charged to depreciation expense.

	PUC Lakeview Terrace			Totals
	CCMSHS	LCA	PUC	
Land	\$ -	\$ -	\$ 2,623,115	\$ 2,623,115
Buildings	-	-	20,432,048	20,432,048
Site improvements	309,376	117,433	285,930	712,739
Equipment	242,860	35,667	114,401	392,928
Less: accumulated depreciation	(393,034)	(91,017)	(2,475,215)	(2,959,266)
Total fixed assets, net of depreciation	\$ 159,202	\$ 62,083	\$ 20,980,279	\$ 21,201,564

During the fiscal year ended June 30, 2016, \$589,481 was charged to depreciation expense.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

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.

Future annual payments of principal and interest on the 2012 Bonds as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	\$ 320,000	\$ 1,345,910	\$ 1,665,910
2018	345,000	1,322,635	1,667,635
2019	365,000	1,297,785	1,662,785
2020	385,000	1,273,391	1,658,391
2021-2025	2,280,000	6,045,681	8,325,681
2026-2030	2,905,000	5,406,550	8,311,550
2031-2035	3,705,000	4,579,875	8,284,875
2036-2040	4,780,000	3,481,150	8,261,150
2041-2045	6,170,000	2,050,263	8,220,263
2046-2047	4,535,000	368,748	4,903,748
Totals	<u>\$ 25,790,000</u>	<u>\$ 27,171,988</u>	<u>\$ 52,961,988</u>

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 1, 2044. Future annual payments of principal and interest on the 2014 Bonds as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	\$ 345,000	1,673,825	\$ 2,018,825
2018	370,000	1,649,171	2,019,171
2019	395,000	1,626,026	2,021,026
2020	415,000	1,604,359	2,019,359
2021-2025	2,435,000	7,653,982	10,088,982
2026-2030	3,235,000	6,822,927	10,057,927
2031-2035	4,405,000	5,610,129	10,015,129
2036-2040	6,050,000	3,902,849	9,952,849
2041-2045	8,380,000	1,487,357	9,867,357
Totals	<u>\$ 26,030,000</u>	<u>\$ 32,030,625</u>	<u>\$ 58,060,625</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

8. DEBT OBLIGATIONS (continued)

Revolving Loans – PUC Valley

On June 16, 2014, the Organization entered into a Credit and Security Agreement with Nonprofit Finance Fund in order to borrow up to \$2,000,000. On May 31, 2015, the Organization borrowed \$1,900,000 with interest of 6.75%, per annum.

The loan matures on June 30, 2018, and is payable in principal and interest of \$58,450 per month. Future annual payments of principal and interest on the revolving loans as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	\$ 632,378	\$ 69,017	\$ 701,395
2018	673,126	24,986	698,112
Totals	<u>\$ 1,305,504</u>	<u>\$ 94,003</u>	<u>\$ 1,399,507</u>

Notes Payable – PUC Valley

On June 18, 2014, PUC Community Charter Elementary School (CCE), a charter school within PUC Valley, took out a five-year California School Finance Authority Revolving Loan in the principal amount of \$250,000, with interest at 0.22% per annum. The loan matures on March 20, 2019, with principal payments of \$50,000 plus annual interest.

On June 22, 2014, PUC Inspire Charter Academy (ICA), a charter school within PUC Valley, took out a five-year California School Finance Authority Revolving Loan in the principal amount of \$250,000, with interest at 0.22% per annum. The loan matures on March 20, 2019, with principal payments of \$50,000 plus annual interest. Future annual payments of principal and interest of these revolving loans as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	\$ 100,000	\$ 584	\$ 100,584
2018	100,000	368	100,368
2019	100,000	152	100,152
Totals	<u>\$ 300,000</u>	<u>\$ 1,104</u>	<u>\$ 301,104</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

8. DEBT OBLIGATIONS (continued)

Long-Term Liabilities Activity

Long-term liabilities activity includes debt and other long-term liabilities. Changes in obligations for the fiscal year ended June 30, 2016, are as follows:

Long-Term Debt Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds Payable:					
PUC Lakeview Terrace	\$ 26,090,000	\$ -	\$ (300,000)	\$ 25,790,000	\$ 320,000
PUC Valley	26,030,000	-	-	26,030,000	345,000
Revolving Loan:					
PUC Valley	1,900,000	-	(594,496)	1,305,504	632,378
Notes Payable:					
PUC Valley	400,000	-	(100,000)	300,000	100,000
Total long-term debt activities	<u>\$ 54,420,000</u>	<u>\$ -</u>	<u>\$ (994,496)</u>	<u>\$ 53,425,504</u>	<u>\$ 1,397,378</u>

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of entitlements received but not expended as of June 30, 2016. At June 30, 2016, the Organization's temporarily restricted net assets consisted of:

	PUC Los Angeles					Totals
	CALSMSHS	MCS	ECA	SRCA	ECALS	
Proposition 39 - California Clean Jobs Act	\$ 106,907	\$ 54,040	\$ -	\$ 52,899	\$ 54,167	\$ 268,013
Educator Effectivness Funds	27,131	23,465	25,664	22,731	38,130	137,121
Totals	<u>\$ 134,038</u>	<u>\$ 77,505</u>	<u>\$ 25,664</u>	<u>\$ 75,630</u>	<u>\$ 92,297</u>	<u>\$ 405,134</u>
	PUC Valley					Totals
	TCA	NECA	LCHS	CCE	ICA	
Proposition 39 - California Clean Jobs Act	\$ 107,272	\$ 54,547	\$ 54,103	\$ -	\$ -	\$ 215,922
Educator Effectivness Funds	24,931	26,398	30,797	14,665	10,266	107,057
Totals	<u>\$ 132,203</u>	<u>\$ 80,945</u>	<u>\$ 84,900</u>	<u>\$ 14,665</u>	<u>\$ 10,266</u>	<u>\$ 322,979</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

9. TEMPORARILY RESTRICTED NET ASSETS (continued)

	PUC Lakeview Terrace		
	CCMSHS	LCA	Totals
Proposition 39 - California Clean Jobs Act	\$ 166,175	\$ 54,832	\$ 221,007
Educator Effectivness Funds	62,695	27,864	90,559
Totals	\$ 228,870	\$ 82,696	\$ 311,566

10. OPERATING LEASES

The Organization leases office equipment and facilities under lease arrangement that expires during the 2046-2047 fiscal years. The future minimum lease payments as of June 30, 2016, are as follows:

Year Ending June 30,	Future Operating Lease Payments - PUC Los Angeles	
	Other Lease Payments	
2017	\$	673,760
2018		552,443
2019		452,575
2020		454,689
2021		454,209
2022 - 2026		2,249,512
2027 - 2031		2,258,517
2032 - 2036		2,237,130
2035 - 2039		2,249,624
2042 - 2046		2,240,257
2045 - 2047		444,203
Total	\$	14,266,917

