



Certified Public Accountants
and Financial Advisors

Partnerships to Uplift Communities

Consolidated Financial Statements

June 30, 2017

PARTNERSHIPS TO UPLIFT COMMUNITIES

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

FOR THE FISCAL YEAR ENDED

JUNE 30, 2017

*** * ***

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)

PUC INTERNATIONAL PREPARATORY CHARTER ACADEMY (IPREP)

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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, 2017, 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*, 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, 2017, and the consolidated changes in their net assets and their cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information 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 13, 2017, 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 13, 2017

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2017

ASSETS

Current assets:

Cash	\$ 5,025,522	\$ 2,365,452	\$ 2,482,624	\$ -	\$ 9,873,598
Restricted cash, current portion	-	1,201,594	1,012,537	-	2,214,131
Accounts receivable	1,747,173	2,488,732	1,341,014	-	5,576,919
Intercompany receivables	-	-	128,241	(128,241)	-
Prepaid expenses	38,032	26,142	12,395	-	76,569
Other current assets	-	298	-	-	298
Deferred rent	42,506	-	43,213	-	85,719
Total current assets	<u>6,853,233</u>	<u>6,082,218</u>	<u>5,020,024</u>	<u>(128,241)</u>	<u>17,827,234</u>
Restricted cash, noncurrent portion	-	2,511,618	2,029,710	-	4,541,328
Fixed assets, net	540,507	24,934,468	20,821,363	-	46,296,338
Deposits	180,343	236,550	375,134	-	792,027
Total noncurrent assets	<u>720,850</u>	<u>27,682,636</u>	<u>23,226,207</u>	<u>-</u>	<u>51,629,693</u>
Total assets	<u>\$ 7,574,083</u>	<u>\$ 33,764,854</u>	<u>\$ 28,246,231</u>	<u>\$ (128,241)</u>	<u>\$ 69,456,927</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 710,384	\$ 770,178	\$ 699,178	\$ -	\$ 2,179,740
Intercompany payables	-	128,241	-	(128,241)	-
Accrued expenses	634,190	2,341,029	757,556	-	3,732,775
Deferred revenue	190,546	142,264	45,983	-	378,793
Deferred rent	-	426,492	-	-	426,492
Other current liabilities	-	-	39,402	-	39,402
Current portion of debt obligations, net	-	1,058,645	288,087	-	1,346,732
Total current liabilities	<u>1,535,120</u>	<u>4,866,849</u>	<u>1,830,206</u>	<u>(128,241)</u>	<u>8,103,934</u>
Debt obligations, net, less current portion	-	23,217,697	23,566,922	-	46,784,619
Total long-term liabilities	<u>-</u>	<u>23,217,697</u>	<u>23,566,922</u>	<u>-</u>	<u>46,784,619</u>
Total liabilities	<u>1,535,120</u>	<u>28,084,546</u>	<u>25,397,128</u>	<u>(128,241)</u>	<u>54,888,553</u>
Net assets:					
Temporarily restricted	352,219	270,761	255,768	-	878,748
Unrestricted	5,686,744	5,409,547	2,593,335	-	13,689,626
Total net assets	<u>6,038,963</u>	<u>5,680,308</u>	<u>2,849,103</u>	<u>-</u>	<u>14,568,374</u>
Total liabilities and net assets	<u>\$ 7,574,083</u>	<u>\$ 33,764,854</u>	<u>\$ 28,246,231</u>	<u>\$ (128,241)</u>	<u>\$ 69,456,927</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

	PUC Los Angeles	PUC Valley	PUC Lakeview Terrace	Eliminations	Totals
REVENUES					
Revenue limit sources:					
State aid	\$ 10,752,076	\$ 14,649,302	\$ 6,900,976	\$ -	\$ 32,302,354
Education protection account	2,287,792	2,250,650	1,439,835	-	5,978,277
In-lieu of property taxes	3,580,256	4,562,865	2,333,379	-	10,476,500
Federal revenues	2,024,526	2,235,612	1,247,814	-	5,507,952
State revenues	3,573,546	4,502,337	2,484,768	-	10,560,651
Local revenues:					
Donations	63,700	198,765	15,811	-	278,276
Fundraising	190,354	269,027	270,359	-	729,740
Rent	-	-	451,195	(451,195)	-
Miscellaneous	210,790	386,669	156,068	-	753,527
Total revenues before transfers	22,683,040	29,055,227	15,300,205	(451,195)	66,587,277
Net assets transferred from restrictions	52,915	52,218	55,798	-	160,931
Total revenues	22,735,955	29,107,445	15,356,003	(451,195)	66,748,208
EXPENSES					
Program services:					
Education	17,380,212	20,489,973	10,610,632	-	48,480,817
Support services:					
Management and general	4,129,515	7,047,059	4,212,035	(451,195)	14,937,414
Total expenses	21,509,727	27,537,032	14,822,667	(451,195)	63,418,231
Change in unrestricted net assets	1,226,228	1,570,413	533,336	-	3,329,977
Decrease in temporarily restricted net assets	(52,915)	(52,218)	(55,798)	-	(160,931)
CHANGE IN NET ASSETS	1,173,313	1,518,195	477,538	-	3,169,046
NET ASSETS, BEGINNING OF YEAR	4,865,650	4,162,113	2,371,565	-	11,399,328
NET ASSETS, END OF YEAR	\$ 6,038,963	\$ 5,680,308	\$ 2,849,103	\$ -	\$ 14,568,374

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2017

	PUC Los Angeles	PUC Valley	PUC Lakeview Terrace	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 1,173,313	\$ 1,518,195	\$ 477,538	\$ 3,169,046
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	123,899	721,637	591,557	1,437,093
Amortization of debt discount	-	76,649	56,913	133,562
(Increase) decrease in operating assets:				
Accounts receivable	614,711	878,802	21,279	1,514,792
Intercompany receivables	-	(337,372)	(128,241)	(465,613)
Prepaid expenses	(29,724)	(22,481)	(5,907)	(58,112)
Other current assets	41,047	721	12,818	54,586
Deferred rent assets	(3,170)	(77,550)	4,560	(76,160)
Deposits	(750)	-	(50,000)	(50,750)
Increase (decrease) in operating liabilities:				
Accounts payable	202,208	(1,068,248)	11,642	(854,398)
Intercompany payables	-	465,613	-	465,613
Accrued expenses	(33,389)	1,131,664	46,013	1,144,288
Deferred revenue	131,734	(90,043)	(161,792)	(120,101)
Deferred rent	(14,854)	433	-	(14,421)
Other current liabilities	(10,209)	(3,936)	39,359	25,214
Net cash flows provided by operating activities	<u>2,194,816</u>	<u>3,194,084</u>	<u>915,739</u>	<u>6,304,639</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(327,379)	(1,565,425)	(211,356)	(2,104,160)
Net cash flows used in investing activities	<u>(327,379)</u>	<u>(1,565,425)</u>	<u>(211,356)</u>	<u>(2,104,160)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on debt obligations	-	(1,077,639)	(320,000)	(1,397,639)
Increase in restricted cash	-	(91,174)	(13,800)	(104,974)
Net cash flows used in financing activities	<u>-</u>	<u>(1,168,813)</u>	<u>(333,800)</u>	<u>(1,502,613)</u>
NET INCREASE IN CASH	1,867,437	459,846	370,583	2,697,866
CASH, BEGINNING OF YEAR	3,158,085	1,905,606	2,112,041	7,175,732
CASH, END OF YEAR	<u>\$ 5,025,522</u>	<u>\$ 2,365,452</u>	<u>\$ 2,482,624</u>	<u>\$ 9,873,598</u>
SUPPLEMENTAL DISCLOSURE:				
Cash paid for interest	\$ -	\$ 1,674,409	\$ 1,345,910	\$ 3,020,319

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

1. ORGANIZATION AND MISSION

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

Charter Name	Charter Number	Sponsoring District
PUC Community Charter Middle and PUC Community Charter Early College High	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
PUC International Preparatory Charter Academy	1820	Los Angeles Unified School District

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

Charter Name	Original School Start Date	Term of Charter	Charter Expiration	Enrollment Average
PUC Community Charter Middle and PUC PUC Community Charter Early College High	September 8, 1999	5 Years	June 30, 2019	766
PUC CALS Middle and Early College High	September 11, 2000	5 Years	June 30, 2020	528
PUC Milagro Charter School	September 1, 2004	5 Years	June 30, 2019	274
PUC Lakeview Charter Academy	September 1, 2004	5 Years	June 30, 2019	327
PUC Triumph Charter Academy and PUC Triumph Charter High	September 24, 2007	5 Years	June 30, 2020	737
PUC Excel Charter Academy	September 18, 2006	5 Years	June 30, 2021	296
PUC Santa Rosa Charter Academy	September 16, 2009	5 Years	June 30, 2019	190
PUC Nueva Esperanza Charter Academy	September 9, 2009	5 Years	June 30, 2019	432
PUC Lakeview Charter High School	September 14, 2010	5 Years	June 30, 2020	385
PUC Early College Academy for Leaders and Scholars	August 29, 2011	5 Years	June 30, 2019	390
PUC Community Charter Elementary School	July 1, 2014	5 Years	June 30, 2019	287
PUC Inspire Charter School	July 1, 2014	5 Years	June 30, 2019	295
PUC International Preparatory Charter Academy	August 28, 2017	3 Years	June 30, 2019	N/A

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, 2017

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) (SC-LLC) All of the organizations are controlled through common Boards 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 \$878,748 in temporarily restricted net assets as of June 30, 2017.

