



THE [REDACTED] FOUNDATION
Contribution Report
December 15, 2006

Commitment Number: [REDACTED]
Contribution Amount: \$500,000
Contribution Date: June 5, 2006
Purpose of Grant: Support for the renovation and construction of the Baxter Education Center

NARRATIVE DESCRIPTION OF ACTIVITIES

Schools Open at Temporary Sites: The Alliance’s first high school, College-Ready Academy High School, began its second year in the fall of 2005 with their 336 9th and 10th grade students split between two sites that were one block apart on Martin Luther King, Jr. Blvd in South Los Angeles. Our first middle school, College-Ready Middle Academy, opened in the fall of 2005 with 125 6th graders reporting to a temporary site on Rodeo Road in Los Angeles. These sites could only accommodate the students through the end of the 05-06 academic year, making it imperative that a permanent site be secured.

New Site is Located: The Alliance was fortunate to find an ideal site on South Union Avenue. Located close to our students, and easily accessible from the 10 freeway, the two two-story structures that occupied the site would require minimal demolition and renovation to make them aesthetically and environmentally attractive learning environments.

Bouma Construction, which has built charter schools across the country, was chosen for the project. The new complex would consist of 60,000 square feet occupied by the following:

- Middle School for 375 students – 15 classrooms, two science labs and a multi-purpose room.
- High School for 500 students – 21 classrooms, two college counseling offices, two additional offices, a conference room, and a gymnasium and library that will be shared with the Middle School.
- Alliance Corporate Headquarters Office.

Funds are Raised to Support New Site: To raise capital for this \$13 million facility, the Alliance was grateful to secure contributions from the following donors: The Annenberg Foundation, Frank Baxter, The Broad Foundation, Richard Merkin, Tony Ressler, the Riordan Foundation, the Cynthia L. and William E. Simon Foundation and the Weingart Foundation. The Keck Foundation is also currently considering a proposal for support of this facility. In recognition of some of our primary supporters, we were honored to rename the high school the Gertz-Ressler High School, the middle school is now known as the Richard Merkin Middle School and the entire complex has been named the Frank E. Baxter Education Complex. We were also pleased to name the new library in honor of your generosity.

The balance of revenue to complete the project was from public and private short and long-term loans. Each of the schools will support mortgage and renovation loan debt service through public operating revenue generated by student enrollment and average daily attendance. The \$7.85 million long-term loan from Los Angeles Charter School New Markets (LACSNM) is federally funded and

funding is confirmed. Short-term loans include \$2 million from two Alliance board members and \$850,000 from Pacific Charter School Development, Inc.

Renovations Get Underway: The Alliance closed escrow on the new site in February of 2006 and submitted requests for city approval and construction permits in April. A slow city process for scheduling and conducting site inspections, and a holdup in processing occupancy permits due to a labor strike conducted by city employees, delayed the projects timeline by a few weeks. But demolition and construction work began on February 15, 2006 and the majority was completed by September 15th. Final construction on the gymnasium was completed in October.

Students Begin 06-07 School Year in New Home: On September 18th, 450 high schoolers and 258 middle school students began the 06-07 school year in a brand new facility. New students came from neighboring elementary, middle and high schools, most of which are Title 1 schools serving predominantly Latino and African American students. Ninety-five percent of the students qualify for the federal free or reduced meal program.

The excitement that these students and their families felt about being part of a college-ready school was even greater when they reported to classes in their beautiful new facility. For returning students, this was their first time to be on the same campus together.

Grand Opening and Dedication Celebration Held: On November 17th, Mayor Antonio Villaraigosa joined students, parents, school staff, donors, local dignitaries and other special guests to celebrate the grand opening and dedication of the Frank E. Baxter Education Complex. It was wonderful to see the students take such great pride in their new school, and to know that this complex will provide a permanent place for them and so many more of LA's most at-risk students to receive the quality education they deserve.

New Additional Support for the Library : We are pleased to share that we have received commitment from a donor to provide books to establish the initial circulation of appropriate high school and middle school library books for the library.

Still Ahead: Complications in securing the use of a parking lot adjacent to the new campus has delayed the Alliance's headquarter office from being able to move to the new facility. We anticipate that these problems will be resolved within the next few months. The staff is eager to make the transition.

The most exciting future development will come next year, when both schools will add their final grade level and achieve the targeted scale-up of 500 high school students and 375 middle school students. This growth would have been impossible in their previous facilities.

ATTACHMENTS

- a) Financial report detailing use of funds
- b) Draft of audited financial statement for fiscal year ending June 30, 2006. Final copy will be sent upon approval of our audit committee and final sign-off from auditor.
- c) The Alliance has submitted an extension to file IRS Form 990 for fiscal year ending June 30, 2006. A copy of the 990 will be sent as soon as it has been completed and filed.
- d) Photos of library