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

10. OPERATING LEASE

Year Ending June 30,	Future Operating Lease Payments - PUC Valley		
	Lease Payments To TL-LLC	Other Lease Payments	Totals
2017	\$ 2,031,750	\$ 592,085	\$ 2,623,835
2018	2,031,593	616,522	2,648,115
2019	2,030,460	471,538	2,501,998
2020	2,033,258	353,017	2,386,275
2021	2,029,718	348,162	2,377,880
2022 - 2026	10,155,633	1,820,732	11,976,365
2027 - 2031	10,159,245	1,557,389	11,716,634
2032 - 2036	10,155,633	-	10,155,633
2035 - 2039	10,157,612	-	10,157,612
2042 - 2046	6,087,775	-	6,087,775
Total	\$ 56,872,675	\$ 5,759,446	\$ 62,632,121

Year Ending June 30,	Future Operating Lease Payments - PUC Lakeview Terrace		
	Lease Payments To SCCSP	Other Lease Payments	Totals
2017	\$ 1,403,067	\$ 27,097	\$ 1,430,164
2018	1,378,285	7,524	1,385,809
2019	1,382,442	-	1,382,442
2020	1,344,722	-	1,344,722
2021	1,270,654	-	1,270,654
2022 - 2026	6,180,377	-	6,180,377
2027 - 2031	6,175,782	-	6,175,782
2032 - 2036	6,189,090	-	6,189,090
2035 - 2039	6,179,730	-	6,179,730
2042 - 2046	6,177,221	-	6,177,221
2045 - 2047	855,362	-	855,362
Total	\$ 38,536,732	\$ 34,621	\$ 38,571,353

The Organization receives no sublease rental revenues nor pays any contingent rentals associated with this lease. For the fiscal year ended June 30, 2016, the aggregate operating lease expense was \$5,587,569.

11. EMPLOYEE RETIREMENT SYSTEMS

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).

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

11. EMPLOYEE RETIREMENT SYSTEMS (continued)

Plan Description

The Organization contributes to the 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 Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2016, total plan net assets are \$180.6 billion, the total actuarial present value of accumulated plan benefits is \$301.3 billion, contributions from all employers totaled \$2.5 billion, and the plan is 68.5% 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.

STRS

Funding Policy

Active plan members are required to contribute 9.20% 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 2015-2016 was 10.73% 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, 2016, was \$2,277,045, and equals 100% of the required contribution for each fiscal 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, 2016, was \$83,986, and equals 100% of the required contribution for the fiscal year.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

12. RELATED PARTY TRANSACTIONS

Lease Agreements

CALSMHS, CCMSHS and LCA have rental agreements with Southern California Charter School Properties, LLC (SCCSP). CALSMHS, CCMSHS and LCA pay a monthly rent of approximately \$37,700, \$71,100 and \$31,000, respectively. Total transactions for the fiscal year ended June 30, 2016, were \$1,677,110. The amount was recognized as rental income for the SCCSP and rental expenditure for CALSMHS, CCMSHS and LCA and was, therefore, eliminated from the consolidated financial statements.

TCA and LCHS have rental agreements with Tri-lake Charter School Properties, LLC (TL-LLC). TCA and LCHS pay a monthly rent of approximately \$106,600 and \$62,600, respectively. Total transactions for the fiscal year ended June 30, 2016, were \$2,030,000. 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.

School Management Services Agreement

On July 1, 2015, each individual school of the Organization entered into a service agreement with PUC National, under which PUC National provides management and oversight 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 agreements are for twelve months commencing on July 1 each year, and is renewed annually with the current contract ending June 30, 2016. Fees for these services range between 7.00% - 7.25% of the each individual schools total unrestricted revenue, excluding Federal revenues. Fees charged by the Organization for the year ended June 30, 2016 were \$3,888,243.

The contracts for Organization were renewed on July 1, 2016 with a management fee of 9.25% of unrestricted revenue, excluding Federal revenue.

13. 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.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016

14. 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 December 14 2016, which is the date the consolidated financial statements were available to be issued.

Subsequent to the year end, TL-LLC borrowed an additional \$1,501,370, for a total of \$2,806,874, from PUC Valley as described in Note 6.

SUPPLEMENTARY INFORMATION

**PARTNERSHIPS TO UPLIFT COMMUNITIES
ORGANIZATION
JUNE 30, 2016**

Partnerships to Uplift Communities consists of the following twelve 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, 2019.

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, 2020. During the year ended June 30, 2016, PUC California Academy for Liberal Studies Charter Middle School and PUC California Academy for Liberal Studies Early College High School were merged into PUC CALS Middle and Early College High.

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, 2019.

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, 2019.

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, 2020.

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, 2021.

PUC Santa Rosa Charter Academy [#1091] 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, 2019.

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, 2019.

**PARTNERSHIPS TO UPLIFT COMMUNITIES
ORGANIZATION
JUNE 30, 2016**

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, 2020.

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, 2019.

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, 2014, for a 5-year term expiring on June 30, 2019, 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, 2014, for a 5-year term expiring on June 30, 2019, pursuant to the terms of the Charter Schools Act of 1992, as amended.

**PARTNERSHIPS TO UPLIFT COMMUNITIES
ORGANIZATION
JUNE 30, 2016**

The Board of Directors for the fiscal year ended June 30, 2016, was comprised of the following members:

PUC Los Angeles

Name	Office	Term	Term Expiration
Manuel Ponce, Ph.D.	President	2 Years	June 2017
Yvette King-Berg	Vice-President	2 Years	June 2017
Fidel Ramirez	Treasurer/Secretary	2 Years	June 2017
Jessica Lopez	Member	2 Years	June 2017
Genesis Morales	Member	2 Years	June 2017
Jesse Almeda	Member	2 Years	June 2017

PUC Valley

Name	Office	Term	Term Expiration
Manuel Ponce, Ph.D.	President	2 Years	June 2017
Yvette King-Berg	Vice-President	2 Years	June 2017
Fidel Ramirez	Treasurer/Secretary	2 Years	June 2017
Jessica Lopez	Member	2 Years	June 2017
Genesis Morales	Member	2 Years	June 2017
Jesse Almeda	Member	2 Years	June 2017

PUC Lakeview Terrace

Name	Office	Term	Term Expiration
Manuel Ponce, Ph.D.	President	2 Years	June 2017
Yvette King-Berg	Vice-President	2 Years	June 2017
Fidel Ramirez	Treasurer/Secretary	2 Years	June 2017
Jessica Lopez	Member	2 Years	June 2017
Genesis Morales	Member	2 Years	June 2017
Jesse Almeda	Member	2 Years	June 2017

PUC Schools Administration

Name	Position
Nik Orlando	Regional Superintendent, LA Schools
Adrian Abich	Regional Superintendent, Valley Schools
Leslie Chang Ed.D	Regional Superintendent of Leadership and Instruction
Christine Sartiaguda	VP of Clinical Services
Meredith McOlvin	Director of Inclusion and Special Education

PUC National (Support) Management

Name	Position
Jacqueline Elliot, Ed.D.	Chief Executive Officer
Lisa Tovar	Chief Financial Officer
Malena Orozco-Otero	Chief of Human Capital
Jaime Serrano	VP of Information Technology
Edwin Torres	Director of Operations, Facilities Operations & Development

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

	Second Period Report	Annual Report
	<u> </u>	<u> </u>
Grades 4 - 6	116.12	115.23
Grades 7 - 8	222.86	222.09
Grades 9 -12	<u>403.58</u>	<u>402.65</u>
Total	<u><u>742.56</u></u>	<u><u>739.97</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	79.63	80.27
Grades 7 - 8	218.40	217.85
Grades 9 -12	<u>244.46</u>	<u>243.35</u>
Total	<u><u>542.49</u></u>	<u><u>541.47</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.