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, 2017.

Accounting Method - Basis of Accounting

The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations. 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.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

Income Taxes

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

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

Cash and Cash Equivalents

Cash is, from time to time, variously composed of cash on hand and cash in banks. The Organization considers all highly liquid investments with original maturities of three months or less at time of acquisition to be cash equivalents. As of June 30, 2017, there were no cash equivalents.

Deferred Debt Issuance Costs

Costs related to the registration and issuance of the PUC Valley and PUC Lake View Terrace bonds are initially capitalized and are amortized as additional interest expense over the life of the related debt instruments. The aggregate costs, net of accumulated amortization, were \$3,896,514 at June 30, 2017, which is reported as a deduction from the related debt on the consolidated statement of financial position. Amortization expense for the year ended June 30, 2017 was \$133,562.

Fixed Assets

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

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Sources and Recognition

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

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

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

Revenue that is restricted is recorded as an increase in 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, 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 statement of financial position 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. Although the full impact of this Update on the Organization's financial statements has not yet been determined, the future adoption of this guidance will require the Organization to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases (See Note 10).

In 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 change presentation and disclosure requirements for not-for-profit entities to 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

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements (continued)

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. Early application of the amendments is permitted. The Organization has not yet completed its assessment of the impact of this guidance on its financial statements. However, under this Update, the Organization will be required to present two classes of net assets (net assets with donor restrictions and net assets without donor restrictions) and changes in each of these two classes, on the face of the statement of financial position and statement of activities, respectively, rather than the current required three classes (unrestricted, temporarily restricted and permanently restricted).

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 consolidated statement of financial position 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 was effective during the current year. Adoption of this guidance changed the classification of the debt issuance costs on the Organization's Statement of Financial Position, and did not have any impact on the Organizations net assets or changes in net assets.

3. CASH

Cash at June 30, 2017, consisted of the following:

Deposits:	
Cash in banks	
PUC Los Angeles	\$ 5,019,522
PUC Valley	2,361,452
PUC Lakeview Terrace	2,480,624
Total cash in banks	<u>9,861,598</u>
Cash on hand:	
Petty cash	
PUC Los Angeles	6,000
PUC Valley	4,000
PUC Lakeview Terrace	2,000
Total petty cash	<u>12,000</u>
Total cash	<u><u>\$ 9,873,598</u></u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

3. CASH (continued)

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, 2017, the Organization had \$6,756,746 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.

Restricted cash at June 30, 2017, consisted of the following:

	<u>PUC Valley</u>	<u>PUC Lakeview Terrace</u>
Revenue fund	\$ 719	\$ 3,381
Interest account	830,875	667,355
Principal account	370,000	345,000
Reserve account	2,036,618	1,679,710
Expense account	-	(3,199)
Repairs reserve	225,000	350,000
Enrollment stabilization account	250,000	-
Total restricted cash	<u>3,713,212</u>	<u>3,042,247</u>
Less current portion	<u>(1,201,594)</u>	<u>(1,012,537)</u>
Total non-current restricted cash	<u>\$ 2,511,618</u>	<u>\$ 2,029,710</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

5. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017, consisted of the following:

	PUC Los Angeles						Totals
	CALSMHS	MCS	ECA	SRCA	ECALS	iPREP	
Revenue Limit Sources:							
State Aid	\$ 258,669	\$ 137,771	\$ 134,878	\$ 92,240	\$ 170,738	\$ -	\$ 794,296
In Lieu of Property Taxes	60,192	34,556	37,736	21,620	42,939	-	197,043
Federal	62,093	63,503	69,938	35,806	38,009	84,375	353,724
State	142,972	83,030	88,398	57,471	24,875	-	396,746
Local:							
Miscellaneous	2,906	-	219	454	1,785	-	5,364
Total	<u>\$ 526,832</u>	<u>\$ 318,860</u>	<u>\$ 331,169</u>	<u>\$ 207,591</u>	<u>\$ 278,346</u>	<u>\$ 84,375</u>	<u>\$ 1,747,173</u>

	PUC Valley					Totals
	TCA	NECA	LCHS	CCE	ICA	
Revenue Limit Sources:						
State Aid	\$ 410,092	\$ 175,533	\$ 193,163	\$ 177,945	\$ 136,831	\$ 1,093,564
In Lieu of Property Taxes	82,840	50,526	40,065	35,759	21,671	230,861
Federal	91,054	70,504	30,136	144,985	222,799	559,478
State	224,748	156,095	92,255	54,486	65,454	593,038
Local:						
Miscellaneous	5,631	632	4,234	-	1,294	11,791
Total	<u>\$ 814,365</u>	<u>\$ 453,290</u>	<u>\$ 359,853</u>	<u>\$ 413,175</u>	<u>\$ 448,049</u>	<u>\$ 2,488,732</u>

	PUC Lakeview Terrace		
	CCMSHS	LCA	Totals
Revenue Limit Sources:			
State Aid	\$ 402,628	\$ 153,156	\$ 555,784
In Lieu of Property Taxes	86,719	43,964	130,683
Federal	113,711	59,926	173,637
State	224,021	96,341	320,362
Local:			
Miscellaneous	142,555	17,993	160,548
Total	<u>\$ 969,634</u>	<u>\$ 371,380</u>	<u>\$ 1,341,014</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

6. INTERCOMPANY BALANCES AND ACTIVITIES

Due To/From Other Entities

Balances due to and due from other entities at June 30, 2017, consisted of the following:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>	<u>Purpose</u>
PUC Valley			Tenant improvements
- TCA		\$ 1,140,576	
- NECA		502,696	
- LCHS		611,012	
- ICA		1,818	
PUC LVT			Tenant improvements
- CCMSHS		126,297	
- ICA		1,944	
	PUC Lakeview Terrace		Tenant improvements
	- TL-LLC	(2,384,343)	
	Total	<u>\$ -</u>	

As of June 30, 2017, PUC Valley advanced \$2,806,874 to TL-LLC in order to continue construction on the facility. On September 28, 2016, PUC Valley and TL-LLC executed a Promissory Note to repay the final balance with interest of 3.25% per annum. The Promissory Note matures on August 1, 2020 and is payable in principal and interest of \$62,439 per month.

7. FIXED ASSETS

Fixed assets at June 30, 2017, consisted of the following:

	<u>PUC Los Angeles</u>					<u>Totals</u>
	<u>CALSMHS</u>	<u>MCS</u>	<u>ECA</u>	<u>SRCA</u>	<u>ECALS</u>	
Site improvements	\$ 746,731	\$ 91,299	\$ 142,162	\$ 88,506	\$ 9,438	\$ 1,078,136
Work in progress	69,566	-	-	-	-	69,566
Equipment	902,324	159,196	171,324	29,889	109,480	1,372,213
Less: accumulated depreciation	(1,465,542)	(198,766)	(207,423)	(60,320)	(47,357)	(1,979,408)
Total fixed assets, net of depreciation	<u>\$ 253,079</u>	<u>\$ 51,729</u>	<u>\$ 106,063</u>	<u>\$ 58,075</u>	<u>\$ 71,561</u>	<u>\$ 540,507</u>

During the fiscal year ended June 30, 2017, \$123,899 was charged to depreciation expense.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

7. FIXED ASSETS (continued)

Fixed assets at June 30, 2017, consisted of the following:

	PUC Valley						Totals
	TCA	NECA	LCHS	CCE	ICA	IL-LLC	
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,311,527	\$ 1,311,527
Buildings	-	-	-	-	-	22,650,682	22,650,682
Work in progress	-	-	-	-	-	-	-
Site improvements	579,557	150,796	224,308	148,396	66,530	-	1,169,587
Equipment	677,917	227,920	336,009	60,008	98,843	-	1,400,697
Less: accumulated depreciation	(640,845)	(245,280)	(225,427)	(8,375)	(42,508)	(435,590)	(1,598,025)
Total fixed assets, net of depreciation	<u>\$ 616,629</u>	<u>\$ 133,436</u>	<u>\$ 334,890</u>	<u>\$ 200,029</u>	<u>\$ 122,865</u>	<u>\$23,526,619</u>	<u>\$24,934,468</u>

During the fiscal year ended June 30, 2017, \$721,637 was charged to depreciation expense.

