



ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

**Consolidated Financial Statements
and
Independent Auditors' Report
December 31, 2017 and 2016**

EKS&H

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Table of Contents

	<u>Page</u>
Independent Auditors' Report.....	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities.....	4
Consolidated Statements of Cash Flows.....	5
Notes to Consolidated Financial Statements.....	6
Supplementary Information	
Departmental Statements of Financial Position.....	15
Departmental Statements of Activities.....	17



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Alliance for Choice in Education and Subsidiaries
Denver, Colorado

We have audited the accompanying consolidated financial statements of Alliance for Choice in Education and Subsidiaries, which are comprised of the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation 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 presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 auditors consider 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 financial position of Alliance for Choice in Education and Subsidiaries as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Our audits were 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 of the consolidated financial statements rather than to present the financial position, change in net assets, and cash flows of the individual entities and departments 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 audits 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.

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Denver, Colorado
June 14, 2018

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Consolidated Statements of Financial Position

	December 31,	
	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 10,376,690	\$ 7,298,740
Short-term investments	710,037	709,336
Promises to give, current portion	6,230,888	2,235,648
Other receivable	7,908	10,226
Prepaid expenses	58,928	95,707
Total current assets	17,384,451	10,349,657
Non-current assets		
Promises to give, net of current portion	1,800,706	95,491
Furniture and equipment, net	197,047	231,823
Deposits	-	3,207
Total non-current assets	1,997,753	330,521
Total assets	\$ 19,382,204	\$ 10,680,178
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 398,090	\$ 199,868
Accounts payable - related party	-	466,741
Total current liabilities	398,090	666,609
Commitments		
Net assets		
Unrestricted	(16,152)	21,860
Temporarily restricted	19,000,266	9,991,709
Total net assets	18,984,114	10,013,569
Total liabilities and net assets	\$ 19,382,204	\$ 10,680,178

See notes to consolidated financial statements.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Consolidated Statements of Activities

	For the Years Ended					
	December 31, 2017			December 31, 2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Contributions	\$ 11,580,804	\$ 14,510,834	\$ 26,091,638	\$ 9,016,960	\$ 5,300,544	\$ 14,317,504
In-kind contributions	13,700	-	13,700	229,866	-	229,866
Other	<u>12,967</u>	<u>-</u>	<u>12,967</u>	<u>29,911</u>	<u>-</u>	<u>29,911</u>
Total support and revenue	<u>11,607,471</u>	<u>14,510,834</u>	<u>26,118,305</u>	<u>9,276,737</u>	<u>5,300,544</u>	<u>14,577,281</u>
Net assets released from restrictions						
Satisfaction of time or purpose restrictions	<u>5,502,277</u>	<u>(5,502,277)</u>	<u>-</u>	<u>3,801,893</u>	<u>(3,801,893)</u>	<u>-</u>
Expenses						
Program services						
Primary and secondary scholarships	12,181,986	-	12,181,986	9,408,390	-	9,408,390
Other education support programs	<u>1,919,931</u>	<u>-</u>	<u>1,919,931</u>	<u>1,497,180</u>	<u>-</u>	<u>1,497,180</u>
Total program services	<u>14,101,917</u>	<u>-</u>	<u>14,101,917</u>	<u>10,905,570</u>	<u>-</u>	<u>10,905,570</u>
Support services						
Fundraising	2,646,796	-	2,646,796	1,464,641	-	1,464,641
General and administrative	<u>282,530</u>	<u>-</u>	<u>282,530</u>	<u>663,579</u>	<u>-</u>	<u>663,579</u>
Total support services	<u>2,929,326</u>	<u>-</u>	<u>2,929,326</u>	<u>2,128,220</u>	<u>-</u>	<u>2,128,220</u>
Total expenses	<u>17,031,243</u>	<u>-</u>	<u>17,031,243</u>	<u>13,033,790</u>	<u>-</u>	<u>13,033,790</u>
Change in net assets from operations	78,505	9,008,557	9,087,062	44,840	1,498,651	1,543,491
Loss from uncollectible promises to give	(99,200)	-	(99,200)	(22,980)	-	(22,980)
Loss on disposal of assets	<u>(17,317)</u>	<u>-</u>	<u>(17,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(38,012)	9,008,557	8,970,545	21,860	1,498,651	1,520,511
Reclassification of net assets	-	-	-	(2,618,189)	2,618,189	-
Net assets at beginning of year	<u>21,860</u>	<u>9,991,709</u>	<u>10,013,569</u>	<u>2,618,189</u>	<u>5,874,869</u>	<u>8,493,058</u>
Net assets at end of year	<u><u>\$ (16,152)</u></u>	<u><u>\$ 19,000,266</u></u>	<u><u>\$ 18,984,114</u></u>	<u><u>\$ 21,860</u></u>	<u><u>\$ 9,991,709</u></u>	<u><u>\$ 10,013,569</u></u>