PUC Milagro Charter School

	Second Period Report	Annual Report
	<u> </u>	<u> </u>
Transitional Kindergarten/Kindergarten - Grade 3	184.67	184.37
Grades 4 - 6	<u>90.27</u>	<u>90.18</u>
Total	<u><u>274.94</u></u>	<u><u>274.55</u></u>

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

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PUC Lakeview Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	107.80	107.28
Grades 7 - 8	226.07	224.91
Total	333.87	332.19

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

PUC Triumph Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	109.61	108.86
Grades 7 - 8	228.55	228.73
Grades 9 -12	356.49	353.80
Total	694.65	691.39

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

PUC Excel Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	102.21	100.94
Grades 7 - 8	202.60	201.74
Total	304.81	302.68

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

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PUC Santa Rosa Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	<u>47.50</u>	<u>48.05</u>
Grades 7 - 8	<u>135.09</u>	<u>133.55</u>
Total	<u><u>182.59</u></u>	<u><u>181.60</u></u>

Santa Rosa 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	<u>116.60</u>	<u>115.89</u>
Grades 7 - 8	<u>232.98</u>	<u>232.18</u>
Grades 9 -12	<u>65.85</u>	<u>66.86</u>
Total	<u><u>415.43</u></u>	<u><u>414.93</u></u>

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	<u>392.01</u>	<u>389.34</u>
Total	<u><u>392.01</u></u>	<u><u>389.34</u></u>

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

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PUC Early College Academy for Leaders and Scholars

	Second Period Report	Annual Report
Grades 9 -12	423.19	420.27
Total	423.19	420.27

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

	Second Period Report	Annual Report
Grades 1 - 3	196.56	195.83
Grades 4 - 6	42.11	42.02
Total	238.67	237.85

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

PUC Inspire Middle Academy

	Second Period Report	Annual Report
Grades 4 - 6	105.94	104.95
Grades 7 - 8	97.99	97.60
Total	203.93	202.55

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

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PUC Community Charter Middle School & Community Early College High School

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Grade 6	54,000	65,750	176	In Compliance
Grade 7	54,000	65,750	176	In Compliance
Grade 8	54,000	65,750	176	In Compliance
Grade 9	64,800	66,690	176	In Compliance
Grade 10	64,800	66,690	176	In Compliance
Grade 11	64,800	66,690	176	In Compliance
Grade 12	64,800	66,690	176	In Compliance

PUC CALS Middle and Early College High

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Grade 6	54,000	64,585	176	In Compliance
Grade 7	54,000	62,545	176	In Compliance
Grade 8	54,000	62,545	176	In Compliance
Grade 9	64,800	65,568	174	In Compliance
Grade 10	64,800	65,568	174	In Compliance
Grade 11	64,800	65,568	174	In Compliance
Grade 12	64,800	65,568	174	In Compliance

PUC Milagro Charter School

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Kindergarten	36,000	59,965	176	In Compliance
Grade 1	50,400	57,910	176	In Compliance
Grade 2	50,400	57,910	176	In Compliance
Grade 3	50,400	57,910	176	In Compliance
Grade 4	54,000	57,910	176	In Compliance
Grade 5	54,000	57,910	176	In Compliance

PUC Lakeview Charter Academy

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Grade 6	54,000	67,920	176	In Compliance
Grade 7	54,000	67,920	176	In Compliance
Grade 8	54,000	67,920	176	In Compliance

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PUC Triumph Charter Academy

Grade Level	2015-16 Minutes Requirements	2015-2016 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	65,810	176	In Compliance
Grade 7	54,000	65,810	176	In Compliance
Grade 8	54,000	65,810	176	In Compliance
Grade 9	64,800	65,655	176	In Compliance
Grade 10	64,800	65,655	176	In Compliance
Grade 11	64,800	65,655	176	In Compliance
Grade 12	64,800	65,655	176	In Compliance

PUC Excel Charter Academy

Grade Level	2015-16 Minutes Requirements	2015-2016 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	67,084	176	In Compliance
Grade 7	54,000	59,818	176	In Compliance
Grade 8	54,000	60,828	176	In Compliance

PUC Santa Rosa Charter Academy

Grade Level	2015-16 Minutes Requirements	2015-2016 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	71,002	176	In Compliance
Grade 7	54,000	71,002	176	In Compliance
Grade 8	54,000	63,262	176	In Compliance

PUC Nueva Esperanza Charter Academy

Grade Level	2015-16 Minutes Requirements	2015-2016 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	67,205	176	In Compliance
Grade 7	54,000	68,595	176	In Compliance
Grade 8	54,000	68,555	176	In Compliance
Grade 9	64,800	66,600	175	In Compliance

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PUC Lakeview Charter High School

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Grade 9	64,800	66,590	176	In Compliance
Grade 10	64,800	66,330	176	In Compliance
Grade 11	64,800	66,330	176	In Compliance
Grade 12	64,800	66,330	176	In Compliance

PUC Early College Academy for Leaders and Scholars

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Grade 9	64,800	65,385	176	In Compliance
Grade 10	64,800	65,385	176	In Compliance
Grade 11	64,800	65,385	176	In Compliance
Grade 12	64,800	65,385	176	In Compliance

PUC Community Charter Elementary

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Kindergarten	36,000	57,075	176	In Compliance
Grade 1	50,400	54,135	176	In Compliance
Grade 2	50,400	54,135	176	In Compliance
Grade 3	50,400	56,790	176	In Compliance
Grade 4	54,000	56,790	176	In Compliance

PUC Inspire Middle Academy

Grade Level	2015-16	2015-2016	Number of Days	Status
	Minutes		Actual Minutes	
	Requirements		Calendar	
Grade 6	54,000	66,090	176	In Compliance
Grade 7	54,000	66,090	176	In Compliance

**PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016**

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: School Programs	10.555	13391	\$ 2,801,473
Total U.S. Department of Agriculture			<u>2,801,473</u>
U.S. Department of Education			
Passed through California Department of Education:			
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	1,616,980
NCLB: Title II, Part A, Teacher Quality	84.367	14341	25,696
NCLB: Title V, Part B, Public Charter School Grants	84.282A	14941	153,565
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	920,803
Total U.S. Department of Education			<u>2,717,044</u>
Total Expenditures of Federal Awards			<u>\$ 5,518,517</u>

1. NOTE ON BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Partnerships to Uplift Communities and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance.