Fixed assets at June 30, 2017, consisted of the following:

	PUC Lakeview Terrace			Totals
	CCMSHS	LCA	SC-LLC	
Land	\$ -	\$ -	\$ 2,623,115	\$ 2,623,115
Buildings	-	-	20,432,048	20,432,048
Site improvements	377,400	136,340	285,930	799,670
Equipment	313,139	89,813	114,401	517,353
Less: accumulated depreciation	(437,277)	(100,194)	(3,013,352)	(3,550,823)
Total fixed assets, net of depreciation	<u>\$ 253,262</u>	<u>\$ 125,959</u>	<u>\$ 20,442,142</u>	<u>\$ 20,821,363</u>

During the fiscal year ended June 30, 2017, \$591,557 was charged to depreciation expense.

8. DEBT OBLIGATIONS

Bonds Payable – PUC Lake View Terrace

On December 1, 2012, the Organization issued \$26,540,000 in Series 2012 Bonds (2012 Bonds) for the financing and refinancing of the acquisition and renovations of certain educational facilities.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

8. DEBT OBLIGATIONS (continued)

Bonds Payable – PUC Lake View Terrace (continued)

The Bonds were issued with an interest rate ranging from 4.75% to 7.00% and mature on August 1, 2047. The debt obligations, net, at June 30, 2017 consisted of the following:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Debt Obligations	\$ 345,000	\$ 25,125,000	\$ 25,470,000
Less: unamortized debt issuance costs	(56,913)	(1,558,078)	(1,614,991)
	<u>\$ 288,087</u>	<u>\$ 23,566,922</u>	<u>\$ 23,855,009</u>

Future annual payments of principal and interest on the 2012 Bonds as of June 30, 2017, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>	<u>Amortization of</u> <u>Debt Issuance</u> <u>Costs</u>
2018	\$ 345,000	\$ 1,322,635	\$ 1,667,635	\$ (56,913)
2019	365,000	1,297,785	1,662,785	(56,913)
2020	385,000	1,273,391	1,658,391	(56,913)
2021	415,000	1,251,916	1,666,916	(56,913)
2022	435,000	1,231,729	1,666,729	(56,913)
2023-2027	2,505,000	5,810,981	8,315,981	(284,564)
2028-2032	3,205,000	5,101,300	8,306,300	(278,789)
2033-2037	4,095,000	4,177,819	8,272,819	(255,691)
2038-2042	5,295,000	2,952,606	8,247,606	(255,691)
2043-2047	6,835,000	1,363,780	8,198,780	(247,168)
2048	1,590,000	42,135	1,632,135	(8,523)
Totals	<u>\$25,470,000</u>	<u>\$25,826,077</u>	<u>\$51,296,077</u>	<u>\$ (1,614,991)</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.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

8. DEBT OBLIGATIONS (continued)

Bonds Payable – PUC Valley (continued)

The Bonds were issued with an interest rate ranging from 5.35% to 7.00% and mature on August , 2044. The debt obligations, net, at June 30, 2017 consisted of the following:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Debt Obligations	\$ 370,000	\$ 25,315,000	\$ 25,685,000
Less: unamortized debt issuance costs	(84,220)	(2,197,303)	(2,281,523)
	<u>\$ 285,780</u>	<u>\$ 23,117,697</u>	<u>\$ 23,403,477</u>

Future annual payments of principal and interest on the 2014 Bonds as of June 30, 2017, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>	<u>Amortization of</u> <u>Debt Issuance</u> <u>Costs</u>
2018	\$ 370,000	\$ 1,649,171	\$ 2,019,171	\$ (84,220)
2019	395,000	1,626,026	2,021,026	(84,220)
2020	415,000	1,604,359	2,019,359	(84,220)
2021	440,000	1,581,488	2,021,488	(84,220)
2022	460,000	1,557,413	2,017,413	(84,220)
2023-2027	2,710,000	7,366,971	10,076,971	(421,102)
2028-2032	3,660,000	6,382,125	10,042,125	(421,102)
2033-2037	4,990,000	5,002,129	9,992,129	(421,102)
2038-2042	6,895,000	3,029,306	9,924,306	(421,102)
2042-2045	5,350,000	557,812	5,907,812	(176,015)
Totals	<u>\$25,685,000</u>	<u>\$30,356,800</u>	<u>\$56,041,800</u>	<u>\$ (2,281,523)</u>

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.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

8. DEBT OBLIGATIONS (continued)

Revolving Loans – PUC Valley (continued)

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, 2017, are as follows:

Year Ending			
June 30,	Principal	Interest	Totals
2018	\$ 672,865	\$ 24,986	\$ 697,851
Totals	<u>\$ 672,865</u>	<u>\$ 24,986</u>	<u>\$ 697,851</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, 2017, are as follows:

Year Ending			
June 30,	Principal	Interest	Totals
2018	\$ 100,000	\$ 368	\$ 100,368
2019	100,000	152	100,152
Totals	<u>\$ 200,000</u>	<u>\$ 520</u>	<u>\$ 200,520</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

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, 2017, are as follows:

Long-Term Debt Activities	Beginning Balance June 30, 2016	Increases	Decreases	Ending Balance June 30, 2017	Amounts Due Within One Year
Bonds Payable:					
PUC Lakeview Terrace	\$ 25,790,000	\$ -	\$ (320,000)	\$ 25,470,000	\$ 345,000
PUC Valley	26,030,000	-	(345,000)	25,685,000	370,000
Revolving Loan:					
PUC Valley	1,305,504	-	(632,639)	672,865	672,865
Notes Payable:					
PUC Valley	300,000	-	(100,000)	200,000	100,000
Total long-term debt activities	<u>\$ 53,425,504</u>	<u>\$ -</u>	<u>\$ (1,397,639)</u>	<u>\$ 52,027,865</u>	<u>\$ 1,487,865</u>

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of entitlements received but not expended as of June 30, 2017. At June 30, 2017, the Organization's temporarily restricted net assets consisted of:

	PUC Los Angeles					Totals
	CALSMHS	MCS	ECA	SRCA	ECALS	
Proposition 39 - California Clean Jobs Act	\$ 53,992	\$ 54,040	\$ -	\$ 52,899	\$ 54,167	\$ 215,098
Educator Effectiveness Funds	27,131	23,465	25,664	22,731	38,130	137,121
Totals	<u>\$ 81,123</u>	<u>\$ 77,505</u>	<u>\$ 25,664</u>	<u>\$ 75,630</u>	<u>\$ 92,297</u>	<u>\$ 352,219</u>

	PUC Valley					Totals
	TCA	NECA	LCBS	CCE	ICA	
Proposition 39 - California Clean Jobs Act	\$ 55,054	\$ 54,547	\$ 54,103	\$ -	\$ -	\$ 163,704
Educator Effectiveness Funds	24,931	26,398	30,797	14,665	10,266	107,057
Totals	<u>\$ 79,985</u>	<u>\$ 80,945</u>	<u>\$ 84,900</u>	<u>\$ 14,665</u>	<u>\$ 10,266</u>	<u>\$ 270,761</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

9. TEMPORARILY RESTRICTED NET ASSETS (continued)

	PUC Lakeview Terrace		
	CCMSHS	LCA	Totals
Proposition 39 - California Clean Jobs Act	\$ 110,377	\$ 54,832	\$ 165,209
Educator Effectivness Funds	62,695	27,864	90,559
Totals	<u>\$ 173,072</u>	<u>\$ 82,696</u>	<u>\$ 255,768</u>

10. OPERATING LEASES

The Organization leases office equipment and facilities under lease arrangements that expires during the 2046-2047 fiscal years. The future minimum lease payments as of June 30, 2017, are as follows:

Year Ending June 30,	Future Operating Lease Payments - PUC Los Angeles
2018	\$ 1,744,695
2019	1,582,475
2020	1,597,789
2021	1,604,534
2022	967,057
2023 - 2027	4,195,024
2028 - 2032	2,649,897
2033 - 2037	2,235,504
2035 - 2039	2,245,124
2043 - 2047	2,238,762
Total	<u>\$ 21,060,861</u>

Year Ending June 30,	Future Operating Lease Payments - PUC Valley		
	Lease Payments To TL-LLC	Other Lease Payments	Totals
2018	\$ 2,780,861	\$ 919,686	\$ 3,700,547
2019	2,779,728	599,246	3,378,974
2020	2,782,526	400,115	3,182,641
2021	2,279,474	368,243	2,647,717
2022	2,030,107	354,489	2,384,596
2023 - 2027	10,158,310	1,848,043	12,006,353
2028 - 2032	10,155,005	1,176,693	11,331,698
2033 - 2037	10,158,625	-	10,158,625
2035 - 2039	10,157,200	-	10,157,200
2043 - 2047	4,056,650	-	4,056,650
Total	<u>\$ 57,338,486</u>	<u>\$ 5,666,515</u>	<u>\$ 63,005,001</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