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	For the Years Ended	
	December 31,	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 8,970,545	\$ 1,520,511
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization expense	83,827	40,282
Loss from uncollectible promises to give	99,200	22,980
Loss on disposal of assets	17,317	-
Changes in operating assets and liabilities		
Promises to give	(5,799,655)	343,758
Other receivable	2,318	(4,431)
Prepaid expenses	36,779	(3,815)
Deposits	3,207	-
Accounts payable and accrued expenses	<u>(268,519)</u>	<u>252,759</u>
Net cash provided by operating activities	<u>3,145,019</u>	<u>2,172,044</u>
Cash flows from investing activities		
Purchases of furniture and equipment	(66,368)	(218,175)
(Purchases) proceeds from sale of short-term investments	<u>(701)</u>	<u>102,148</u>
Net cash used in investing activities	<u>(67,069)</u>	<u>(116,027)</u>
Net increase in cash and cash equivalents	3,077,950	2,056,017
Cash and cash equivalents at beginning of year	<u>7,298,740</u>	<u>5,242,723</u>
Cash and cash equivalents at end of year	<u>\$ 10,376,690</u>	<u>\$ 7,298,740</u>

See notes to consolidated financial statements.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Alliance for Choice in Education ("ACE") was incorporated in the state of Colorado on May 4, 2000 and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). ACE is dedicated to enhancing the quality and diversity of educational choices available to children by promoting greater accessibility to private schools through scholarships.

ACE upholds the mission that every child – regardless of family income – is of equal worth, is equally deserving of a quality education, and that providing every child with an educational choice will promote an accountable and competitive education marketplace that fosters effective private and public schools.

Principles of Consolidation

Since 2012, ACE has expanded its programs to several states outside of Colorado: Kansas, Louisiana, Montana, Texas, Wyoming, and Missouri, and expects to add more states each year. ACE has formed single-member LLCs, with ACE as the sole member, for each state operation. Each LLC is a disregarded entity for federal income tax purposes, and its accounts are included with ACE's accounts (collectively referred to as the "Organization") in these consolidated financial statements.

All intercompany accounts and transactions have been eliminated in the consolidation.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in the Organization's operations and those resources invested in furniture and equipment.

Temporarily restricted amounts are monies restricted by donors specifically for certain time periods, purposes, or programs.

Permanently restricted amounts are monies that must be maintained permanently by the Organization as required by the donor; however, the Organization is permitted to use or expend part or all of any income derived from the donated assets. The Organization does not currently maintain any permanently restricted net assets.

Due to the formation of a national model and expansion into multiple states, the net assets related to each state-specific activity have been reflected as temporarily restricted net assets. During 2016, \$2,618,189 was reclassified from unrestricted to temporarily restricted due to this change.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Standards

