

75130
Scottsdale Preparatory Academy

2016 Client

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047
2016
Open to Public Inspection

Do not enter social security numbers on this form as it may be made public.
Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2016 calendar year, or tax year beginning **07/01/16**, and ending **06/30/17**

- B** Check if applicable:
 - Address change
 - Name change
 - Initial return
 - Final return/terminated
 - Amended return
 - Application pending

C Name of organization
SCOTTSDALE PREPARATORY ACADEMY

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
4801 E WASHINGTON STREET SUITE 250

City or town, state or province, country, and ZIP or foreign postal code
PHOENIX AZ 85034

D Employer identification number
20-8778703

E Telephone number
602-386-1881

G Gross receipts\$ **7,942,025**

F Name and address of principal officer:
RON ZOROMSKI
7205 N. PIMA ROAD
SCOTTSDALE AZ 85258

H(a) Is this a group return for subordinates? Yes No

H(b) Are all subordinates included? Yes No
If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: **SCOTTSDALEPREP.ORG**

H(c) Group exemption number ▶

L Year of formation: **2007** **M** State of legal domicile: **AZ**

K Form of organization: Corporation Trust Association Other ▶

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	4
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	2
	5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	15
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 1,026,176	Current Year 1,080,348
	9 Program service revenue (Part VIII, line 2g)	6,650,809	6,610,639
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		18,746
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	574,004	232,292
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	8,250,989	7,942,025
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	4,290,733	4,324,822
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 6,980		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	3,050,872	3,243,321
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	7,341,605	7,568,143	
19 Revenue less expenses. Subtract line 18 from line 12	909,384	373,882	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 3,174,355	End of Year 3,390,020
	21 Total liabilities (Part X, line 26)	633,604	435,385
	22 Net assets or fund balances. Subtract line 21 from line 20	2,540,751	2,954,635

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: **RON ZOROMSKI** CFO Date: _____

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: **RACHEL R. LOCKE, CPA** Preparer's signature: **RACHEL R. LOCKE, CPA** Date: **05/25/18** Check if self-employed PTIN: **P00450405**

Firm's name ▶ **FESTER & CHAPMAN, PLLC** Firm's EIN ▶ **82-1455657**

Firm's address ▶ **9019 E. BAHIA DR STE 100 SCOTTSDALE, AZ 85260** Phone no. **602-264-3077**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **5,349,757** including grants of\$) (Revenue \$ **6,610,639**)

A SCOTTSDALE PREPARATORY ACADEMY EDUCATION PREPARES STUDENTS TO BE MORE THAN JUST PROFICIENT TEST TAKERS, BUT RATHER, TO BECOME GREAT-HEARTED LEADERS CAPABLE OF SUCCESS THROUGHOUT THEIR HIGHER EDUCATION AND PROFESSIONAL CAREERS. WITH A CURRICULUM BUILT UPON A CLASSICAL LIBERAL ARTS TRADITION AND A REVOLUTIONARY APPROACH TO SCHOOL ITSELF, GREAT HEARTS CULTIVATES THE HEARTS AND MINDS OF STUDENTS IN THE PURSUIT OF TRUTH, GOODNESS AND BEAUTY.

4b (Code:) (Expenses \$ including grants of\$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of\$) (Revenue \$)

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of\$) (Revenue \$)