10. OPERATING LEASES (continued)

Year Ending June 30,	Future Operating Lease Payments - PUC Lakeview Terrace		
	Lease Payments To SCCSP	Other Lease Payments	Totals
	2018	\$ 1,384,891	\$ 35,273
2019	1,376,291	27,093	1,403,384
2020	1,381,595	25,698	1,407,293
2021	1,308,119	11,138	1,319,257
2022	1,233,185	601	1,233,786
2023 - 2027	6,183,004	-	6,183,004
2028 - 2032	6,174,157	-	6,174,157
2033 - 2037	6,191,077	-	6,191,077
2035 - 2039	6,180,226	-	6,180,226
2043 - 2047	6,176,592	-	6,176,592
Total	\$ 37,589,137	\$ 99,803	\$ 37,688,940

The Organization receives no sublease rental revenues nor pays any contingent rentals associated with this lease. For the fiscal year ended June 30, 2017, the aggregate operating lease expense was \$6,410,032.

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).

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 \$177.9 billion, the total actuarial present value of accumulated plan benefits is \$333.3 billion, contributions from all employers totaled \$3.2 billion, and the plan is 63.7% 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.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

11. EMPLOYEE RETIREMENT SYSTEMS (continued)

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 2016-2017 was 12.58% 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, 2017, were \$2,993,659, and equal 100% of the required contributions for the 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, 2017, were \$105,031, and equal 100% of the required contributions for the fiscal year.

12. RELATED PARTY TRANSACTIONS

Lease Agreements

CALSMSHS, CCMSHS and LCA have rental agreements with Southern California Charter School Properties, LLC (SC-LLC). CALSMSHS, CCMSHS and LCA pay a monthly rent of approximately \$37,600, \$71,300 and \$31,100, respectively. Total payments for the fiscal year ended June 30, 2017, were \$1,679,710. The amount was recognized as rental income for the SC-LLC and rental expenditure for CALSMSHS, CCMSHS and LCA and was, therefore, eliminated from the consolidated financial statements.

TCA and LCHS have rental agreements with Tri-lake Charter School Properties, LLC (TL-LLC). TCA and LCHS pay a monthly rent of approximately \$147,700 and \$84,000, respectively. Total payments for the fiscal year ended June 30, 2017, were \$2,531,191. 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.

PARTNERSHIPS TO UPLIFT COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

12. RELATED PARTY TRANSACTIONS (continued)

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 are renewed annually with the current contracts ending June 30, 2017. Fees are 9.25% of each individual school's total unrestricted revenue, excluding Federal revenues. Fees charged by PUC National to the Organization for the year ended June 30, 2017 were \$4,878,045.

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.

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 13, 2017, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**PARTNERSHIPS TO UPLIFT COMMUNITIES
ORGANIZATION
JUNE 30, 2017**

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, 2017**

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.

PUC Inspire Charter School [#1820] is a Grade Kindergarten through Grade 8 Charter School, serving Grades Kindergarten, 1, 6 and 7, and was granted its charter by the Los Angeles Unified School District on August 28, 2017, for a 3-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, 2017**

The Board of Directors for the fiscal year ended June 30, 2017, was comprised of the following members:

PUC Los Angeles

Name	Office	Term	Term Expiration
Manuel Ponce, Ph.D.	Chairman	2 Years	October 2017
Yvette King-Berg	Vice-Chairman/Secretary	2 Years	June 2017
Jesse Almeda	Treasurer	2 Years	June 2017
Jessica Lopez	Member	2 Years	June 2017
Genesis Morales	Member	2 Years	June 2017
Juana Maria Valdivia	Member	2 Years	January 2019
Dorthy Lee	Member	2 Years	April 2019

PUC Valley

Name	Office	Term	Term Expiration
Manuel Ponce, Ph.D.	Chairman	2 Years	October 2017
Yvette King-Berg	Vice-Chairman/Secretary	2 Years	June 2017
Jesse Almeda	Treasurer	2 Years	June 2017
Jessica Lopez	Member	2 Years	June 2017
Genesis Morales	Member	2 Years	June 2017
Juana Maria Valdivia	Member	2 Years	January 2019
Dorthy Lee	Member	2 Years	April 2019

PUC Lakeview Terrace

Name	Office	Term	Term Expiration
Manuel Ponce, Ph.D.	Chairman	2 Years	October 2017
Yvette King-Berg	Vice-Chairman/Secretary	2 Years	June 2017
Jesse Almeda	Treasurer	2 Years	June 2017
Jessica Lopez	Member	2 Years	June 2017
Genesis Morales	Member	2 Years	June 2017
Juana Maria Valdivia	Member	2 Years	January 2019
Dorthy Lee	Member	2 Years	April 2019

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, 2017**

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

	Second Period Report	Annual Report
	<u> </u>	<u> </u>
Grades 4 - 6	115.62	114.99
Grades 7 - 8	223.38	222.21
Grades 9 -12	<u>432.17</u>	<u>429.18</u>
Total	<u><u>771.17</u></u>	<u><u>766.38</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	73.55	73.09
Grades 7 - 8	212.28	208.66
Grades 9 -12	<u>247.12</u>	<u>246.66</u>
Total	<u><u>532.95</u></u>	<u><u>528.41</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	184.15	183.41
Grades 4 - 6	<u>90.26</u>	<u>89.94</u>
Total	<u><u>274.41</u></u>	<u><u>273.35</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, 2017**

PUC Lakeview Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	113.61	113.25
Grades 7 - 8	214.60	213.54
Total	328.21	326.79

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	108.18	108.46
Grades 7 - 8	222.50	221.93
Grades 9 -12	410.68	406.73
Total	741.36	737.12

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	95.11	95.42
Grades 7 - 8	201.29	200.99
Total	296.40	296.41

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, 2017**

PUC Santa Rosa Charter Academy

	Second Period Report	Annual Report
Grades 4 - 6	29.07	28.87
Grades 7 - 8	162.09	160.64
Total	191.16	189.51

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	116.60	115.84
Grades 7 - 8	230.33	229.34
Grades 9 -12	88.34	87.17
Total	435.27	432.35

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	386.85	385.22
Total	386.85	385.22

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, 2017**

PUC Early College Academy for Leaders and Scholars

	Second Period Report	Annual Report
Grades 9 -12	391.93	389.88
Total	391.93	389.88

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
Transitional Kindergarten/Kindergarten - Grade 3	198.48	198.19
Grades 4 - 6	89.35	88.60
Total	287.83	286.79

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	106.66	105.37
Grades 7 - 8	191.84	189.15
Total	298.50	294.52

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, 2017**

PUC Community Charter Middle School & Community Early College High School

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	67,195	176	In Compliance
Grade 7	54,000	67,195	176	In Compliance
Grade 8	54,000	67,195	176	In Compliance
Grade 9	64,800	67,565	176	In Compliance
Grade 10	64,800	67,565	176	In Compliance
Grade 11	64,800	67,565	176	In Compliance
Grade 12	64,800	67,565	176	In Compliance

PUC CALS Middle and Early College High

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	66,015	176	In Compliance
Grade 7	54,000	66,015	176	In Compliance
Grade 8	54,000	66,015	176	In Compliance
Grade 9	64,800	66,711	176	In Compliance
Grade 10	64,800	66,711	176	In Compliance
Grade 11	64,800	66,711	176	In Compliance
Grade 12	64,800	66,711	176	In Compliance

PUC Milagro Charter School

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	60,420	176	In Compliance
Grade 1	50,400	58,365	176	In Compliance
Grade 2	50,400	58,365	176	In Compliance
Grade 3	50,400	58,365	176	In Compliance
Grade 4	54,000	58,365	176	In Compliance
Grade 5	54,000	58,365	176	In Compliance

PUC Lakeview Charter Academy

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	68,020	176	In Compliance
Grade 7	54,000	68,020	176	In Compliance
Grade 8	54,000	68,020	176	In Compliance

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

PUC Triumph Charter Academy

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	67,220	176	In Compliance
Grade 7	54,000	67,220	176	In Compliance
Grade 8	54,000	67,220	176	In Compliance
Grade 9	64,800	67,385	176	In Compliance
Grade 10	64,800	67,385	176	In Compliance
Grade 11	64,800	67,385	176	In Compliance
Grade 12	64,800	67,385	176	In Compliance