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment applies to all not-for-profit entities. The amendment reduces the classes of net assets to net assets with donor restrictions and net assets without donor restrictions; removes the reconciliation of cash flows to the indirect method if using the direct method; requires the reporting of investment returns, net of expenses, with no disclosure of netted expenses required; requires the use, in the absence of explicit donor stipulations, of the placed-in-service approach for reporting expirations of restrictions on cash or other asset donations; and requires disclosure of expenses by both their natural and functional classification on the face of the statement of activities, as a separate statement, or in the notes to the financial statements. In addition, the amendment provides enhanced disclosures on amounts and purposes of board designations and appropriations, composition of net assets with donor restrictions, discussion of liquidity for the year following year-end, discussion of liquidity of financial assets at year-end, methodology used to allocate costs between program and support functions, and underwater endowment funds. The amendment is effective for all fiscal years beginning after December 15, 2017, with early adoption allowed. Entities should apply the amendment in this update retrospectively to all periods presented.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

The Organization is currently evaluating the impacts of the pending adoption of the new standards on its consolidated financial statements.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Organization periodically maintains cash balances in excess of the FDIC's insurance limit of \$250,000.

Short-Term Investments

Short-term investments consist of certificates of deposit with an original maturity of greater than three months. Short-term investments are recorded at cost plus accrued interest.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Promises to Give

Promises to give consist of unconditional pledges of future contributions from donors. The allowance method is used to determine uncollectible unconditional promises to give. The allowance is based on management's analysis of specific pledges. The allowance for uncollectible promises to give as of December 31, 2017 and 2016 was \$65,000 and \$0, respectively.

Promises to give that are expected to be collected within one year are recorded at their net realizable values. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Concentration of Risk

Of the \$8,031,594 of total promises to give at December 31, 2017, approximately \$3,805,000 was from three donors. Of the \$2,331,139 of total promises to give at December 31, 2016, approximately \$1,325,000 was from three donors.

Of the \$26,091,638 of total contributions received during 2017, approximately \$5,037,000 was from two donors. Of the \$14,317,504 of total contributions received during 2016, no donor contributed more than 10%.

Furniture and Equipment

The Organization capitalizes all furniture and equipment with a cost or fair value of \$1,000 or greater. Furniture and equipment purchased by the Organization are recorded at cost. Donated furniture and equipment are capitalized at fair value at the date of donation. Depreciation and amortization are provided on the straight-line method based upon the estimated useful lives of the assets, which range from three to seven years.

Contributions

Contributions are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction and subsequently released to unrestricted net assets when expenses have been incurred in satisfaction of those restrictions. Contributions are recognized when cash or ownership of donated assets are unconditionally promised to the Organization. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Contributed Services, Materials, and Facilities

The Organization has received significant amounts of donated services and materials, used to assist the Organization in achieving its mission and in supporting its program activities, from a company that has a common founder. The consolidated financial statements reflect the value of the donated services based on the fair value that would have been paid for such services and materials based on the purchased cost.

Functional Expenses

Expenses incurred directly for a program service are charged to such service. Fringe benefits are allocated to all services based on a pro rata basis of total direct salary expenses incurred. Allocations of certain overhead costs are also allocated to services on a pro rata basis of total space occupied by each service.

Functional expenses as percentages of total expenses were as follows:

	For the Years Ended December 31,			
	2017		2016	
Program services	\$ 14,101,917	82.8 %	\$ 10,905,570	83.7 %
Fundraising	2,646,796	15.5	1,464,641	11.2
General and administrative	<u>282,530</u>	<u>1.7</u>	<u>663,579</u>	<u>5.1</u>
Total expenses	<u>\$ 17,031,243</u>	<u>100.0 %</u>	<u>\$ 13,033,790</u>	<u>100.0 %</u>

Other Educational Support Programs

The Organization's major program is granting K-12 scholarships. Other educational support programs include allocated support services.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Code. The Organization is not a private foundation within the meaning of Section 509(a) of the Code.

The Organization applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2017 or 2016.

Interest and penalties associated with tax positions are recorded in the period assessed as miscellaneous administrative expense. No interest or penalties have been assessed as of December 31, 2017 and 2016.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the 2017 presentation.

Subsequent Events

The Organization has evaluated all subsequent events through the auditors' report date, which is the date the consolidated financial statements were available to be issued, and has determined that there are no events requiring disclosure.