4e Total program service expenses ► **5,349,757**

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	X	
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1</i>	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		<input checked="" type="checkbox"/>
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		<input checked="" type="checkbox"/>
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		<input checked="" type="checkbox"/>
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		<input checked="" type="checkbox"/>
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		<input checked="" type="checkbox"/>
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		<input checked="" type="checkbox"/>
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		<input checked="" type="checkbox"/>
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<input checked="" type="checkbox"/>
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		<input checked="" type="checkbox"/>
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
9b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		<input checked="" type="checkbox"/>
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	4	
1b	Enter the number of voting members included in line 1a, above, who are independent	2	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
11a			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b			
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c			
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
15a			
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	X	
15b			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **AZ**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **▶**
RON ZOROMSKI
SCOTTSDALE **7205 N PIMA ROAD** **AZ 85258** **602-386-1881**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ANDREW ELLISON PRESIDENT	2.00 0.00	X		X				0	0	0
(2) AMANDA SHEARER VICE PRESIDENT	2.00 0.00	X		X				0	0	0
(3) MATT EVERROAD SECRETARY	2.00 0.00	X		X				0	0	0
(4) ALISON CHANEY HEADMASTER	40.00 0.00			X				0	97,805	9,667
(5) MARK DISCHER DIRECTOR	2.00 0.00	X						0	0	0
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total								97,805	9,667	
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								97,805	9,667	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns					
	1b Membership dues					
	1c Fundraising events					
	1d Related organizations					
	1e Government grants (contributions)	82,437				
	1f All other contributions, gifts, grants, and similar amounts not included above	997,911				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f	▶	1,080,348			
Program Service Revenue	2a STATE EQUALIZATION	611710	5,605,561	5,605,561		
	b CLASSROOM SITE FUNDS	611710	362,232	362,232		
	c CO-CURRICULAR ACTIVITIES	611710	351,782	351,782		
	d PSO REVENUE	611710	291,064	291,064		
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f	▶	6,610,639			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		18,746		18,746	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross rents	(i) Real	16,618			
		(ii) Personal				
	b Less: rental exps.					
	c Rental inc. or (loss)	16,618				
	d Net rental income or (loss)	▶	16,618		16,618	
	7a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
	b Less: cost or other basis & sales exps.					
	c Gain or (loss)					
d Net gain or (loss)	▶					
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a					
b Less: direct expenses	b					
c Net income or (loss) from fundraising events	▶					
9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities	▶					
10a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory	▶					
Miscellaneous Revenue	Busn. Code					
11a OTHER	611710	215,674	215,674			
b						
c						
d All other revenue						
e Total. Add lines 11a-11d	▶	215,674				
12 Total revenue. See instructions.	▶	7,942,025	6,826,313	0	35,364	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	107,472	90,973	16,499	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	3,408,420	2,885,171	523,249	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	43,245	35,414	7,831	
9 Other employee benefits	509,563	443,318	66,245	
10 Payroll taxes	256,122	216,486	39,636	
11 Fees for services (non-employees):				
a Management	596,779		596,779	
b Legal	2,035		2,035	
c Accounting	10,557	8,936	1,621	
d Lobbying				
e Professional fundraising services. See Part IV, line 7				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	52,332	22,584	29,748	
12 Advertising and promotion				
13 Office expenses	21,680	19,402	2,278	
14 Information technology	35,632	454	35,178	
15 Royalties				
16 Occupancy	907,427	768,122	139,305	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	174,828	147,989	26,839	
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SUPPLIES	325,243	285,657	39,586	
b REPAIRS AND MAINTENANCE	321,688	90,388	231,300	
c PSO EXPENSE	295,207		295,207	
d OTHER	261,788	137,718	124,070	
e All other expenses	238,125	197,145	34,000	6,980
25 Total functional expenses. Add lines 1 through 24e	7,568,143	5,349,757	2,211,406	6,980
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1	Cash—non-interest bearing	2,482,182	1	1,391,040
	2	Savings and temporary cash investments		2	1,575,240
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	120,640	4	30,669
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	148,117	9	83,935
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,041,670		
	b	Less: accumulated depreciation	10b 732,534	10c 421,387	309,136
	11	Investments—publicly traded securities		11	
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	2,029	15	
16	Total assets. Add lines 1 through 15 (must equal line 34)	3,174,355	16	3,390,020	
Liabilities	17	Accounts payable and accrued expenses	215,018	17	60,490
	18	Grants payable		18	
	19	Deferred revenue	184,254	19	157,516
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	234,332	25	217,379
	26	Total liabilities. Add lines 17 through 25	633,604	26	435,385
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	2,540,751	27	2,954,635
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	2,540,751	33	2,954,635	
34	Total liabilities and net assets/fund balances	3,174,355	34	3,390,020	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,942,025
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,568,143
3	Revenue less expenses. Subtract line 2 from line 1	3	373,882
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,540,751
5	Net unrealized gains (losses) on investments	5	40,002
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,954,635

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

SCHEDULE A (Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047 2016 Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Attach to Form 990 or Form 990-EZ.

Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Department of the Treasury Internal Revenue Service

Name of the organization SCOTTSDALE PREPARATORY ACADEMY Employer identification number 20-8778703

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 X A school described in section 170(b)(1)(A)(ii). (Attach Schedule E (Form 990 or 990-EZ).)
3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii).
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv).
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi).
8 A community trust described in section 170(b)(1)(A)(vi).
9 An agricultural research organization described in section 170(b)(1)(A)(ix) operated in conjunction with a land-grant college or university or a non-land grant college of agriculture.
10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions.
11 An organization organized and operated exclusively to test for public safety.
12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations.
a Type I. A supporting organization operated, supervised, or controlled by its supported organization(s).
b Type II. A supporting organization supervised or controlled in connection with its supported organization(s).
c Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s).
d Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated.
e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
f Enter the number of supported organizations.
g Provide the following information about the supported organization(s).

Table with 6 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization listed in your governing document?, (v) Amount of monetary support, (vi) Amount of other support. Rows (A) through (E) and a Total row.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2012, (b) 2013, (c) 2014, (d) 2015, (e) 2016, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2012, (b) 2013, (c) 2014, (d) 2015, (e) 2016, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10.

12 Gross receipts from related activities, etc. (see instructions) 12
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) 14 %
15 Public support percentage from 2015 Schedule A, Part II, line 14 15 %
16a 33 1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization
b 33 1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization
17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization
b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2012, (b) 2013, (c) 2014, (d) 2015, (e) 2016, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2012, (b) 2013, (c) 2014, (d) 2015, (e) 2016, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support; 14 First five years.