PUC Excel Charter Academy

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	69,371	176	In Compliance
Grade 7	54,000	69,371	176	In Compliance
Grade 8	54,000	69,371	176	In Compliance

PUC Santa Rosa Charter Academy

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	63,508	176	In Compliance
Grade 7	54,000	63,508	176	In Compliance
Grade 8	54,000	63,508	176	In Compliance

PUC Nueva Esperanza Charter Academy

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	66,825	176	In Compliance
Grade 7	54,000	66,825	176	In Compliance
Grade 8	54,000	66,825	176	In Compliance
Grade 9	64,800	66,750	176	In Compliance
Grade 10	64,800	66,750	176	In Compliance

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

PUC Lakeview Charter High School

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	67,055	176	In Compliance
Grade 10	64,800	67,055	176	In Compliance
Grade 11	64,800	67,055	176	In Compliance
Grade 12	64,800	67,055	176	In Compliance

PUC Early College Academy for Leaders and Scholars

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	65,395	176	In Compliance
Grade 10	64,800	65,395	176	In Compliance
Grade 11	64,800	65,395	176	In Compliance
Grade 12	64,800	65,395	176	In Compliance

PUC Community Charter Elementary

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	57,660	176	In Compliance
Grade 1	50,400	54,630	176	In Compliance
Grade 2	50,400	54,630	176	In Compliance
Grade 3	50,400	57,315	176	In Compliance
Grade 4	54,000	57,315	176	In Compliance

PUC Inspire Middle Academy

Grade Level	2016-17 Minutes Requirements	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	66,300	176	In Compliance
Grade 7	54,000	66,300	176	In Compliance
Grade 8	54,000	66,300	176	In Compliance

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

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	\$ 2,663,625
Total U.S. Department of Agriculture			<u>2,663,625</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	1,772,136
NCLB: Title II, Part A, Teacher Quality	84.367	14341	34,174
NCLB: Title V, Part B, Public Charter School Grants	84.282A	14941	84,375
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	953,642
Total U.S. Department of Education			<u>2,844,327</u>
Total Expenditures of Federal Awards			<u>\$ 5,507,952</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 accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance. Partnerships to Uplift Communities has elected to use the 10-percent de minimus indirect cost rate allowed under OMB Uniform Guidance.

PARTNERSHIPS TO UPLIFT COMMUNITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2017

	Program Services	Support Services	
	Education	Management and General	Totals
Certificated salaries	\$ 19,541,802	\$ 3,656,555	\$ 23,198,357
Classified salaries	5,027,040	2,360,300	7,387,340
Employee benefits	6,156,662	438,785	6,595,447
Books and supplies	3,686,703	-	3,686,703
Travel and conferences	438,488	-	438,488
Dues and memberships	160,828	-	160,828
Insurance	-	390,047	390,047
Operation and housekeeping services	2,726,621	1,169,654	3,896,275
Rental, leases, repairs, and non-capitalized improvements	875,341	5,504,873	6,380,214
Professional/consulting services and operating expenditures	9,867,332	-	9,867,332
Communications	-	431,302	431,302
Depreciation and amortization	-	1,437,093	1,437,093
	<u>48,480,817</u>	<u>15,388,609</u>	<u>63,869,426</u>
Intercompany elimination	-	(451,195)	(451,195)
Total expenses	<u>\$ 48,480,817</u>	<u>\$ 14,937,414</u>	<u>\$ 63,418,231</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2017**

	CALSMHS	MCS	ECA	SRCA	ECALS	iPREP	Totals
ASSETS							
Current assets:							
Cash	\$ 2,375,654	\$ 755,352	\$ 557,521	\$ 385,063	\$ 890,953	\$ 60,979	\$ 5,025,522
Accounts receivable	526,832	318,860	331,169	207,591	278,346	84,375	1,747,173
Prepaid expenses	4,937	24,898	2,764	1,816	3,617	-	38,032
Deferred rent	42,506	-	-	-	-	-	42,506
Total current assets	2,949,929	1,099,110	891,454	594,470	1,172,916	145,354	6,853,233
Fixed assets, net	253,079	51,729	106,063	58,075	71,561	-	540,507
Deposits	130,217	42,456	826	6,819	25	-	180,343
Total noncurrent assets	383,296	94,185	106,889	64,894	71,586	-	720,850
Total assets	<u>\$ 3,333,225</u>	<u>\$ 1,193,295</u>	<u>\$ 998,343</u>	<u>\$ 659,364</u>	<u>\$ 1,244,502</u>	<u>\$ 145,354</u>	<u>\$ 7,574,083</u>
LIABILITIES AND NET ASSETS							
Current liabilities:							
Accounts payable	\$ 165,930	\$ 99,483	\$ 137,753	\$ 68,152	\$ 193,008	\$ 46,058	\$ 710,384
Accrued expenses	211,528	114,832	91,640	57,736	155,829	2,625	634,190
Deferred revenue	26,804	18,397	22,650	7,002	20,693	95,000	190,546
Total current liabilities	404,262	232,712	252,043	132,890	369,530	143,683	1,535,120
Total liabilities	404,262	232,712	252,043	132,890	369,530	143,683	1,535,120
Net assets:							
Temporarily restricted	81,123	77,505	25,664	75,630	92,297	-	352,219
Unrestricted	2,847,840	883,078	720,636	450,844	782,675	1,671	5,686,744
Total net assets	2,928,963	960,583	746,300	526,474	874,972	1,671	6,038,963
Total liabilities and net assets	<u>\$ 3,333,225</u>	<u>\$ 1,193,295</u>	<u>\$ 998,343</u>	<u>\$ 659,364</u>	<u>\$ 1,244,502</u>	<u>\$ 145,354</u>	<u>\$ 7,574,083</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

	CALSMHS	MCS	ECA	SRCA	ECALS	iPREP	Totals
REVENUES							
Revenue limit sources:							
State aid	\$ 3,461,523	\$ 1,717,593	\$ 1,768,364	\$ 1,136,980	\$ 2,667,616	\$ -	\$ 10,752,076
Education protection account	697,755	348,845	388,199	252,861	600,132	-	2,287,792
In-lieu of property taxes	1,131,160	582,422	629,094	405,728	831,852	-	3,580,256
Federal revenues	531,280	373,687	421,554	248,898	364,732	84,375	2,024,526
State revenues	1,259,102	622,974	709,365	458,199	523,906	-	3,573,546
Local revenues:							-
Donations	21,529	1,503	18,870	5,691	11,107	5,000	63,700
Fundraising	36,379	26,941	33,789	40,920	52,325	-	190,354
Miscellaneous	77,354	29,261	37,575	28,767	37,833	-	210,790
Total revenues before transfers	7,216,082	3,703,226	4,006,810	2,578,044	5,089,503	89,375	22,683,040
Net assets released from restrictions	52,915	-	-	-	-	-	52,915
Total revenues	7,268,997	3,703,226	4,006,810	2,578,044	5,089,503	89,375	22,735,955
EXPENSES							
Program services:							
Education	5,152,665	2,611,932	3,396,755	2,137,689	4,008,961	72,210	17,380,212
Support services:							
Management and general	1,516,824	824,554	562,830	419,158	790,655	15,494	4,129,515
Total expenses	6,669,489	3,436,486	3,959,585	2,556,847	4,799,616	87,704	21,509,727
Change in unrestricted net assets	599,508	266,740	47,225	21,197	289,887	1,671	1,226,228
Decrease in temporarily restricted net assets	(52,915)	-	-	-	-	-	(52,915)
CHANGE IN NET ASSETS	546,593	266,740	47,225	21,197	289,887	1,671	1,173,313
NET ASSETS, BEGINNING OF YEAR	2,382,370	693,843	699,075	505,277	585,085	-	4,865,650
NET ASSETS, END OF YEAR	\$ 2,928,963	\$ 960,583	\$ 746,300	\$ 526,474	\$ 874,972	\$ 1,671	\$ 6,038,963