Note 2 - Promises to Give

Unconditional promises to give consist of the following:

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Due in less than one year	\$ 6,295,888	\$ 2,235,648
Due in one to five years	1,904,000	100,000
Less allowance for uncollectible pledges	<u>(65,000)</u>	<u>-</u>
	8,134,888	2,335,648
Less unamortized discount on promises to give	<u>(103,294)</u>	<u>(4,509)</u>
	8,031,594	2,331,139
Less current portion	<u>(6,230,888)</u>	<u>(2,235,648)</u>
Promises to give, net of current portion	<u>\$ 1,800,706</u>	<u>\$ 95,491</u>

The average discount rate used on long-term promises to give for the year ended December 31, 2017 and 2016 was 1.65% and 1.55%, respectively, which represents the prevailing rate at the date of the pledge.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 3 - Furniture and Equipment

The Organization's furniture and equipment consist of the following:

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Computers and software	\$ 153,022	\$ 195,038
Furniture and fixtures	48,865	45,514
Leasehold improvements	<u>128,494</u>	<u>128,494</u>
	330,381	369,046
Less accumulated depreciation and amortization	<u>(133,334)</u>	<u>(137,223)</u>
	<u>\$ 197,047</u>	<u>\$ 231,823</u>

Note 4 - Commitments

Scholarships

The Organization's goal is to serve students through their K-12 career, as long as they continue to meet program guidelines. However, scholarships are awarded each year without a commitment to award that scholarship in the future; therefore, the Organization has no future obligation related to the scholarships.

Operating Leases

The Organization leases a facility under a non-cancelable operating lease from a related party and has month-to-month leases for parking and storage requiring annual lease payments. Rent expense for the years ended December 31, 2017 and 2016 was \$137,672 and \$117,309, respectively. Future minimum lease payments are approximately as follows:

Year Ending December 31,

2018	\$ 104,000
2019	107,000
2020	109,000
2021	<u>28,000</u>
	<u>\$ 348,000</u>

Note 5 - Temporarily Restricted Net Assets

The temporarily restricted net assets represent the net proceeds of donations that have been restricted by the donors to be used only for scholarship awards, state-specific operations, or that have time restrictions placed on them.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 5 - Temporarily Restricted Net Assets (continued)

Temporarily restricted net assets at December 31, 2017 consisted of the following:

	<u>Scholarships</u>	<u>State-Specific Operations</u>	<u>Promises to Give in Support of Future Operations</u>	<u>Total</u>
National	\$ -	\$ -	\$ 55,958	\$ 55,958
Colorado	2,264,336	2,301,035	967,184	5,532,555
Montana	168,960	510,438	735,100	1,414,498
Louisiana	3,066,660	161,403	1,143,967	4,372,030
Kansas	-	228,717	1,523,209	1,751,926
Houston	852,226	488,886	1,380,172	2,721,284
Wyoming	300,500	55,186	1,073,149	1,428,835
Dallas	-	170,325	760,000	930,325
Missouri	-	-	392,855	392,855
Kansas SGO	<u>360,000</u>	<u>40,000</u>	<u>-</u>	<u>400,000</u>
	<u>\$ 7,012,682</u>	<u>\$ 3,955,990</u>	<u>\$ 8,031,594</u>	<u>\$ 19,000,266</u>

Temporarily restricted net assets at December 31, 2016 consisted of the following:

	<u>Scholarships</u>	<u>State-Specific Operations</u>	<u>Promises to Give in Support of Future Operations</u>	<u>Total</u>
Colorado	\$ 2,214,636	\$ 1,918,294	\$ 836,363	\$ 4,969,293
Montana	737,776	81,257	774,544	1,593,577
Louisiana	2,315,494	121,868	715,232	3,152,594
Kansas	<u>249,346</u>	<u>21,899</u>	<u>5,000</u>	<u>276,245</u>
	<u>\$ 5,517,252</u>	<u>\$ 2,143,318</u>	<u>\$ 2,331,139</u>	<u>\$ 9,991,709</u>

Note 6 - Related Party Transactions

The Organization used resources provided by a related company and reimbursed the company for most of the related expenses during the year ended December 31, 2016. The remaining unreimbursed expenses were recorded as in-kind contributions. As of December 31, 2016, the Organization owed this company approximately \$466,700. In-kind donations from the company for the year ended December 31, 2016 totaled approximately \$214,000. During 2017, the Organization ended this arrangement with the related company.