Section C. Computation of Public Support Percentage

Table with 2 columns: Description, Percentage. Row 15: Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)) 15 %; Row 16: Public support percentage for 2015 Schedule A, Part III, line 15 16 %

Section D. Computation of Investment Income Percentage

Table with 2 columns: Description, Percentage. Row 17: Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)) 17 %; Row 18: Investment income percentage from 2015 Schedule A, Part III, line 17 18 %

- 19a 33 1/3% support tests—2016. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
b 33 1/3% support tests—2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

		Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b	Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c	Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b	Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally-Integrated Supporting Organizations

- 1** Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
- a** The organization satisfied the Activities Test. Complete line 2 below.
- b** The organization is the parent of each of its supported organizations. Complete line 3 below.
- c** The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

	Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4).	8	
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	
Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Table with 2 columns: Section D - Distributions (lines 1-10) and Current Year.

Table with 4 columns: Section E - Distribution Allocations (see instructions), (i) Excess Distributions, (ii) Underdistributions Pre-2016, and (iii) Distributable Amount for 2016. Includes lines 1-10.

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

OMB No. 1545-0047

2016

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

▶ **Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.**

Name of the organization	Employer identification number
SCOTTSDALE PREPARATORY ACADEMY	20-8778703

Organization type (check one):

- | | | |
|--------------------|---|--|
| Filers of: | Section: | |
| Form 990 or 990-EZ | <input checked="" type="checkbox"/> 501(c)(3) (enter number) organization | |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation | |
| | <input type="checkbox"/> 527 political organization | |
| Form 990-PF | <input type="checkbox"/> 501(c)(3) exempt private foundation | |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation | |
| | <input type="checkbox"/> 501(c)(3) taxable private foundation | |

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number

20-8778703

Part I Contributors (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	\$ 82,437	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	\$ 61,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

Employer identification number

SCOTTSDALE PREPARATORY ACADEMY

20-8778703

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two questions about donor advisement.

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, total number of easements, acreage, and monitoring expenses.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include reporting requirements for art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
 - a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
 - b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
 - b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
 - a** Board designated or quasi-endowment ▶ %
 - b** Permanent endowment ▶ %
 - c** Temporarily restricted endowment ▶ %
 The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		520,719	346,367	174,352
d Equipment		514,161	386,167	127,994
e Other		6,790		6,790
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ▶				309,136

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEPOSITS HELD FOR OTHERS	211,023
(3) DUE TO RELATED PARTY	6,356
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	217,379

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XIII Supplemental Information *(continued)*

SCHEDULE E
(Form 990 or 990-EZ)

Schools

OMB No. 1545-0047

2016

Open to Public Inspection

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**
▶ **Attach to Form 990 or Form 990-EZ.**

Department of the Treasury
Internal Revenue Service

▶ **Information about Schedule E (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

Name of the organization

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number

20-8778703

Part I

		YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II. THE SCHOOL HAS A TRICT POLICY OF NON-DISCRIMINATION; HOWEVER, AS A CHARTER SCHOOL, IT IS NOT SUBJECT TO THE REQUIREMENTS OF TREASURY REVENUE PROCEDURE 75-50.1975-2C.B.587. RATHER, THE SCHOOL PUBLICIZES ITS POLICIES BY WORD OF MOUTH AND ON THE WEBSITE, THE SCHOOL'S PRIMARY METHODS OF REACHING NEW STUDENTS.		X
4	Does the organization maintain the following?		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. If you need more space, use Part II.	X	
5	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		X
b	Admissions policies?		X
c	Employment of faculty or administrative staff?		X
d	Scholarships or other financial assistance?		X
e	Educational policies?		X
f	Use of facilities?		X
g	Athletic programs?		X
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.		X
6a	Does the organization receive any financial aid or assistance from a governmental agency?	X	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" on either line 6a or line 6b, explain on Part II.		X
7	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II	X	

Part II

Supplemental Information. Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also provide any other additional information (see instructions).

SCH E - FINANCIAL AID OR GOVERNMENT ASSISTANCE EXPLANATION

THE SCHOOL RECEIVES MONTHLY AID PAYMENTS FROM THE STATE OF ARIZONA BASED ON THE NUMBER OF STUDENTS ENROLLED AND ATTENDING THE SCHOOL. THESE FUNDS ARE USED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH BY THE STATE OF ARIZONA. IN ADDITION, GOVERNMENT GRANTS ARE ALSO RECEIVED BY THE SCHOOL.

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

2016

▶ Attach to Form 990 or 990-EZ.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number

20-8778703

FORM 990 - ORGANIZATION'S MISSION

A SCOTTSDALE PREPARATORY ACADEMY EDUCATION PREPARES STUDENTS TO BE MORE THAN JUST PROFICIENT TEST TAKERS, BUT RATHER, TO BECOME GREAT-HEARTED LEADERS CAPABLE OF SUCCESS THROUGHOUT THEIR HIGHER EDUCATION AND PROFESSIONAL CAREERS. WITH A CURRICULUM BUILT UPON A CLASSICAL LIBERAL ARTS TRADITION AND A REVOLUTIONARY APPROACH TO SCHOOL ITSELF, GREAT HEARTS CULTIVATES THE HEARTS AND MINDS OF STUDENTS IN THE PURSUIT OF TRUTH, GOODNESS AND BEAUTY.