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2016

	<u>Program Services</u>	<u>Support Services</u>	
	<u>Education</u>	<u>Management and General</u>	<u>Totals</u>
Certificated salaries	\$ 17,417,662	\$ 5,002,878	\$ 22,420,540
Classified salaries	668,189	4,412,487	5,080,676
Employee benefits	5,019,634	1,117,173	6,136,807
Books and supplies	6,572,989	-	6,572,989
Subagreements for services	-	-	
Travel and conferences	366,290	-	366,290
Dues and memberships	151,295	7,255	158,550
Insurance	-	398,480	398,480
Operation and housekeeping services	-	895,886	895,886
Rental, leases, repairs, and non-capitalized improvements	764,028	3,300,725	4,064,753
Professional/consulting services and operating expenditures	7,888,030	3,954,762	11,842,792
Communications	-	352,625	352,625
Depreciation and amortization	-	883,777	883,777
Other outgo	-	726	726
Total expenses	<u>\$ 38,848,117</u>	<u>\$ 20,326,774</u>	<u>\$ 59,174,891</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	<u>CALSMSHS</u>	<u>MCS</u>	<u>ECA</u>	<u>SRCA</u>	<u>ECALS</u>	<u>Totals</u>
ASSETS						
Current assets:						
Cash	\$ 1,422,092	\$ 511,542	\$ 603,003	\$ 284,246	\$ 337,202	\$ 3,158,085
Accounts receivable	924,042	361,144	369,424	264,804	442,470	2,361,884
Prepaid expenses	2,186	1,064	2,536	717	1,805	8,308
Other current assets	33,486	371	-	-	7,190	41,047
Deferred rent	39,336	-	-	-	-	39,336
Total current assets	2,421,142	874,121	974,963	549,767	788,667	5,608,660
Fixed assets, net	132,048	76,599	38,513	32,329	57,538	337,027
Deposits	129,467	42,456	826	6,819	25	179,593
Total assets	<u>\$ 2,682,657</u>	<u>\$ 993,176</u>	<u>\$ 1,014,302</u>	<u>\$ 588,915</u>	<u>\$ 846,230</u>	<u>\$ 6,125,280</u>
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ 94,899	\$ 93,667	\$ 164,483	\$ 70,968	\$ 84,159	\$ 508,176
Accrued expenses	188,563	187,984	124,105	1,919	165,008	667,579
Deferred revenue	16,407	10,731	12,289	7,407	11,978	58,812
Deferred rent	-	6,536	8,318	-	-	14,854
Other current liabilities	418	415	6,032	3,344	-	10,209
Total current liabilities	300,287	299,333	315,227	83,638	261,145	1,259,630
Total liabilities	300,287	299,333	315,227	83,638	261,145	1,259,630
Net assets:						
Temporarily restricted	134,038	77,505	25,664	75,630	92,297	405,134
Unrestricted	2,248,332	616,338	673,411	429,647	492,788	4,460,516
Total net assets	2,382,370	693,843	699,075	505,277	585,085	4,865,650
Total liabilities and net assets	<u>\$ 2,682,657</u>	<u>\$ 993,176</u>	<u>\$ 1,014,302</u>	<u>\$ 588,915</u>	<u>\$ 846,230</u>	<u>\$ 6,125,280</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016**

	<u>CALSMHS</u>	<u>MCS</u>	<u>ECA</u>	<u>SRCA</u>	<u>ECALS</u>	<u>Totals</u>
REVENUES						
Revenue limit sources:						
State aid	\$ 3,103,262	\$ 1,575,496	\$ 1,653,301	\$ 992,835	\$ 2,652,267	\$ 9,977,161
Education protection account	737,800	363,079	414,702	250,895	673,139	2,439,615
In-lieu of property taxes	1,047,874	531,074	588,771	352,691	817,434	3,337,844
Federal revenues	580,629	383,630	443,986	255,361	360,942	2,024,548
State revenues	1,215,003	737,729	839,753	576,784	632,322	4,001,591
Local revenues:						
Donations	23,979	8,496	17,187	12,280	17,239	79,181
Fundraising	82,505	28,083	35,497	35,543	69,842	251,470
Miscellaneous	153,524	85,873	48,708	95,689	248,462	632,256
Total revenues before transfers	6,944,576	3,713,460	4,041,905	2,572,078	5,471,647	22,743,666
Net assets transferred to restrictions	(27,131)	(23,465)	(25,664)	(22,731)	(38,130)	(137,121)
Total revenues	6,917,445	3,689,995	4,016,241	2,549,347	5,433,517	22,606,545
EXPENSES						
Program services:						
Education	4,747,542	2,192,060	2,805,098	1,865,175	3,375,292	14,985,167
Support services:						
Management and general	1,718,576	1,212,338	943,818	589,657	1,556,510	6,020,899
Total expenses	6,466,118	3,404,398	3,748,916	2,454,832	4,931,802	21,006,066
Change in unrestricted net assets	451,327	285,597	267,325	94,515	501,715	1,600,479
Increase in temporarily restricted net assets	27,131	23,465	25,664	22,731	38,130	137,121
CHANGE IN NET ASSETS	478,458	309,062	292,989	117,246	539,845	1,737,600
NET ASSETS, BEGINNING OF YEAR	1,903,912	384,781	406,086	388,031	45,240	3,128,050
NET ASSETS, END OF YEAR	<u>\$ 2,382,370</u>	<u>\$ 693,843</u>	<u>\$ 699,075</u>	<u>\$ 505,277</u>	<u>\$ 585,085</u>	<u>\$ 4,865,650</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016**

	<u>CALSMHS</u>	<u>MCS</u>	<u>ECA</u>	<u>SRCA</u>	<u>ECALS</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Change in net assets	\$ 478,458	\$ 309,062	\$ 292,989	\$ 117,246	\$ 539,845	\$ 1,737,600
Adjustments to reconcile change in net assets to net cash provided by operating activities:						
Depreciation	38,114	29,008	11,115	7,444	16,378	102,059
(Increase) decrease in operating assets:						
Accounts receivable	(183,583)	(23,202)	(27,456)	53,287	20,892	(160,062)
Intercompany receivables	567,688	-	-	-	-	567,688
Prepaid expenses	48,998	5,081	4,189	3,709	46,170	108,147
Other current assets	48,641	(371)	20,715	-	66,779	135,764
Deferred rent assets	(2,683)	-	-	-	-	(2,683)
Deposits	(64)	(16)	(801)	(794)	(25)	(1,700)
Increase (decrease) in operating liabilities:						
Accounts payable	27,351	43,884	124,820	47,803	41,165	285,023
Accrued expenses	(51,733)	(51,252)	(19,402)	(106,415)	(6,402)	(235,204)
Deferred revenue	16,407	10,731	12,289	7,407	11,978	58,812
Deferred rent	-	(37,626)	(47,888)	-	-	(85,514)
Other current liabilities	(29,102)	(52,948)	(7,258)	(4,618)	(165,068)	(258,994)
Net cash flows provided by operating activities	<u>958,492</u>	<u>232,351</u>	<u>363,312</u>	<u>125,069</u>	<u>571,712</u>	<u>2,250,936</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of fixed assets	(8,258)	-	-	(19,765)	(68,709)	(96,732)
Net cash flows used in investing activities	<u>(8,258)</u>	<u>-</u>	<u>-</u>	<u>(19,765)</u>	<u>(68,709)</u>	<u>(96,732)</u>
NET INCREASE IN CASH	950,234	232,351	363,312	105,304	503,003	2,154,204
CASH (DEFICIT), BEGINNING OF YEAR	471,858	279,191	239,691	178,942	(165,801)	1,003,881
CASH, END OF YEAR	<u>\$ 1,422,092</u>	<u>\$ 511,542</u>	<u>\$ 603,003</u>	<u>\$ 284,246</u>	<u>\$ 337,202</u>	<u>\$ 3,158,085</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2016