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 7 - Employee Benefit Plan

All employees of the Organization are eligible to participate in the 401(k) plan (the "Plan") upon completing the Plan's eligibility requirements. In order to participate in the Plan, an employee must be at least age 21. Employees may contribute from 1% to 84% of their eligible earnings. The Organization matches 100% of the employee contribution up to a maximum of a 6% contribution. The Organization recognized contribution expense of \$108,673 and \$63,009 for the years ended December 31, 2017 and 2016, respectively.

SUPPLEMENTARY INFORMATION

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

**Departmental Statement of Financial Position
December 31, 2017**

	<u>National Office</u>	<u>Colorado</u>	<u>Montana</u>	<u>Louisiana</u>	<u>Kansas</u>	<u>Houston</u>	<u>Wyoming</u>	<u>Dallas</u>	<u>Missouri</u>	<u>Kansas SGO</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets												
Current assets												
Cash and cash equivalents	\$ 33,035	\$ 3,821,308	\$ 713,596	\$ 3,268,488	\$ 569,711	\$ 1,570,201	\$ 255,351	\$ -	\$ -	\$ 145,000	\$ -	\$ 10,376,690
Short-term investments	-	710,037	-	-	-	-	-	-	-	-	-	710,037
Promises to give, current portion	55,958	871,693	735,100	1,143,967	1,056,500	912,670	495,000	760,000	200,000	-	-	6,230,888
Other receivable	-	7,069	839	-	-	-	-	-	-	-	-	7,908
Prepaid expenses	47,838	11,090	-	-	-	-	-	-	-	-	-	58,928
Inter-organization receivable	-	62,808	-	5,599	-	-	104,008	181,362	-	250,484	(604,261)	-
Total current assets	<u>136,831</u>	<u>5,484,005</u>	<u>1,449,535</u>	<u>4,418,054</u>	<u>1,626,211</u>	<u>2,482,871</u>	<u>854,359</u>	<u>941,362</u>	<u>200,000</u>	<u>395,484</u>	<u>(604,261)</u>	<u>17,384,451</u>
Non-current assets												
Promises to give, net of current portion	-	95,491	-	-	466,709	467,502	578,149	-	192,855	-	-	1,800,706
Furniture and equipment, net	<u>185,582</u>	<u>10,250</u>	<u>-</u>	<u>1,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,047</u>
Total non-current assets	<u>185,582</u>	<u>105,741</u>	<u>-</u>	<u>1,215</u>	<u>466,709</u>	<u>467,502</u>	<u>578,149</u>	<u>-</u>	<u>192,855</u>	<u>-</u>	<u>-</u>	<u>1,997,753</u>
Total assets	<u>\$ 322,413</u>	<u>\$ 5,589,746</u>	<u>\$ 1,449,535</u>	<u>\$ 4,419,269</u>	<u>\$ 2,092,920</u>	<u>\$ 2,950,373</u>	<u>\$ 1,432,508</u>	<u>\$ 941,362</u>	<u>\$ 392,855</u>	<u>\$ 395,484</u>	<u>\$ (604,261)</u>	<u>\$ 19,382,204</u>
Liabilities and Net Assets												
Current liabilities												
Accounts payable and accrued expenses	\$ 216,302	\$ 57,191	\$ 11,941	\$ 47,239	\$ 31,463	\$ 19,244	\$ 3,673	\$ 11,037	\$ -	\$ -	\$ -	\$ 398,090
Inter-organization payable	<u>60,475</u>	<u>-</u>	<u>23,096</u>	<u>-</u>	<u>309,531</u>	<u>209,845</u>	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>-</u>	<u>(604,261)</u>	<u>-</u>
Total current liabilities	<u>276,777</u>	<u>57,191</u>	<u>35,037</u>	<u>47,239</u>	<u>340,994</u>	<u>229,089</u>	<u>3,673</u>	<u>11,037</u>	<u>1,314</u>	<u>-</u>	<u>(604,261)</u>	<u>398,090</u>
Commitments												
Net assets												
Unrestricted	(10,322)	-	-	-	-	-	-	-	(1,314)	(4,516)	-	(16,152)
Temporarily restricted	<u>55,958</u>	<u>5,532,555</u>	<u>1,414,498</u>	<u>4,372,030</u>	<u>1,751,926</u>	<u>2,721,284</u>	<u>1,428,835</u>	<u>930,325</u>	<u>392,855</u>	<u>400,000</u>	<u>-</u>	<u>19,000,266</u>
Total net assets	<u>45,636</u>	<u>5,532,555</u>	<u>1,414,498</u>	<u>4,372,030</u>	<u>1,751,926</u>	<u>2,721,284</u>	<u>1,428,835</u>	<u>930,325</u>	<u>391,541</u>	<u>395,484</u>	<u>-</u>	<u>18,984,114</u>
Total liabilities and net assets	<u>\$ 322,413</u>	<u>\$ 5,589,746</u>	<u>\$ 1,449,535</u>	<u>\$ 4,419,269</u>	<u>\$ 2,092,920</u>	<u>\$ 2,950,373</u>	<u>\$ 1,432,508</u>	<u>\$ 941,362</u>	<u>\$ 392,855</u>	<u>\$ 395,484</u>	<u>\$ (604,261)</u>	<u>\$ 19,382,204</u>