FORM 990, PART I, LINE 6

THE VOLUNTEERS HELP IN CLASSROOMS AND SUPPORT TEACHERS AND STUDENTS.

FORM 990, PART V - ADDITIONAL INFORMATION

LINE 2A: ALL PAYROLL, PAYROLL TAXES AND BENEFIT PLANS ARE CENTRALIZED THROUGH THE PARENT ORGANIZATION, GREATHEARTS ARIZONA (EIN #20-2036133). THEREFORE, GREATHEARTS ARIZONA FILES PAYROLL TAX RETURNS UNDER THEIR EMPLOYER TAX IDENTIFICATION NUMBER REPORTING ALL PAYROLL ACTIVITY. PAYROLL RELATED EXPENSES REPORTED ON THIS RETURN REPRESENTS AN ALLOCATION OF SALARIES AND WAGES PAID BY THE ENTITY.

FORM 990, PART VI - ADDITIONAL INFORMATION

CERTAIN FUNCTIONS OF MULTIPLE SCHOOLS IN THE GREAT HEARTS NETWORK ARE ALSO PROVIDED TO THE SCHOOL BY GREATHEARTS ARIZONA, THE SCHOOL'S TAX EXEMPT SOLE MEMBER.

Name of the organization

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number

20-8778703

FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS

THE SOLE MEMBER OF THE ACADEMY IS GREATHEARTS ARIZONA, AN ORGANIZATION EXEMPT FROM TAXATION UNDER INTERNAL REVENUE CODE SECTION 501(C)(3).

FORM 990, PART VI, LINE 7A - ELECTION OF MEMBERS AND THEIR RIGHTS

THE SCHOOL'S TAX-EXEMPT SOLE MEMBER APPOINTS THE SCHOOL'S DIRECTORS, FILLS VACANCIES ON THE BOARD, AND MAY REMOVE DIRECTORS.

FORM 990, PART VI, LINE 7B - DECISIONS SUBJECT TO APPROVAL OF MEMBERS

THE SCHOOL'S TAX-EXEMPT SOLE MEMBER RETAINS APPROVAL RIGHTS OVER KEY DECISIONS SUCH AS CHANGES TO THE SCHOOL'S BYLAWS, ARTICLES OF INCORPORATION, EDUCATIONAL PHILOSOPHY, AND SIGNIFICANT FINANCIAL EXPENDITURES (IN EXCESS OF \$50,000).

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990

THE 990 IS PREPARED BY AN EXTERNAL CPA FIRM AND IS REVIEWED INTERNALLY BY THE CFO. AFTER COMPLETING THE CFO REVIEW, THE RETURN IS FINALIZED AND THEN REVIEWED BY THE GREATHEARTS AUDIT COMMITTEE PRIOR TO BEING SIGNED BY THE CFO.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY

BOARD MEMBERS, OFFICERS AND ALL EMPLOYEES COMPLETE AND SIGN A CONFLICT OF INTEREST AGREEMENT. THESE AGREEMENTS ARE REVIEWED BY HUMAN RESOURCES AND ANY CONFLICTS ARE IDENTIFIED AND REPORTED TO THE AUDITORS AND THE BOARD TO MONITOR.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL

Name of the organization

Employer identification number

SCOTTSDALE PREPARATORY ACADEMY

20-8778703

SUBJECT TO THE SCHOOL'S CONFLICT OF INTEREST POLICY, THE SCHOOL'S TAX-EXEMPT SOLE MEMBER AND THE SCHOOL'S BOARD APPROVE THE COMPENSATION OF KEY STAFF SUCH AS HEADMASTER AND ASSISTANT HEADMASTER.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS EMPLOYEES AND FACULTY ARE DETERMINED BASED ON INDEPENDENT COMPENSATION STUDIES AND SALARIES OF COMPARABLE NON-PROFIT ORGANIZATIONS.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION ALL BOARD MEETINGS ARE POSTED IN ADVANCE IN ACCORDANCE WITH ARIZONA OPEN MEETING LAWS. THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE BOTH AT THE MEETINGS OR FOLLOWING THE MEETING AND UPON REQUEST.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number

20-8778703

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ANTHEM PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25027-0375682 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(2) ARCHWAY CLASSICAL ACADEMY ARETE 4801 E WASHINGTON STREET SUITE 25046-4061128 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(3) ARCHWAY CLASSICAL ACADEMY CHANDLER 4801 E WASHINGTON STREET SUITE 25027-3723907 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(4) ARCHWAY CLASSICAL ACADEMY CICERO 4801 E WASHINGTON STREET SUITE 25046-4065855 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(5) ARCHWAY CLASSICAL ACADEMY GLENDALE 4801 E WASHINGTON STREET SUITE 25046-1014697 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number
20-8778703