	Program Services	Support Services	
	Education	Management and General	Totals
Certificated salaries	\$ 6,432,923	\$ 2,140,062	\$ 8,572,985
Classified salaries	668,189	1,282,521	1,950,710
Employee benefits	1,976,574	398,039	2,374,613
Books and supplies	2,216,218	-	2,216,218
Travel and conferences	128,005	-	128,005
Dues and memberships	56,989	7,255	64,244
Insurance	-	160,891	160,891
Operation and housekeeping services	-	321,174	321,174
Rental, leases, repairs, and non-capitalized improvements	557,040	993,462	1,550,502
Professional/consulting services and operating expenditures	2,949,229	481,038	3,430,267
Communications	-	134,398	134,398
Depreciation and amortization	-	102,059	102,059
Total expenses	<u>\$ 14,985,167</u>	<u>\$ 6,020,899</u>	<u>\$ 21,006,066</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016**

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: School Programs	10.555	13391	\$ 1,054,611
Total U.S. Department of Agriculture			<u>1,054,611</u>
U.S. Department of Education			
Passed through California Department of Education:			
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	632,059
NCLB: Title II, Part A, Teacher Quality	84.367	14341	6,958
NCLB: Title V, Part B, Public Charter School Grants	84.282A	14941	2,665
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	328,255
Total U.S. Department of Education			<u>969,937</u>
Total Expenditures of Federal Awards			<u>\$ 2,024,548</u>

1. NOTE ON BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of PUC Los Angeles and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance.

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL
REPORT - - ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

	<u>CALSMHS</u>	<u>MCS</u>	<u>ECA</u>	<u>SRCA</u>	<u>ECALS</u>	<u>Total</u>
June 30, 2016, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	\$ 2,355,240	\$ 670,378	\$ 673,406	\$ 482,546	\$ 546,954	\$ 4,728,524
Adjustments and reclassifications:						
Increasing (decreasing) the fund balance to net assets:						
Accounts receivable understatement	(168,669)	(44,014)	(4,047)	(59,756)	(3,204)	(279,690)
Prepaid expenses (overstatement) understatement	-	371	-	-	-	371
Other current assets (overstatement)	33,486	-	-	-	-	33,486
Deposits (overstatement) understatement	129,467	42,457	827	6,819	25	179,595
Accounts payable overstatement (understatement)	5,715	1,186	3,225	52,937	3,180	66,243
Deferred rent overstatement (understatement)	27,131	23,465	25,664	22,731	38,130	137,121
Net adjustments and reclassifications	27,130	23,465	25,669	22,731	38,131	137,126
June 30, 2016, Audited Financial Statements, Net Assets (Deficit)	<u>\$ 2,382,370</u>	<u>\$ 693,843</u>	<u>\$ 699,075</u>	<u>\$ 505,277</u>	<u>\$ 585,085</u>	<u>\$ 4,865,650</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2016**

	TCA	NECA	LCHS	CCE	ICA	TL-LLC	Eliminations	Totals
ASSETS								
Current assets:								
Cash	\$ 31,858	\$ 554,460	\$ 242,764	\$ 516,964	\$ 554,672	\$ 4,888	\$ -	\$ 1,905,606
Restricted cash, current portion	-	-	-	-	-	1,188,145	-	1,188,145
Accounts receivable	1,015,831	554,731	515,690	268,019	174,285	838,978	-	3,367,534
Intercompany receivables	918,730	500,000	500,000	-	-	-	(1,918,730)	-
Prepaid expenses	-	-	1,941	932	788	-	-	3,661
Other current assets	170	25	532	31	261	-	-	1,019
Deferred rent	-	-	-	-	-	-	-	-
Total current assets	1,966,589	1,609,216	1,260,927	785,946	730,006	2,032,011	(1,918,730)	6,465,965
Restricted cash, noncurrent portion	-	-	-	-	-	2,433,893	-	2,433,893
Fixed assets, net	593,969	28,280	333,964	-	91,814	23,042,653	-	24,090,680
Deposits	98,099	-	51,901	9,000	-	-	-	159,000
Deferred debt issuance costs, net of current portion	-	-	-	-	-	2,358,172	-	2,358,172
Total assets	<u>\$ 2,658,657</u>	<u>\$ 1,637,496</u>	<u>\$ 1,646,792</u>	<u>\$ 794,946</u>	<u>\$ 821,820</u>	<u>\$ 29,866,729</u>	<u>\$ (1,918,730)</u>	<u>\$ 35,507,710</u>
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	\$ 266,094	\$ 133,149	\$ 167,824	\$ 95,590	\$ 181,291	\$ 994,478	\$ -	\$ 1,838,426
Intercompany payables	-	-	-	-	-	1,918,730	(1,918,730)	-
Accrued expenses	203,500	241,727	86,479	64,104	51,588	561,967	-	1,209,365
Deferred revenue	24,348	179,896	10,584	10,472	7,007	-	-	232,307
Deferred rent	86,427	247,265	50,759	41,608	-	-	-	426,059
Other current liabilities	247	398	133	172	2,986	-	-	3,936
Current portion of debt obligations	393,654	-	238,724	50,000	50,000	345,000	-	1,077,378
Total current liabilities	974,270	802,435	554,503	261,946	292,872	3,820,175	(1,918,730)	4,787,471
Debt obligations, net of current portion	419,019	-	254,107	100,000	100,000	25,685,000	-	26,558,126
Total liabilities	1,393,289	802,435	808,610	361,946	392,872	29,505,175	(1,918,730)	31,345,597
Net assets:								
Temporarily restricted	132,203	80,945	84,900	14,665	10,266	-	-	322,979
Unrestricted	1,133,165	754,116	753,282	418,335	418,682	361,554	-	3,839,134
Total net assets	1,265,368	835,061	838,182	433,000	428,948	361,554	-	4,162,113
Total liabilities and net assets	<u>\$ 2,658,657</u>	<u>\$ 1,637,496</u>	<u>\$ 1,646,792</u>	<u>\$ 794,946</u>	<u>\$ 821,820</u>	<u>\$ 29,866,729</u>	<u>\$ (1,918,730)</u>	<u>\$ 35,507,710</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
COMBINING STATEMENT OF ACTIVITIES
June 30, 2016**