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2017

	CALSMHS	MCS	ECA	SRCA	ECALS	iPREP	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:							
Change in net assets	\$ 546,593	\$ 266,740	\$ 47,225	\$ 21,197	\$ 289,887	\$ 1,671	\$ 1,173,313
Adjustments to reconcile change in net assets to net cash provided by operating activities:							
Depreciation	43,087	29,058	21,110	10,336	20,308	-	123,899
(Increase) decrease in operating assets:							
Accounts receivable	397,210	42,284	38,255	57,213	164,124	(84,375)	614,711
Prepaid expenses	(2,751)	(23,834)	(228)	(1,099)	(1,812)	-	(29,724)
Other current assets	33,486	371	-	-	7,190	-	41,047
Deferred rent assets	(3,170)	-	-	-	-	-	(3,170)
Deposits	(750)	-	-	-	-	-	(750)
Increase (decrease) in operating liabilities:							
Accounts payable	71,031	5,816	(26,730)	(2,816)	108,849	46,058	202,208
Accrued expenses	22,965	(73,152)	(32,465)	55,817	(9,179)	2,625	(33,389)
Deferred revenue	10,397	7,666	10,361	(405)	8,715	95,000	131,734
Deferred rent	-	(6,536)	(8,318)	-	-	-	(14,854)
Other current liabilities	(418)	(415)	(6,032)	(3,344)	-	-	(10,209)
Net cash flows provided by operating activities	<u>1,117,680</u>	<u>247,998</u>	<u>43,178</u>	<u>136,899</u>	<u>588,082</u>	<u>60,979</u>	<u>2,194,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of fixed assets	(164,118)	(4,188)	(88,660)	(36,082)	(34,331)	-	(327,379)
Net cash flows used in investing activities	<u>(164,118)</u>	<u>(4,188)</u>	<u>(88,660)</u>	<u>(36,082)</u>	<u>(34,331)</u>	<u>-</u>	<u>(327,379)</u>
NET INCREASE (DECREASE) IN CASH	<u>953,562</u>	<u>243,810</u>	<u>(45,482)</u>	<u>100,817</u>	<u>553,751</u>	<u>60,979</u>	<u>1,867,437</u>
CASH, BEGINNING OF YEAR	<u>1,422,092</u>	<u>511,542</u>	<u>603,003</u>	<u>284,246</u>	<u>337,202</u>	<u>-</u>	<u>3,158,085</u>
CASH, END OF YEAR	<u>\$ 2,375,654</u>	<u>\$ 755,352</u>	<u>\$ 557,521</u>	<u>\$ 385,063</u>	<u>\$ 890,953</u>	<u>\$ 60,979</u>	<u>\$ 5,025,522</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2017

	Program Services	Support Services	Totals
	Education	Management and General	
Certificated salaries	\$ 6,942,212	\$ 1,409,529	\$ 8,351,741
Classified salaries	2,044,618	826,464	2,871,082
Employee benefits	2,204,035	169,143	2,373,178
Books and supplies	1,094,198	-	1,094,198
Travel and conferences	143,446	-	143,446
Dues and memberships	66,597	-	66,597
Insurance	-	121,680	121,680
Operation and housekeeping services	917,450	338,006	1,255,456
Rental, leases, repairs, and non-capitalized improvements	604,564	974,423	1,578,987
Professional/consulting services and operating expenditures	3,363,092	-	3,363,092
Communications	-	166,371	166,371
Depreciation and amortization	-	123,899	123,899
Total expenses	<u>\$ 17,380,212</u>	<u>\$ 4,129,515</u>	<u>\$ 21,509,727</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

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	\$ 940,209
Total U.S. Department of Agriculture			<u>940,209</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	664,058
NCLB: Title II, Part A, Teacher Quality	84.367	14341	9,985
NCLB: Title V, Part B, Public Charter School Grants	84.282A	14941	84,375
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	325,899
Total U.S. Department of Education			<u>1,084,317</u>
Total Expenditures of Federal Awards			<u>\$ 2,024,526</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 accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance. PUC Los Angeles has elected to use the 10-percent de minimus indirect cost rate allowed under 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, 2017

	CALSMHS	MCS	ECA	SRCA	ECALS
June 30, 2017, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	\$ 2,928,965	\$ 960,581	\$ 746,300	\$ 526,475	\$ 874,970
Adjustments and reclassifications:					
Increasing (decreasing) the fund balance to net assets:					
Accounts receivable overstatement	(172,725)	(42,454)	(824)	(6,818)	(25)
Deposits understatement	130,215	42,454	824	6,818	25
Deferred rent asset understatement	42,506	-	-	-	-
Rounding	2	2	-	(1)	2
Net adjustments and reclassifications	(2)	2	-	(1)	2
June 30, 2017, Audited Financial Statements, Net Assets	<u>\$ 2,928,963</u>	<u>\$ 960,583</u>	<u>\$ 746,300</u>	<u>\$ 526,474</u>	<u>\$ 874,972</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2017**

	TCA	NECA	LCHS	CCE	ICA	TL-LLC	Eliminations	Totals
ASSETS								
Current assets:								
Cash	\$ 265,541	\$ 465,155	\$ 358,962	\$ 777,483	\$ 461,610	\$ 36,701	\$ -	\$ 2,365,452
Restricted cash, current portion	-	-	-	-	-	1,201,594	-	1,201,594
Accounts receivable	814,365	453,290	359,853	413,175	448,049	-	-	2,488,732
Intercompany receivables	1,140,576	502,696	611,012	-	1,818	-	(2,256,102)	-
Prepaid expenses	9,969	4,128	5,770	3,436	2,839	-	-	26,142
Other current assets	298	-	-	-	-	-	-	298
Total current assets	<u>2,230,749</u>	<u>1,425,269</u>	<u>1,335,597</u>	<u>1,194,094</u>	<u>914,316</u>	<u>1,238,295</u>	<u>(2,256,102)</u>	<u>6,082,218</u>
Restricted cash, noncurrent portion	-	-	-	-	-	2,511,618	-	2,511,618
Fixed assets, net	616,629	133,436	334,890	200,029	122,865	23,526,619	-	24,934,468
Deposits	147,817	-	77,483	9,000	2,250	-	-	236,550
Total assets	<u>\$ 2,995,195</u>	<u>\$ 1,558,705</u>	<u>\$ 1,747,970</u>	<u>\$ 1,403,123</u>	<u>\$ 1,039,431</u>	<u>\$ 27,276,532</u>	<u>\$ (2,256,102)</u>	<u>\$ 33,764,854</u>
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	\$ 167,147	\$ 114,972	\$ 53,092	\$ 140,742	\$ 69,225	\$ 225,000	\$ -	\$ 770,178
Intercompany payables	-	-	-	-	-	2,384,343	(2,256,102)	128,241
Accrued expenses	984,577	184,423	458,614	74,903	84,595	553,917	-	2,341,029
Deferred revenue	19,629	21,573	66,026	17,381	17,655	-	-	142,264
Deferred rent	82,973	263,587	48,730	31,202	-	-	-	426,492
Current portion of debt obligations, net	398,807	-	274,058	50,000	50,000	285,780	-	1,058,645
Total current liabilities	<u>1,653,133</u>	<u>584,555</u>	<u>900,520</u>	<u>314,228</u>	<u>221,475</u>	<u>3,449,040</u>	<u>(2,256,102)</u>	<u>4,866,849</u>
Debt obligations, net of current portion	-	-	-	50,000	50,000	23,117,697	-	23,217,697
Total liabilities	<u>1,653,133</u>	<u>584,555</u>	<u>900,520</u>	<u>364,228</u>	<u>271,475</u>	<u>26,566,737</u>	<u>(2,256,102)</u>	<u>28,084,546</u>
Net assets:								
Temporarily restricted	79,985	80,945	84,900	14,665	10,266	-	-	270,761
Permanently restricted	-	-	-	-	-	-	-	-
Unrestricted	1,262,077	893,205	762,550	1,024,230	757,690	709,795	-	5,409,547
Total net assets	<u>1,342,062</u>	<u>974,150</u>	<u>847,450</u>	<u>1,038,895</u>	<u>767,956</u>	<u>709,795</u>	<u>-</u>	<u>5,680,308</u>
Total liabilities and net assets	<u>\$ 2,995,195</u>	<u>\$ 1,558,705</u>	<u>\$ 1,747,970</u>	<u>\$ 1,403,123</u>	<u>\$ 1,039,431</u>	<u>\$ 27,276,532</u>	<u>\$ (2,256,102)</u>	<u>\$ 33,764,854</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
COMBINING STATEMENT OF ACTIVITIES
June 30, 2017**