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ARCHWAY CLASSICAL ACADEMY LINCOLN 4801 E WASHINGTON STREET SUITE 25047-1706688 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(2) ARCHWAY CLASSICAL ACADEMY VERITAS 4801 E WASHINGTON STREET SUITE 25027-3364820 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(3) ARCHWAY CLASSICAL NORTH PHOENIX 4801 E WASHINGTON STREET SUITE 25027-3364871 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(4) ARCHWAY CLASSICAL SCOTTSDALE 4801 E WASHINGTON STREET SUITE 25027-3364842 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(5) ARCHWAY CLASSICAL TRIVIUM EAST 4801 E WASHINGTON STREET SUITE 25047-1762959 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number

20-8778703

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ARCHWAY CLASSICAL TRIVIUM WEST 4801 E WASHINGTON STREET SUITE 25027-3364743 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(2) ARETE PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25020-5332933 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(3) CHANDLER PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25020-2075176 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(4) CICERO PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25046-4096974 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(5) GLENDALE PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25020-8760987 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

SCOTTSDALE PREPARATORY ACADEMY

Employer identification number
20-8778703

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) LINCOLN PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25047-1674469 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(2) MARYVALE PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25027-3289377 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(3) NORTH PHOENIX PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25027-3322474 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(4) TELEOS PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25026-2700807 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(5) TRIVIUM PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25027-3289295 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X

**SCHEDULE R
(Form 990)**Department of the Treasury
Internal Revenue Service

Name of the organization

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016**Open to Public
Inspection****SCOTTSDALE PREPARATORY ACADEMY**

Employer identification number

20-8778703**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) VERITAS PREPARATORY ACADEMY 4801 E WASHINGTON STREET SUITE 25005-0527441 PHOENIX AZ 85034	EDUCATION		3	2	GREATHEART		X
(2) GREATHEARTS ARIZONA 4801 E WASHINGTON STREET SUITE 25020-2036133 PHOENIX AZ 85034	EDUCATION		3	7	N/A		X
(3)							
(4)							
(5)							

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate alloc.?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

		Yes	No
Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.			
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b	Gift, grant, or capital contribution to related organization(s)	X	
c	Gift, grant, or capital contribution from related organization(s)		X
d	Loans or loan guarantees to or for related organization(s)		X
e	Loans or loan guarantees by related organization(s)		X
f	Dividends from related organization(s)		X
g	Sale of assets to related organization(s)		X
h	Purchase of assets from related organization(s)		X
i	Exchange of assets with related organization(s)		X
j	Lease of facilities, equipment, or other assets to related organization(s)		X
k	Lease of facilities, equipment, or other assets from related organization(s)	X	
l	Performance of services or membership or fundraising solicitations for related organization(s)		X
m	Performance of services or membership or fundraising solicitations by related organization(s)		X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o	Sharing of paid employees with related organization(s)	X	
p	Reimbursement paid to related organization(s) for expenses	X	
q	Reimbursement paid by related organization(s) for expenses		X
r	Other transfer of cash or property to related organization(s)		X
s	Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	GREATHEARTS ARIZONA	O	4,324,819	FMV
(2)	GREATHEARTS ARIZONA	K	907,427	FMV
(3)	GREATHEARTS ARIZONA	P	596,779	FMV
(4)	GREATHEARTS ARIZONA	B	34,000	FMV
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (See instructions).

Dotted lines for supplemental information input.

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at www.irs.gov/form4562.

OMB No. 1545-0172

2016

Attachment Sequence No. **179**

Name(s) shown on return

SCOTTSDALE PREPARATORY ACADEMY

Identifying number

20-8778703

Business or activity to which this form relates

INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,010,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2015 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2017. Add lines 9 and 10, less line 12	▶ 13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	194,804

Part III MACRS Depreciation (Don't include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2016	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

Section B—Assets Placed in Service During 2016 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C—Assets Placed in Service During 2016 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	194,804
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2016)

Federal Asset Report**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Other Depreciation:									
1	LEASEHOLD IMPROVEMENTS	6/30/11	498,649			498,649	5 MO S/L	265,580	99,730
2	FURNITURE, FIXTURES, AND EQUIPM	6/30/11	442,340			442,340	5 MO S/L	282,768	88,468
3	COMPUTER EQUIPMENT	2/01/15	33,032			33,032	5 MO S/L	9,359	6,606
	Total Other Depreciation		<u>974,021</u>			<u>974,021</u>		<u>557,707</u>	<u>194,804</u>
	Total ACRS and Other Depreciation		<u>974,021</u>			<u>974,021</u>		<u>557,707</u>	<u>194,804</u>
	Grand Totals		974,021			974,021		557,707	194,804
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>974,021</u>			<u>974,021</u>		<u>557,707</u>	<u>194,804</u>