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

**Departmental Statement of Financial Position
December 31, 2016**

	<u>National Office</u>	<u>Colorado</u>	<u>Montana</u>	<u>Louisiana</u>	<u>Kansas</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets							
Current assets							
Cash and cash equivalents	\$ 231,371	\$ 3,388,176	\$ 879,076	\$ 2,465,486	\$ 334,631	\$ -	\$ 7,298,740
Short-term investments	-	709,336	-	-	-	-	709,336
Promises to give, current portion	-	740,872	774,544	715,232	5,000	-	2,235,648
Other receivable	-	928	2,024	7,274	-	-	10,226
Prepaid expenses	-	94,444	-	1,263	-	-	95,707
Inter-organization receivable	<u>38,458</u>	<u>78,617</u>	<u>2,402</u>	<u>37,854</u>	<u>-</u>	<u>(157,331)</u>	<u>-</u>
Total current assets	<u>269,829</u>	<u>5,012,373</u>	<u>1,658,046</u>	<u>3,227,109</u>	<u>339,631</u>	<u>(157,331)</u>	<u>10,349,657</u>
Non-current assets							
Promises to give, net of current portion	-	95,491	-	-	-	-	95,491
Furniture and equipment, net	-	231,823	-	-	-	-	231,823
Deposits	<u>-</u>	<u>3,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,207</u>
Total non-current assets	<u>-</u>	<u>330,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,521</u>
Total assets	<u>\$ 269,829</u>	<u>\$ 5,342,894</u>	<u>\$ 1,658,046</u>	<u>\$ 3,227,109</u>	<u>\$ 339,631</u>	<u>\$ (157,331)</u>	<u>\$ 10,680,178</u>
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	\$ 69,704	\$ 95,385	\$ 11,359	\$ 19,696	\$ 3,724	\$ -	\$ 199,868
Accounts payable - related party	121,181	250,836	29,121	46,084	19,519	-	466,741
Inter-organization payable	<u>57,084</u>	<u>27,380</u>	<u>23,989</u>	<u>8,735</u>	<u>40,143</u>	<u>(157,331)</u>	<u>-</u>
Total current liabilities	<u>247,969</u>	<u>373,601</u>	<u>64,469</u>	<u>74,515</u>	<u>63,386</u>	<u>(157,331)</u>	<u>666,609</u>
Commitments							
Net assets							
Unrestricted	21,860	-	-	-	-	-	21,860
Temporarily restricted	<u>-</u>	<u>4,969,293</u>	<u>1,593,577</u>	<u>3,152,594</u>	<u>276,245</u>	<u>-</u>	<u>9,991,709</u>
Total net assets	<u>21,860</u>	<u>4,969,293</u>	<u>1,593,577</u>	<u>3,152,594</u>	<u>276,245</u>	<u>-</u>	<u>10,013,569</u>
Total liabilities and net assets	<u>\$ 269,829</u>	<u>\$ 5,342,894</u>	<u>\$ 1,658,046</u>	<u>\$ 3,227,109</u>	<u>\$ 339,631</u>	<u>\$ (157,331)</u>	<u>\$ 10,680,178</u>