	TCA	NECA	LCHS	CCE	ICA	TL-LLC	Elimination	Totals
REVENUES								
Revenue limit sources:								
State aid	\$ 4,002,383	\$ 2,240,494	\$ 2,562,124	\$ 1,750,999	\$ 1,431,186	\$ -	\$ -	\$ 11,987,186
Education protection account	944,890	565,389	623,543	47,734	40,786	-	-	2,222,342
In-lieu of property taxes	1,341,786	802,445	757,207	461,015	393,911	-	-	3,756,364
Federal revenues	808,028	452,532	367,828	403,849	286,321	-	-	2,318,558
State revenues	1,415,349	998,740	1,065,258	468,552	330,784	-	-	4,278,683
Local revenues:								-
Donations	21,213	98,019	14,299	7,301	6,463	-	-	147,295
Fundraising	104,548	44,602	28,115	16,213	14,037	-	-	207,515
Rent	-	-	-	-	-	2,030,900	(2,030,900)	-
Miscellaneous	176,366	88,741	174,038	23,205	19,614	814	-	482,778
Total revenues before transfers	8,814,563	5,290,962	5,592,412	3,178,868	2,523,102	2,031,714	(2,030,900)	25,400,721
Net assets transferred to restrictions	(24,931)	(26,938)	(30,797)	(14,665)	(10,266)	-	-	(107,597)
Total revenues	8,789,632	5,264,024	5,561,615	3,164,203	2,512,836	2,031,714	(2,030,900)	25,293,124
EXPENSES								
Program services:								
Education	5,368,748	3,068,451	3,256,362	1,783,840	1,790,192	-	-	15,267,593
Support services:								
Management and general	2,910,467	1,780,397	1,735,858	888,287	526,984	1,685,938	(2,030,900)	7,497,031
Total expenses	8,279,215	4,848,848	4,992,220	2,672,127	2,317,176	1,685,938	(2,030,900)	22,764,624
Change in unrestricted net assets	510,417	415,176	569,395	492,076	195,660	345,776	-	2,528,500
Increase in temporarily restricted net assets	24,931	26,938	30,797	14,665	10,266	-	-	107,597
CHANGE IN NET ASSETS	535,348	442,114	600,192	506,741	205,926	345,776	-	2,636,097
NET ASSETS (DEFICIT), BEGINNING OF YEAR	730,020	392,947	237,990	(73,741)	223,022	15,778	-	1,526,016
NET ASSETS, END OF YEAR	<u>\$ 1,265,368</u>	<u>\$ 835,061</u>	<u>\$ 838,182</u>	<u>\$ 433,000</u>	<u>\$ 428,948</u>	<u>\$ 361,554</u>	<u>\$ -</u>	<u>\$ 4,162,113</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016**

	<u>TCA</u>	<u>NECA</u>	<u>LCHS</u>	<u>CCE</u>	<u>ICA</u>	<u>TL-LLC</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Change in net assets	\$ 535,348	\$ 442,114	\$ 600,192	\$ 506,741	\$ 205,926	\$ 345,776	\$ 2,636,097
Adjustments to reconcile change in net assets to net cash from provided by operating activities:							
Depreciation	103,383	20,039	53,881	-	14,934	-	192,237
Loss on disposal of fixed assets	-	-	726	-	-	-	726
(Increase) decrease in operating assets:							
Accounts receivable	(240,494)	(192,267)	(4,522)	9,672	(34,132)	(835,467)	(1,297,210)
Intercompany receivables	(918,730)	(500,000)	(500,000)	-	-	-	(1,918,730)
Prepaid expenses	364	-	(1,634)	2,420	1,223	-	2,373
Other current assets	93,777	(25)	5,763	(31)	42,853	-	142,337
Deposits	(47,702)	-	(27,298)	800	-	-	(74,200)
Increase (decrease) in operating liabilities:							
Accounts payable	142,557	77,580	151,841	56,388	123,090	894,532	1,445,988
Intercompany payables	-	-	-	-	-	1,918,730	1,918,730
Accrued expenses	(25,106)	(77,036)	(21,228)	(32,203)	(8,952)	-	(164,525)
Deferred revenue	24,348	179,896	10,584	10,472	7,007	-	232,307
Deferred rent	(2,919)	21,170	(1,714)	(7,407)	-	-	9,130
Other current liabilities	(151,798)	(32,346)	(68,674)	172	2,986	-	(249,660)
Net cash flows provided by (used in) operating activities	(486,972)	(60,875)	197,917	547,024	354,935	2,323,571	2,875,600
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of fixed assets	(591,926)	-	(311,803)	-	(99,238)	(3,594,061)	(4,597,028)
Net cash flows used in investing activities	(591,926)	-	(311,803)	-	(99,238)	(3,594,061)	(4,597,028)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Payments on debt obligations	(375,747)	-	(218,749)	(50,000)	(50,000)	-	(694,496)
Decrease in restricted cash	-	-	-	-	-	1,269,567	1,269,567
Net cash flows used in financing activities	(375,747)	-	(218,749)	(50,000)	(50,000)	1,269,567	575,071
NET INCREASE (DECREASE) IN CASH	(1,454,645)	(60,875)	(332,635)	497,024	205,697	(923)	(1,146,357)
CASH, BEGINNING OF YEAR	1,486,503	615,335	575,399	19,940	348,975	5,811	3,051,963
CASH (DEFICIT), END OF YEAR	<u>\$ 31,858</u>	<u>\$ 554,460</u>	<u>\$ 242,764</u>	<u>\$ 516,964</u>	<u>\$ 554,672</u>	<u>\$ 4,888</u>	<u>\$ 1,905,606</u>
SUPPLEMENTAL DISCLOSURE:							
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403</u>	<u>\$ 403</u>	<u>\$ 1,685,900</u>	<u>\$ 1,686,706</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2016**

	Program Services	Support Services	
	Education	Management and General	Totals
Certificated salaries	\$ 6,900,626	\$ 1,676,252	\$ 8,576,878
Classified salaries	-	2,042,009	2,042,009
Employee benefits	1,886,557	446,191	2,332,748
Books and supplies	2,772,003	-	2,772,003
Travel and conferences	142,212	-	142,212
Dues and memberships	60,220	-	60,220
Insurance	-	134,773	134,773
Operation and housekeeping services	-	368,892	368,892
Rental, leases, repairs, and non-capitalized improvements	206,988	739,486	946,474
Professional/consulting services and operating expenditures	3,298,987	1,760,452	5,059,439
Communications	-	136,013	136,013
Depreciation and amortization	-	192,237	192,237
Loss on disposal	-	726	726
Total expenses	<u>\$15,267,593</u>	<u>\$ 7,497,031</u>	<u>\$22,764,624</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
STATEMENT OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016**

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: School Programs	10.555	13391	\$ 1,131,655
Total U.S. Department of Agriculture			<u>1,131,655</u>
U.S. Department of Education			
Passed through California Department of Education:			
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	652,130
NCLB: Title II, Part A, Teacher Quality	84.367	14341	6,956
NCLB: Title V, Part B, Public Charter School Grants	84.282A	14941	150,900
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	376,917
Total U.S. Department of Education			<u>1,186,903</u>
Total Expenditures of Federal Awards			<u>\$ 2,318,558</u>

1. NOTE ON BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of PUC Valley and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance.