AZ Asset Report**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Basis for Depr	AZ Prior	AZ Current	Federal Current	Difference Fed - AZ
Other Depreciation:								
1	LEASEHOLD IMPROVEMENTS	6/30/11	498,649	498,649	265,580	99,730	99,730	0
2	FURNITURE, FIXTURES, AND EQUIPM	6/30/11	442,340	442,340	282,768	88,468	88,468	0
3	COMPUTER EQUIPMENT	2/01/15	33,032	33,032	9,359	6,606	6,606	0
Total Other Depreciation			<u>974,021</u>	<u>974,021</u>	<u>557,707</u>	<u>194,804</u>	<u>194,804</u>	<u>0</u>
Total ACRS and Other Depreciation			<u>974,021</u>	<u>974,021</u>	<u>557,707</u>	<u>194,804</u>	<u>194,804</u>	<u>0</u>
Grand Totals			974,021	974,021	557,707	194,804	194,804	0
Less: Dispositions			0	0	0	0	0	0
Less: Start-up/Org Expense			0	0	0	0	0	0
Net Grand Totals			<u>974,021</u>	<u>974,021</u>	<u>557,707</u>	<u>194,804</u>	<u>194,804</u>	<u>0</u>

AMT Asset Report**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Other Depreciation:									
1	LEASEHOLD IMPROVEMENTS	6/30/11	0			0	0 HY	0	0
2	FURNITURE, FIXTURES, AND EQUIPM	6/30/11	0			0	0 HY	0	0
3	COMPUTER EQUIPMENT	2/01/15	0			0	0 HY	0	0
	Total Other Depreciation		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		0			0		0	0
	Less: Dispositions and Transfers		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>

Depreciation Adjustment Report

All Business Activities

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>AMT Adjustments/ Preferences</u>
There are no assets that meet the criteria of this report						

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>Tax</u>	<u>AMT</u>
Other Depreciation:					
1	LEASEHOLD IMPROVEMENTS	6/30/11	498,649	99,730	0
2	FURNITURE, FIXTURES, AND EQUIPMENT	6/30/11	442,340	71,104	0
3	COMPUTER EQUIPMENT	2/01/15	33,032	6,607	0
	Total Other Depreciation		<u>974,021</u>	<u>177,441</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>974,021</u>	<u>177,441</u>	<u>0</u>
	Grand Totals		<u>974,021</u>	<u>177,441</u>	<u>0</u>

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>AZ</u>
<u>Other Depreciation:</u>				
1	LEASEHOLD IMPROVEMENTS	6/30/11	498,649	99,730
2	FURNITURE, FIXTURES, AND EQUIPMENT	6/30/11	442,340	71,104
3	COMPUTER EQUIPMENT	2/01/15	33,032	6,607
Total Other Depreciation			<u>974,021</u>	<u>177,441</u>
Total ACRS and Other Depreciation			<u>974,021</u>	<u>177,441</u>
Grand Totals			<u>974,021</u>	<u>177,441</u>

Form 990	Two Year Comparison Report	2015 & 2016
For calendar year 2016, or tax year beginning 07/01/16 , ending 06/30/17		

Name

Taxpayer Identification Number

SCOTTSDALE PREPARATORY ACADEMY**20-8778703**

		2015	2016	Differences
R e v e n u e	1. Contributions, gifts, grants	1. 967,517	997,911	30,394
	2. Membership dues and assessments	2.		
	3. Government contributions and grants	3. 58,659	82,437	23,778
	4. Program service revenue	4. 6,650,809	6,610,639	-40,170
	5. Investment income	5.	18,746	18,746
	6. Proceeds from tax exempt bonds	6.		
	7. Net gain or (loss) from sale of assets other than inventory	7.		
	8. Net income or (loss) from fundraising events	8.		
	9. Net income or (loss) from gaming	9.		
	10. Net gain or (loss) on sales of inventory	10.		
	11. Other revenue	11. 574,004	232,292	-341,712
	12. Total revenue. Add lines 1 through 11	12. 8,250,989	7,942,025	-308,964
E x p e n s e s	13. Grants and similar amounts paid	13.		
	14. Benefits paid to or for members	14.		
	15. Compensation of officers, directors, trustees, etc.	15. 96,206	107,472	11,266
	16. Salaries, other compensation, and employee benefits	16. 4,194,527	4,217,350	22,823
	17. Professional fundraising fees	17.		
	18. Other professional fees	18. 660,625	661,703	1,078
	19. Occupancy, rent, utilities, and maintenance	19. 928,869	907,427	-21,442
	20. Depreciation and Depletion	20. 164,067	174,828	10,761
	21. Other expenses	21. 1,297,311	1,499,363	202,052
	22. Total expenses. Add lines 13 through 21	22. 7,341,605	7,568,143	226,538
	23. Excess or (Deficit). Subtract line 22 from line 12	23. 909,384	373,882	-535,502
O t h e r I n f o r m a t i o n	24. Total exempt revenue	24. 8,250,989	7,942,025	-308,964
	25. Total unrelated revenue	25.		
	26. Total excludable revenue	26. 7,224,813	6,861,677	-363,136
	27. Total assets	27. 3,174,355	3,390,020	215,665
	28. Total liabilities	28. 633,604	435,385	-198,219
	29. Retained earnings	29. 2,540,751	2,954,635	413,884
	30. Number of voting members of governing body	30. 5	4	
	31. Number of independent voting members of governing body	31. 2	2	
	32. Number of employees	32. 0	0	
33. Number of volunteers	33. 25	15		