	<u>TCA</u>	<u>NECA</u>	<u>LCHS</u>	<u>CCE</u>	<u>ICA</u>	<u>TL-LLC</u>	<u>Elimination</u>	<u>Totals</u>
REVENUES								
Revenue limit sources:								
State aid	\$ 4,837,410	\$ 2,591,660	\$ 2,726,571	\$ 2,211,685	\$ 2,281,976	\$ -	\$ -	\$ 14,649,302
Education protection account	970,764	570,266	592,354	57,566	59,700	-	-	2,250,650
In-lieu of property taxes	1,573,500	923,839	821,070	610,905	633,551	-	-	4,562,865
Federal revenues	774,607	440,791	334,152	335,009	351,053	-	-	2,235,612
State revenues	1,646,374	1,056,599	797,272	436,642	565,450	-	-	4,502,337
Local revenues:								
Donations	6,308	177,676	6,226	2,844	5,711	-	-	198,765
Fundraising	142,002	25,807	56,527	32,742	11,949	-	-	269,027
Rent	-	-	-	-	-	2,531,262	(2,531,262)	-
Miscellaneous	174,247	48,772	102,512	25,348	32,521	3,269	-	386,669
Total revenues before transfers	10,125,212	5,835,410	5,436,684	3,712,741	3,941,911	2,534,531	(2,531,262)	29,055,227
Net assets released from restrictions	52,218	-	-	-	-	-	-	52,218
Total revenues	10,177,430	5,835,410	5,436,684	3,712,741	3,941,911	2,534,531	(2,531,262)	29,107,445
EXPENSES								
Program services:								
Education	7,039,021	4,178,275	3,730,980	2,561,566	2,980,131	-	-	20,489,973
Support services:								
Management and general	3,009,497	1,518,046	1,696,436	545,280	622,772	2,186,290	(2,531,262)	7,047,059
Total expenses	10,048,518	5,696,321	5,427,416	3,106,846	3,602,903	2,186,290	(2,531,262)	27,537,032
Change in unrestricted net assets	128,912	139,089	9,268	605,895	339,008	348,241	-	1,570,413
Decrease in temporarily restricted net assets	(52,218)	-	-	-	-	-	-	(52,218)
CHANGE IN NET ASSETS	76,694	139,089	9,268	605,895	339,008	348,241	-	1,518,195
NET ASSETS, BEGINNING OF YEAR	1,265,368	835,061	838,182	433,000	428,948	361,554	-	4,162,113
NET ASSETS, END OF YEAR	\$ 1,342,062	\$ 974,150	\$ 847,450	\$ 1,038,895	\$ 767,956	\$ 709,795	\$ -	\$ 5,680,308

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2017**

	<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	\$ 76,694	\$ 139,089	\$ 9,268	\$ 605,895	\$ 339,008	\$ 348,241	\$ 1,518,195
Adjustments to reconcile change in net assets to net cash from provided by operating activities:							
Depreciation	139,409	32,011	79,468	8,375	26,784	435,590	721,637
Amortization of debt discount	-	-	-	-	-	76,649	76,649
(Increase) decrease in operating assets:							
Accounts receivable	201,466	101,441	155,837	(145,156)	(273,764)	838,978	878,802
Intercompany receivables	(221,846)	(2,696)	(111,012)	-	(1,818)	-	(337,372)
Prepaid expenses	(9,969)	(4,128)	(3,829)	(2,504)	(2,051)	-	(22,481)
Other current assets	(128)	25	532	31	261	-	721
Deposits	(49,718)	-	(25,582)	-	(2,250)	-	(77,550)
Increase (decrease) in operating liabilities:							
Accounts payable	(98,947)	(18,177)	(114,732)	45,152	(112,066)	(769,478)	(1,068,248)
Intercompany payables	-	-	-	-	-	465,613	465,613
Accrued expenses	781,077	(57,304)	372,135	10,799	33,007	(8,050)	1,131,664
Deferred revenue	(4,719)	(158,323)	55,442	6,909	10,648	-	(90,043)
Deferred rent	(3,454)	16,322	(2,029)	(10,406)	-	-	433
Other current liabilities	(247)	(398)	(133)	(172)	(2,986)	-	(3,936)
Net cash flows provided by operating activities	<u>809,618</u>	<u>47,862</u>	<u>415,365</u>	<u>518,923</u>	<u>14,773</u>	<u>1,387,543</u>	<u>3,194,084</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of fixed assets	(162,069)	(137,167)	(80,394)	(208,404)	(57,835)	(919,556)	(1,565,425)
Net cash flows used in investing activities	<u>(162,069)</u>	<u>(137,167)</u>	<u>(80,394)</u>	<u>(208,404)</u>	<u>(57,835)</u>	<u>(919,556)</u>	<u>(1,565,425)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
Payments on debt obligations	(413,866)	-	(218,773)	(50,000)	(50,000)	(345,000)	(1,077,639)
Increase in restricted cash	-	-	-	-	-	(91,174)	(91,174)
Net cash flows used in financing activities	<u>(413,866)</u>	<u>-</u>	<u>(218,773)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(436,174)</u>	<u>(1,168,813)</u>
NET INCREASE (DECREASE) IN CASH	233,683	(89,305)	116,198	260,519	(93,062)	31,813	459,846
CASH, BEGINNING OF YEAR	31,858	554,460	242,764	516,964	554,672	4,888	1,905,606
CASH, END OF YEAR	<u>\$ 265,541</u>	<u>\$ 465,155</u>	<u>\$ 358,962</u>	<u>\$ 777,483</u>	<u>\$ 461,610</u>	<u>\$ 36,701</u>	<u>\$ 2,365,452</u>
SUPPLEMENTAL DISCLOSURE:							
Cash paid for interest	\$ -	\$ -	\$ -	\$ 292	\$ 292	\$ 1,673,825	\$ 1,674,409

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2017

	<u>Program Services</u>	<u>Support Services</u>	
	<u>Education</u>	<u>Management and General</u>	<u>Totals</u>
Certificated salaries	\$ 8,167,225	\$ 1,504,038	\$ 9,671,263
Classified salaries	2,054,121	1,026,006	3,080,127
Employee benefits	2,470,786	180,484	2,651,270
Books and supplies	1,665,322	-	1,665,322
Travel and conferences	198,671	-	198,671
Dues and memberships	62,678	-	62,678
Insurance	-	145,090	145,090
Operation and housekeeping services	1,194,894	594,541	1,789,435
Rental, leases, repairs, and non-capitalized improvements	270,777	2,690,586	2,961,363
Professional/consulting services and operating expenditures	4,405,499	-	4,405,499
Communications	-	184,677	184,677
Depreciation and amortization	-	721,637	721,637
Total expenses	<u>\$20,489,973</u>	<u>\$ 7,047,059</u>	<u>\$27,537,032</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC VALLEY
STATEMENT OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017**

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	\$ 1,088,319
Total U.S. Department of Agriculture			<u>1,088,319</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	720,355
NCLB: Title II, Part A, Teacher Quality	84.367	14341	11,595
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	415,343
Total U.S. Department of Education			<u>1,147,293</u>
Total Expenditures of Federal Awards			<u>\$ 2,235,612</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 accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance. PUC Valley has elected to use the 10-percent de minimus indirect cost rate allowed under 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, 2017**

	<u>TCA</u>	<u>NECA</u>	<u>LCHS</u>	<u>CCE</u>	<u>ICA</u>
June 30, 2017, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	\$ 1,342,060	\$ 974,154	\$ 847,451	\$ 1,038,890	\$ 767,950
Adjustments and reclassifications:					
Increasing (decreasing) the fund balance to net assets:					
Accounts receivable overstatement	(1,288,691)	(502,696)	(77,484)	(8,998)	(2,251)
Intercompany receivables understatement	1,140,576	502,696	-	-	-
Prepaid expenses understatement	298	-	-	-	-
Deposits understatement	147,815	-	77,484	8,998	2,251
Accounts payable overstatement	82,975	263,587	48,730	31,200	-
Current loans understatement	(398,807)	-	(274,058)	(50,000)	(50,000)
Long-term liabilities overstatement	398,807	-	274,058	50,006	50,006
Deferred rent understatement	(82,973)	(263,587)	(48,730)	(31,200)	-
Rounding	2	(4)	(1)	(1)	-
Net adjustments and reclassifications	<u>2</u>	<u>(4)</u>	<u>(1)</u>	<u>5</u>	<u>6</u>
June 30, 2017, Audited Financial Statements, Net Assets	<u>\$ 1,342,062</u>	<u>\$ 974,150</u>	<u>\$ 847,450</u>	<u>\$ 1,038,895</u>	<u>\$ 767,956</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF FINANCIAL POSITION
For the Fiscal Year Ended June 30, 2017

	<u>CCMSHS</u>	<u>LCA</u>	<u>SC-LLC</u>	<u>Totals</u>
ASSETS				
Current assets:				
Cash	\$ 1,836,367	\$ 615,194	\$ 31,063	\$ 2,482,624
Restricted cash, current portion	-	-	1,012,537	1,012,537
Accounts receivable	969,634	371,380	-	1,341,014
Intercompany receivables	126,297	1,944	-	128,241
Prepaid expenses	8,637	3,758	-	12,395
Deferred rent	30,364	12,849	-	43,213
Total current assets	2,971,299	1,005,125	1,043,600	5,020,024
Restricted cash, noncurrent portion	-	-	2,029,710	2,029,710
Fixed assets, net	253,262	125,959	20,442,142	20,821,363
Deposits	285,644	89,490	-	375,134
Total assets	<u>\$ 3,510,205</u>	<u>\$ 1,220,574</u>	<u>\$ 23,515,452</u>	<u>\$ 28,246,231</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 210,319	\$ 138,901	\$ 349,958	\$ 699,178
Accrued expenses	220,187	92,466	444,903	757,556
Deferred revenue	28,810	17,173	-	45,983
Other current liabilities	-	-	39,402	39,402
Current portion of debt obligations, net	-	-	288,087	288,087
Total current liabilities	459,316	248,540	1,122,350	1,830,206
Debt obligations, net, less current portion	-	-	23,566,922	23,566,922
Total liabilities	459,316	248,540	24,689,272	25,397,128
Net assets:				
Temporarily restricted	173,072	82,696	-	255,768
Unrestricted	2,877,817	889,338	(1,173,820)	2,593,335
Total net assets	<u>3,050,889</u>	<u>972,034</u>	<u>(1,173,820)</u>	<u>2,849,103</u>
Total liabilities and net assets	<u>\$ 3,510,205</u>	<u>\$ 1,220,574</u>	<u>\$ 23,515,452</u>	<u>\$ 28,246,231</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017**