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

**Departmental Statement of Activities
For the Year Ended December 31, 2017**

	<u>National Office</u>	<u>Colorado</u>	<u>Montana</u>	<u>Louisiana</u>	<u>Kansas</u>	<u>Houston</u>	<u>Wyoming</u>	<u>Dallas</u>	<u>Missouri</u>	<u>Kansas SGO</u>	<u>Eliminations</u>	<u>Consolidated</u>
Support and revenue												
Contributions	\$ 1,729,751	\$ 6,908,055	\$ 1,765,769	\$ 6,512,405	\$ 2,249,709	\$ 3,412,445	\$ 1,710,649	\$ 1,010,000	\$ 392,855	\$ 400,000	\$ -	\$ 26,091,638
Contributions in-kind	11,500	-	300	-	-	1,900	-	-	-	-	-	13,700
Other income	12	12,128	505	-	322	-	-	-	-	-	-	12,967
Shared services revenue	<u>887,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(887,734)</u>	<u>-</u>
Total support and revenue	<u>2,628,997</u>	<u>6,920,183</u>	<u>1,766,574</u>	<u>6,512,405</u>	<u>2,250,031</u>	<u>3,414,345</u>	<u>1,710,649</u>	<u>1,010,000</u>	<u>392,855</u>	<u>400,000</u>	<u>(887,734)</u>	<u>26,118,305</u>
Expenses												
Program services												
Scholarships	7,000	4,420,956	1,600,603	4,926,799	565,259	419,355	191,071	50,943	-	-	-	12,181,986
Other education support programs	<u>1,362,241</u>	<u>622,575</u>	<u>96,817</u>	<u>110,199</u>	<u>47,622</u>	<u>93,866</u>	<u>33,076</u>	<u>18,386</u>	<u>807</u>	<u>4,064</u>	<u>(469,722)</u>	<u>1,919,931</u>
Total program services	<u>1,369,241</u>	<u>5,043,531</u>	<u>1,697,420</u>	<u>5,036,998</u>	<u>612,881</u>	<u>513,221</u>	<u>224,147</u>	<u>69,329</u>	<u>807</u>	<u>4,064</u>	<u>(469,722)</u>	<u>14,101,917</u>
Support services												
Fundraising	988,769	1,195,533	173,456	245,506	156,320	165,606	52,895	7,910	-	-	(339,199)	2,646,796
General and administrative	<u>229,894</u>	<u>83,657</u>	<u>9,777</u>	<u>10,465</u>	<u>5,149</u>	<u>14,234</u>	<u>4,772</u>	<u>2,436</u>	<u>507</u>	<u>452</u>	<u>(78,813)</u>	<u>282,530</u>
Total support services	<u>1,218,663</u>	<u>1,279,190</u>	<u>183,233</u>	<u>255,971</u>	<u>161,469</u>	<u>179,840</u>	<u>57,667</u>	<u>10,346</u>	<u>507</u>	<u>452</u>	<u>(418,012)</u>	<u>2,929,326</u>
Total expenses	<u>2,587,904</u>	<u>6,322,721</u>	<u>1,880,653</u>	<u>5,292,969</u>	<u>774,350</u>	<u>693,061</u>	<u>281,814</u>	<u>79,675</u>	<u>1,314</u>	<u>4,516</u>	<u>(887,734)</u>	<u>17,031,243</u>
Loss from uncollectible promises to give	-	(34,200)	(65,000)	-	-	-	-	-	-	-	-	(99,200)
Loss on disposal of assets	<u>(17,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,317)</u>
Change in net assets	23,776	563,262	(179,079)	1,219,436	1,475,681	2,721,284	1,428,835	930,325	391,541	395,484	-	8,970,545
Net assets at beginning of year	<u>21,860</u>	<u>4,969,293</u>	<u>1,593,577</u>	<u>3,152,594</u>	<u>276,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,013,569</u>
Net assets at end of year	<u>\$ 45,636</u>	<u>\$ 5,532,555</u>	<u>\$ 1,414,498</u>	<u>\$ 4,372,030</u>	<u>\$ 1,751,926</u>	<u>\$ 2,721,284</u>	<u>\$ 1,428,835</u>	<u>\$ 930,325</u>	<u>\$ 391,541</u>	<u>\$ 395,484</u>	<u>\$ -</u>	<u>\$ 18,984,114</u>