Form **990****Tax Return History****2016**

Name

SCOTTSDALE PREPARATORY ACADEMY

Employer Identification Number

20-8778703

	2012	2013	2014	2015	2016	2017
Contributions, gifts, grants	796,317	894,678		1,026,176	1,080,348	
Membership dues						
Program service revenue	5,169,145	5,806,805		6,650,809	6,610,639	
Capital gain or loss						
Investment income					18,746	
Fundraising revenue (income/loss)						
Gaming revenue (income/loss)						
Other revenue	78,097	341,097		574,004	232,292	
Total revenue	6,043,559	7,042,580		8,250,989	7,942,025	
Grants and similar amounts paid						
Benefits paid to or for members						
Compensation of officers, etc.	85,650	84,952		96,206	107,472	
Other compensation	3,324,553	3,599,362		4,194,527	4,217,350	
Professional fees		487,203		660,625	661,703	
Occupancy costs	936,502	932,183		928,869	907,427	
Depreciation and depletion	87,806	112,073	148,928	164,067	174,828	
Other expenses	1,452,538	1,218,020		1,297,311	1,499,363	
Total expenses	5,887,049	6,433,793	148,928	7,341,605	7,568,143	
Excess or (Deficit)	156,510	608,787	-148,928	909,384	373,882	
Total exempt revenue	6,043,559	7,042,580		8,250,989	7,942,025	
Total unrelated revenue						
Total excludable revenue	6,043,559	6,147,902		7,224,813	6,861,677	
Total Assets	1,512,502	1,989,043	344,998	3,174,355	3,390,020	
Total Liabilities	1,155,499	1,023,253		633,604	435,385	
Net Fund Balances	357,003	965,790	816,862	2,540,751	2,954,635	

Form 990T	Tax Return History	2016
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Name SCOTTSDALE PREPARATORY ACADEMY	Employer Identification Number 20-8778703
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	2012	2013	2014	2015	2016	2017
Business activity profit/loss						
Capital gains/losses						
Partner and S Corp gain/loss						
Rental income*						
Debt-financed income*						
Controlled organizations income/interest*						
Investment income, specific organizations*						
Exploited exempt activity income*						
Other income						
Total trade or business income.						
Compensation of officers, ect.						
Other salaries and wages						
Repairs and maintenance						
Bad debts						
Interest						
Taxes and licenses						
Charitable contributions						
Depreciation and Depletion						
Deferred compensation plans						
Employee benefit programs						

Form **990T****Tax Return History****2016**

Name

SCOTTSDALE PREPARATORY ACADEMY

Employer Identification Number

20-8778703

	2012	2013	2014	2015	2016	2017
Other deductions						
Net operating loss deduction						
Specific deduction	1,000	1,000				
Income after expense and deductions	-1,000	-1,000				
Income tax (corporate or trust)						
Other taxes						
Total taxes						
General business credit						
Other credits						
Net tax after credits						
Estimated tax payments						
Other payments						
Balance due/Overpayment						

* Income shown net of expenses

Federal Statements**Taxable Interest on Investments**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>Acquired after 6/30/75</u>	<u>US Obs (\$ or %)</u>
INVESTMENT	\$ 18,746		14			
TOTAL	<u>\$ 18,746</u>					

Federal Statements

Form 990, Part IX, Line 11g - Other Fees for Service (Non-employee)

Description	Total Expenses	Program Service	Management & General	Fund Raising
PROFESSIONAL SERVICES	\$ 52,332	\$ 22,584	\$ 29,748	\$
TOTAL	\$ 52,332	\$ 22,584	\$ 29,748	\$ 0

Form 990, Part IX, Line 24e - All Other Expenses

Description	Total Expenses	Program Service	Management & General	Fund Raising
CO-CURRICULAR ACTIVITIES	\$ 197,145	\$ 197,145	\$	\$
GRANTS TO RELATED PARTIES	34,000		34,000	
FUNDRAISING	6,980			6,980
TOTAL	\$ 238,125	\$ 197,145	\$ 34,000	\$ 6,980

For the [] calendar year 2016 or [X] fiscal year beginning 07/01/2016 and ending 06/30/2017.