	<u>CCMSHS</u>	<u>LCA</u>	<u>SC-LLC</u>	<u>Eliminations</u>	<u>Totals</u>
REVENUES					
Revenue limit sources:					
State aid	\$ 4,994,321	\$ 1,906,655	\$ -	\$ -	\$ 6,900,976
Education protection account	1,010,020	429,815	-	-	1,439,835
In-lieu of property taxes	1,636,770	696,609	-	-	2,333,379
Federal revenues	852,671	395,143	-	-	1,247,814
State revenues	1,710,635	774,133	-	-	2,484,768
Local revenues:					
Donations	6,962	8,849	-	-	15,811
Fundraising	195,441	74,918	-	-	270,359
Rent	-	-	1,679,710	(1,228,515)	451,195
Miscellaneous	103,960	52,097	11	-	156,068
Total revenues before transfers	10,510,780	4,338,219	1,679,721	(1,228,515)	15,300,205
Net assets released from restrictions	55,798	-	-	-	55,798
Total revenues	10,566,578	4,338,219	1,679,721	(1,228,515)	15,356,003
EXPENSES					
Program services:					
Education	7,524,190	3,086,442	-	-	10,610,632
Support services:					
Management and general	2,399,571	974,089	2,066,890	(1,228,515)	4,212,035
Total expenses	9,923,761	4,060,531	2,066,890	(1,228,515)	14,822,667
Change in unrestricted net assets	642,817	277,688	(387,169)	-	533,336
Decrease in temporarily restricted net assets	(55,798)	-	-	-	(55,798)
CHANGE IN NET ASSETS	587,019	277,688	(387,169)	-	477,538
NET ASSETS, BEGINNING OF YEAR	2,463,870	694,346	(786,651)	-	2,371,565
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ 3,050,889</u>	<u>\$ 972,034</u>	<u>\$ (1,173,820)</u>	<u>\$ -</u>	<u>\$ 2,849,103</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2017

	<u>CCMSHS</u>	<u>LCA</u>	<u>SC-LLC</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 587,019	\$ 277,688	\$ (387,169)	\$ 477,538
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	44,243	9,177	538,137	591,557
Amortization of debt discount	-	-	56,913	56,913
(Increase) decrease in operating assets:				
Accounts receivable	10,819	10,460	-	21,279
Intercompany receivables	(126,297)	(1,944)	-	(128,241)
Prepaid expenses	(3,457)	(2,450)	-	(5,907)
Other current assets	-	11,557	1,261	12,818
Deferred rent assets	3,159	1,401	-	4,560
Deposits	(50,000)	-	-	(50,000)
Increase (decrease) in operating liabilities:				
Accounts payable	47,969	(36,041)	(286)	11,642
Accrued expenses	46,856	14,708	(15,551)	46,013
Deferred revenue	(77,022)	5,230	(90,000)	(161,792)
Other current liabilities	(43)	-	39,402	39,359
Net cash flows provided by operating activities	<u>483,246</u>	<u>289,786</u>	<u>142,707</u>	<u>915,739</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	<u>(138,303)</u>	<u>(73,053)</u>	<u>-</u>	<u>(211,356)</u>
Net cash flows used in investing activities	<u>(138,303)</u>	<u>(73,053)</u>	<u>-</u>	<u>(211,356)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on debt obligations	-	-	(320,000)	(320,000)
Increase in restricted cash	<u>-</u>	<u>-</u>	<u>(13,800)</u>	<u>(13,800)</u>
Net cash flows used in financing activities	<u>-</u>	<u>-</u>	<u>(333,800)</u>	<u>(333,800)</u>
NET INCREASE (DECREASE) IN CASH	<u>344,943</u>	<u>216,733</u>	<u>(191,093)</u>	<u>370,583</u>
CASH, BEGINNING OF YEAR	<u>1,491,424</u>	<u>398,461</u>	<u>222,156</u>	<u>2,112,041</u>
CASH, END OF YEAR	<u>\$ 1,836,367</u>	<u>\$ 615,194</u>	<u>\$ 31,063</u>	<u>\$ 2,482,624</u>
SUPPLEMENTAL DISCLOSURE:				
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,910</u>	<u>\$ 1,345,910</u>

PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2017

	<u>Program Services</u>	<u>Support Services</u>	<u>Totals</u>
	<u>Education</u>	<u>Management and General</u>	
Certificated salaries	\$ 4,432,365	\$ 742,988	\$ 5,175,353
Classified salaries	928,301	507,830	1,436,131
Employee benefits	1,481,841	89,158	1,570,999
Books and supplies	927,183	-	927,183
Travel and conferences	96,371	-	96,371
Dues and memberships	31,553	-	31,553
Insurance	-	123,277	123,277
Operation and housekeeping services	614,277	237,107	851,384
Rental, leases, repairs, and non-capitalized improvements	-	1,839,864	1,839,864
Professional/consulting services and operating expenditures	2,098,741	-	2,098,741
Communications	-	80,254	80,254
Depreciation	-	591,557	591,557
Total expenses	<u>\$10,610,632</u>	<u>\$ 4,212,035</u>	<u>\$14,822,667</u>

**PARTNERSHIPS TO UPLIFT COMMUNITIES
PUC LAKEVIEW TERRACE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017**

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	\$ 635,097
Total U.S. Department of Agriculture			<u>635,097</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	387,723
NCLB: Title II, Part A, Teacher Quality	84.367	14341	12,594
NCLB: Title V, Part B, Public Charter School Grants	84.282A	14941	-
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	212,400
Total U.S. Department of Education			<u>612,717</u>
Total Expenditures of Federal Awards			<u>\$ 1,247,814</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 accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance. PUC Lakeview Terrace has elected to use the 10-percent de minimus indirect cost rate allowed under 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, 2017**

	CCMSHS	LCA
June 30, 2017, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	\$ 3,050,885	\$ 972,034
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance to net assets:		
Accounts receivable understatement	(285,644)	(89,490)
Deposits understatement	285,644	89,490
Rounding	4	-
Net adjustments and reclassifications	4	-
June 30, 2017, Audited Financial Statements, Net Assets	\$ 3,050,889	\$ 972,034

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
Burbank, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Partnerships to Uplift Communities Los Angeles (a nonprofit organization), Partnerships to Uplift Communities Valley (a nonprofit organization), and Partnerships to Uplift Communities Lakeview Terrace (a nonprofit organization), (collectively referred to as “Partnerships to Uplift Communities”) which comprise the consolidated statements of financial position as of June 30, 2017, 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 13, 2017.

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 13, 2017

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

Board of Directors
Partnerships to Uplift Communities
Burbank, California

Report on Compliance for Each Major Federal Program

We have audited Partnerships to Uplift Communities Los Angeles (a nonprofit organization), Partnerships to Uplift Communities Valley (a nonprofit organization), and Partnerships to Uplift Communities Lakeview Terrace (a nonprofit organization), (collectively referred to as "Partnerships to Uplift Communities") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Partnerships to Uplift Communities' major federal programs for the fiscal year ended June 30, 2017. 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, 2017.

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 13, 2017

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 *2016-17 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, 2017. 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, *2016-17 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

In our opinion, Partnerships to Uplift Communities complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2017.

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 *2016-17 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

San Diego, California
December 13, 2017.

FINDINGS AND RECOMMENDATIONS SECTION

PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2017

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

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2017**

Auditee qualified as low-risk auditee? Yes No

A. Summary of Auditor's Results (Continued)

3. State Awards

Internal control over state programs:

One or more material weaknesses identified? Yes No

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

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

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

D. State Award Findings and Questioned Costs

**PARTNERSHIPS TO UPLIFT COMMUNITIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2017**

<u>Findings/Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Implemented</u>
2016-001	The Organization hired a registered nurse to provide services to the schools in the area of health-related compliance, and filed the appropriate vaccination reports in a timely manner.	N/A