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL
REPORT - - ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

	<u>TCA</u>	<u>NECA</u>	<u>LCHS</u>	<u>CCE</u>	<u>ICA</u>	<u>Total</u>
June 30, 2016, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	\$ 1,240,437	\$ 808,662	\$ 808,112	\$ 418,336	\$ 418,682	\$ 3,694,229
Adjustments and reclassifications:						
Increasing (decreasing) the fund balance to net assets:						
Accounts receivable understatement	(118,333)	(39,515)	(67,676)	(10,492)	(9,811)	(245,827)
Fixed assets, net (overstatement) understatement	-	-	(727)	-	-	(727)
Deposits (overstatement) understatement	98,099	-	51,901	9,000	-	159,000
Accounts payable overstatement (understatement)	20,234	39,516	15,775	1,491	9,811	86,827
Deferred revenue overstatement (understatement)	24,931	26,398	30,797	14,665	10,266	107,057
Net adjustments and reclassifications	<u>24,931</u>	<u>26,399</u>	<u>30,070</u>	<u>14,664</u>	<u>10,266</u>	<u>106,330</u>
June 30, 2016, Audited Financial Statements, Net Assets (Deficit)	<u>\$ 1,265,368</u>	<u>\$ 835,061</u>	<u>\$ 838,182</u>	<u>\$ 433,000</u>	<u>\$ 428,948</u>	<u>\$ 3,800,559</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF FINANCIAL POSITION
For the Fiscal Year Ended June 30, 2016

	<u>CCMSHS</u>	<u>LCA</u>	<u>PUC</u>	<u>Totals</u>
ASSETS				
Current assets:				
Cash	\$ 1,491,424	\$ 398,461	\$ 222,156	\$ 2,112,041
Restricted cash, current portion	-	-	998,737	998,737
Accounts receivable	980,453	381,840	-	1,362,293
Prepaid expenses	5,180	1,308	-	6,488
Other current assets	-	11,557	1,261	12,818
Deferred rent	33,523	14,250	-	47,773
Deferred debt issuance costs, current portion	-	-	56,913	56,913
Total current assets	2,510,580	807,416	1,279,067	4,597,063
Restricted cash, noncurrent portion	-	-	2,029,710	2,029,710
Fixed assets, net	159,202	62,083	20,980,279	21,201,564
Deposits	235,644	89,490	-	325,134
Deferred debt issuance costs, net of current portion	-	-	1,614,990	1,614,990
Total assets	<u>\$ 2,905,426</u>	<u>\$ 958,989</u>	<u>\$ 25,904,046</u>	<u>\$ 29,768,461</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 162,350	\$ 174,942	\$ 350,244	\$ 687,536
Accrued expenses	173,331	77,758	460,453	711,542
Deferred revenue	105,832	11,943	90,000	207,775
Other current liabilities	43	-	-	43
Current portion of debt obligations	-	-	320,000	320,000
Total current liabilities	441,556	264,643	1,220,697	1,926,896
Debt obligations, net of current portion	-	-	25,470,000	25,470,000
Total liabilities	441,556	264,643	26,690,697	27,396,896
Net assets:				
Temporarily restricted	228,870	82,696	-	311,566
Unrestricted	2,235,000	611,650	(786,651)	2,059,999
Total net assets	2,463,870	694,346	(786,651)	2,371,565
Total liabilities and net assets	<u>\$ 2,905,426</u>	<u>\$ 958,989</u>	<u>\$ 25,904,046</u>	<u>\$ 29,768,461</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016**

	<u>CCMSHS</u>	<u>LCA</u>	<u>PUC</u>	<u>Eliminations</u>	<u>Totals</u>
REVENUES					
Revenue limit sources:					
State aid	\$ 4,220,574	\$ 1,762,893	\$ -	\$ -	\$ 5,983,467
Education protection account	1,010,281	454,190	-	-	1,464,471
In-lieu of property taxes	1,434,329	644,903	-	-	2,079,232
Federal revenues	784,079	391,332	-	-	1,175,411
State revenues	1,864,378	867,257	-	-	2,731,635
Local revenues:					
Donations	22,845	10,398	-	-	33,243
Fundraising	186,689	65,138	-	-	251,827
Rent	-	-	1,677,110	(1,677,110)	-
Miscellaneous	97,448	308,795	737,270	-	1,143,513
Total revenues before transfers	9,620,623	4,504,906	2,414,380	(1,677,110)	14,862,799
Net assets transferred to restrictions	(62,695)	(27,864)	-	-	(90,559)
Total revenues	9,557,928	4,477,042	2,414,380	(1,677,110)	14,772,240
EXPENSES					
Program services:					
Education	6,007,321	2,588,036	-	-	8,595,357
Support services:					
Management and general	3,293,649	1,481,067	3,711,238	(1,677,110)	6,808,844
Total expenses	9,300,970	4,069,103	3,711,238	(1,677,110)	15,404,201
Change in unrestricted net assets	256,958	407,939	(1,296,858)	-	(631,961)
Increase in temporarily restricted net assets	62,695	27,864	-	-	90,559
CHANGE IN NET ASSETS	319,653	435,803	(1,296,858)	-	(541,402)
NET ASSETS, BEGINNING OF YEAR	2,144,217	258,543	510,207	-	2,912,967
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ 2,463,870</u>	<u>\$ 694,346</u>	<u>\$ (786,651)</u>	<u>\$ -</u>	<u>\$ 2,371,565</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016