ALLIANCE FOR CHOICE IN EDUCATION AND SUBSIDIARIES

**Departmental Statement of Activities
For the Year Ended December 31, 2016**

	<u>National Office</u>	<u>Colorado</u>	<u>Montana</u>	<u>Louisiana</u>	<u>Kansas</u>	<u>Eliminations</u>	<u>Consolidated</u>
Support and revenue							
Contributions	\$ 437,500	\$ 6,571,016	\$ 1,523,111	\$ 5,280,877	\$ 505,000	\$ -	\$ 14,317,504
In-kind contributions	60,915	121,451	10,718	15,345	21,437	-	229,866
Other	157	26,411	737	2,144	462	-	29,911
Shared services revenue	<u>134,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(134,603)</u>	<u>-</u>
Total support and revenue	<u>633,175</u>	<u>6,718,878</u>	<u>1,534,566</u>	<u>5,298,366</u>	<u>526,899</u>	<u>(134,603)</u>	<u>14,577,281</u>
Expenses							
Program services							
Primary and secondary scholarships	-	4,101,626	1,561,088	3,489,873	255,803	-	9,408,390
Other education support programs	<u>295,727</u>	<u>865,550</u>	<u>150,682</u>	<u>162,422</u>	<u>90,100</u>	<u>(67,301)</u>	<u>1,497,180</u>
Total program services	<u>295,727</u>	<u>4,967,176</u>	<u>1,711,770</u>	<u>3,652,295</u>	<u>345,903</u>	<u>(67,301)</u>	<u>10,905,570</u>
Support services							
Fundraising	189,894	1,059,822	95,884	102,440	56,982	(40,381)	1,464,641
General and administrative	<u>125,694</u>	<u>403,265</u>	<u>53,918</u>	<u>71,856</u>	<u>35,767</u>	<u>(26,921)</u>	<u>663,579</u>
Total support services	<u>315,588</u>	<u>1,463,087</u>	<u>149,802</u>	<u>174,296</u>	<u>92,749</u>	<u>(67,302)</u>	<u>2,128,220</u>
Total expenses	<u>611,315</u>	<u>6,430,263</u>	<u>1,861,572</u>	<u>3,826,591</u>	<u>438,652</u>	<u>(134,603)</u>	<u>13,033,790</u>
Loss from uncollectible promises to give	<u>-</u>	<u>(2,980)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,980)</u>
Change in net assets	21,860	285,635	(347,006)	1,471,775	88,247	-	1,520,511
Net assets at beginning of year	<u>-</u>	<u>4,683,658</u>	<u>1,940,583</u>	<u>1,680,819</u>	<u>187,998</u>	<u>-</u>	<u>8,493,058</u>
Net assets at end of year	<u>\$ 21,860</u>	<u>\$ 4,969,293</u>	<u>\$ 1,593,577</u>	<u>\$ 3,152,594</u>	<u>\$ 276,245</u>	<u>\$ -</u>	<u>\$ 10,013,569</u>