	<u>CCMSHS</u>	<u>LCA</u>	<u>PUC</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 319,653	\$ 435,803	\$ (1,296,858)	\$ (541,402)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	42,612	17,490	529,379	589,481
Amortization	-	-	56,913	56,913
Loss on disposal of fixed assets	-	-	324,560	324,560
(Increase) decrease in operating assets:				
Accounts receivable	266,252	(13,954)	1,678,599	1,930,897
Prepaid expenses	(5,180)	(1,308)	3,000	(3,488)
Other current assets	-	(9,564)	612,004	602,440
Deferred rent assets	19,860	9,009	-	28,869
Deposits	(24,000)	-	22,914	(1,086)
Increase (decrease) in operating liabilities:				
Accounts payable	51,261	112,617	(876,042)	(712,164)
Intercompany payables	-	-	(567,688)	(567,688)
Accrued expenses	(63,916)	(129,371)	308,719	115,432
Deferred revenue	105,832	11,943	-	117,775
Deferred rent	-	-	(18,366)	(18,366)
Lines of credit	-	-	-	-
Other current liabilities	(36,182)	(12,705)	(458,108)	(506,995)
Net cash flows provided by operating activities	676,192	419,960	319,026	1,415,178
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(22,700)	(10,300)	-	(33,000)
Net cash flows used in investing activities	(22,700)	(10,300)	-	(33,000)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on debt obligations	-	-	(300,000)	(300,000)
Decrease in restricted cash	-	-	29,030	29,030
Net cash flows used in financing activities	-	-	(270,970)	(270,970)
NET INCREASE IN CASH	653,492	409,660	48,056	1,111,208
CASH (DEFICIT), BEGINNING OF YEAR	837,932	(11,199)	174,100	1,000,833
CASH, END OF YEAR	\$ 1,491,424	\$ 398,461	\$ 222,156	\$ 2,112,041
SUPPLEMENTAL DISCLOSURE:				
Cash paid for interest	\$ -	\$ -	\$ 1,367,610	\$ 1,367,610

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2016**

	<u>Program Services</u>	<u>Support Services</u>	
	<u>Education</u>	<u>Management and General</u>	<u>Totals</u>
Certificated salaries	\$ 4,084,113	\$ 1,186,564	\$ 5,270,677
Classified salaries	-	1,087,957	1,087,957
Employee benefits	1,156,503	272,943	1,429,446
Books and supplies	1,584,768	-	1,584,768
Travel and conferences	96,073	-	96,073
Dues and memberships	34,086	-	34,086
Insurance	-	102,816	102,816
Operation and housekeeping services	-	205,820	205,820
Rental, leases, repairs, and non-capitalized improvements	-	1,567,777	1,567,777
Professional/consulting services and operating expenditures	1,639,814	1,713,272	3,353,086
Communications	-	82,214	82,214
Depreciation and amortization	-	589,481	589,481
Total expenses	<u>\$ 8,595,357</u>	<u>\$ 6,808,844</u>	<u>\$15,404,201</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016**

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: School Programs	10.555	13391	\$ 615,207
Total U.S. Department of Agriculture			<u>615,207</u>
U.S. Department of Education			
Passed through California Department of Education:			
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	332,791
NCLB: Title II, Part A, Teacher Quality	84.367	14341	11,782
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	215,631
Total U.S. Department of Education			<u>560,204</u>
Total Expenditures of Federal Awards			<u>\$ 1,175,411</u>

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of PUC Lakeview Terrace and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance.

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL
REPORT -- ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

	CCMSHS	LCA	Total
June 30, 2016, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	\$ 2,401,177	\$ 666,483	\$ 3,067,660
Adjustments and reclassifications:			
Increasing (decreasing) the fund balance to net assets:			
Accounts receivable understatement	(262,945)	(91,022)	(353,967)
Deposits (overstatement) understatement	235,644	89,490	325,134
Deferred rent overstatement (understatement)	56	-	56
Accounts payable overstatement (understatement)	27,243	1,531	28,774
Deferred revenue overstatement (understatement)	62,695	27,864	90,559
Net adjustments and reclassifications	62,693	27,863	90,556
June 30, 2016, Audited Financial Statements, Net Assets	\$ 2,463,870	\$ 694,346	\$ 3,158,216

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
San Diego, 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 statements of financial position as of June 30, 2016, and the related consolidated statements of activities 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 December 14 2016.

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 Partnerships 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 Partnerships 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.

SQUAR MILNER LLP

San Diego, California
December 14 2016

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

Board of Directors
Partnerships to Uplift Communities
Burbank, California

Report on Compliance for Each Major Federal Program

We have audited 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,”) 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, 2016. 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, 2016.

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.

SQUAR MILNER, LLP

San Diego, California
December 14 2016

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
Partnerships to Uplift Communities
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 *2015-16 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, 2016. 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, *2015-16 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
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Attendance	Yes
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 (Qualified Opinion)

Basis for Qualified Opinion on Immunizations

As described in the accompanying schedule of findings and questioned costs, finding number 2016-01, the Organization did not comply with requirements regarding Immunizations. Compliance with such requirements is necessary, in our opinion, for the Organization to comply with the requirements applicable to that program.

Qualified Opinion on Immunizations

In our opinion, except for the non-compliance described in the “Basis for Qualified Opinion” paragraph, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Immunizations for the fiscal year ended June 30, 2016.

Unmodified Opinion on Each of the Other State Programs

In our opinion, except for the non-compliance described in the “Basis for Qualified Opinion” paragraph, 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 other state programs for the fiscal year ended June 30, 2016.



Other Matters

Partnerships to Uplift Communities' response to the non-compliance findings identified in our audit of compliance is described in the accompanying schedule of findings and questioned costs. Partnerships to Uplift Communities' response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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 *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

SQUAR MILNER LLP

SQUAR MILNER LLP

San Diego, California
December 14 2016.

FINDINGS AND RECOMMENDATIONS SECTION

PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

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>
10.555	Child Nutrition: School Programs
84.010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected

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

Auditee qualified as low-risk auditee? X Yes No

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: Qualified

PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

D. State Award Findings and Questioned Costs

Finding 2016-01

(1) Criteria

Pupils are required to have two doses of a measles vaccine as required by Title 17, California Code of Regulations Section 6020 prior to admission, or have a current medical or personal beliefs exemption on file, or within three months of their first day of classes.

(2) Condition

Two students did not receive their second set of vaccinations in a timely manner.

(3) Effect

The students' attendance for days that they attended without the appropriate vaccinations cannot be included in the ADA calculations.

(4) Cause

The students did not receive the required vaccinations, and the Organization did not recognize the error.

(5) Effect on ADA

The students' attendance should have been excluded, which resulted in 1.56 ADA error in P-2 and 1.48 ADA error in the Annual calculation. The estimated effect on P-2 ADA based on the LCFF Derived Value of ADA by Gradespan for School Districts and Charter Schools Based on 2015-16 Second Principal Apportionment (June 2016) using the Kindergarten derived value of \$9,544 is \$14,889.

(6) Recommendation

We recommend the Organization establish a system to track and monitor immunization records to ensure that students receive and document appropriate vaccinations in a timely manner.

(7) Organization's Corrective Action Plan

The Organization hired a Registered Nurse to provide services to the schools in the area of health-related compliance. The nurse has now provided professional development to office managers and school leaders regarding vaccination requirements with accompanying reference materials. The nurse will also monitor vaccination compliance with each school in the network, individually. This will include on site reviews of lists of students requiring vaccinations in particular grade levels, and the status of each student's vaccination completions. Monitoring will be done in collaboration with school office managers and leaders and will be ongoing in order to ensure full compliance at each school site.

PARTNERSHIPS TO UPLIFT COMMUNITIES
SUMMARY SCHEDULE OF PRIOR COSTS
For the Year Ended June 30, 2016

Findings/Recommendations	Current Status	Explanation If Not Implemented
N/A	N/A	N/A