CHECK ONE: [X] Original [] Amended
Name: SCOTTSDALE PREPARATORY ACADEMY
Employer Identification Number (EIN): 20-8778703
Address: 4801 E WASHINGTON STREET SUITE 250
City: PHOENIX State: AZ ZIP Code: 85034
Business Telephone Number: 602-386-1881

88 Check box if: [] This is a first return [] Name change [X] Address change
A Date Arizona operations began: 03/27/2007
B Nature of Arizona activities: EDUCATION
C Federal form filed: [X] 990 [] 990-EZ [] Other (specify)

Check box if return filed under extension:
82 82F [X]

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.
88
81 PM 66 RCVD

NONPROFIT MEDICAL MARIJUANA DISPENSARY (NMMD) ONLY -
D [] NMMD Registry Identification Number:
E What type of entity is the dispensary?
[] Corporation [] Limited Liability Company (LLC) [] Partnership [] S corporation
[] Sole Proprietorship
F If the dispensary is an LLC, what is the federal tax classification?
[] Corporation [] Disregarded Entity [] Partnership [] S corporation
If the dispensary is an LLC, a partnership or an S corporation, include a schedule that lists the following ownership information: name, address, TIN, and ownership percentage at the end of the tax year.
G Federal form filed: [] 1040 [] 1041 [] 1065 [] 1120 [] 1120-S [] Other (specify)

Sources of Income

Table with 12 rows and 3 columns: Line number, Amount, and Total. Includes Gross sales (6,610,639), Interest (18,746), Dividends, Rents (16,618), and Total income (7,942,025).

Administrative Expenses

Table with 19 rows and 3 columns: Line number, Amount, and Total. Includes Compensation (107,472), Salaries (3,408,420), Taxes (256,122), and Total expenses (7,015,335).

Disbursements

Table with 3 rows and 3 columns: Line number, Amount, and Total. Includes Disbursements from current income (552,808).

Accumulation of Income

Table with 3 rows and 3 columns: Line number, Amount, and Total. Includes Accumulation of income in current year (373,882) and at end of year (2,914,633).

Penalty

Table with 1 row and 3 columns: Line number, Amount, and Total. Includes Penalty for late filing (00).

THE BUSINESS IS SUBJECT TO A PENALTY IF THIS RETURN IS FILED LATE OR IS INCOMPLETE. A.R.S. § 42-1125(K).

Name (as shown on page 1) SCOTTSDALE PREPARATORY ACADEMY	EIN 20-8778703
--	--------------------------

SCHEDULE A Disbursements From Current Income for Exempt Purposes

A1 Dues, assessments, etc., to affiliates	A1		00	
A2 Contributions, gifts, grants, etc., paid	A2		00	
A3 Benefit payments to or for members or their dependents:				
A3a Death, sickness, hospitalization, disability, or pension benefits	A3a	43,245	00	
A3b Other benefits	A3b	509,563	00	
A4 Dividends and other distributions to members, shareholders, or depositors	A4		00	
A5 Other	A5		00	
A6 Total: Add lines A1 through A5. Enter total here and on page 1, line 21	A6		552,808	00

SCHEDULE B Disbursements From Principal for Exempt Purposes

B1 Dues, assessments, etc., to affiliates	B1		00	
B2 Contributions, gifts, grants, etc., paid	B2		00	
B3 Benefit payments to or for members or their dependents:				
B3a Death, sickness, hospitalization, disability, or pension benefits	B3a		00	
B3b Other benefits	B3b		00	
B4 Dividends and other distributions to members, shareholders, or depositors	B4		00	
B5 Other	B5		00	
B6 Total: Add lines B1 through B5. Enter total here and on page 1, line 22	B6			00

SCHEDULE C Balance Sheet

NOTE: Amounts used in included schedules and in this column should be end of year amounts.

		(a) Beginning of Year		(b) End of Year
Assets				
C1 Cash		2,482,182	00	C1 style="text-align: right;">2,966,280
C2a Accounts receivable	C2a	30,669	00	
C2b Less allowance for doubtful accounts	C2b		00	
C2c Line C2a less line C2b. Enter difference in column (b)		120,640	00	C2c style="text-align: right;">30,669
C3a Other notes and loans receivable: Include schedule	C3a		00	
C3b Less allowance for doubtful accounts	C3b		00	
C3c Line C3a less line C3b. Enter difference in column (b)			00	C3c style="text-align: right;">00
C4 Inventories			00	C4 style="text-align: right;">00
C5 Investments (securities): Include schedule			00	C5 style="text-align: right;">00
C6 Investments (other): Include schedule			00	C6 style="text-align: right;">00
C7a Land, buildings, and equipment; basis:	C7a	1,041,670	00	
C7b Less accumulated depreciation: Include schedule	C7b	732,534	00	
C7c Line C7a less line C7b. Enter difference in column (b) SEE STMT 4		421,387	00	C7c style="text-align: right;">309,136
C8 Other assets (describe): SEE STATEMENT 5		150,146	00	C8 style="text-align: right;">83,935
C9 Total assets: Add lines C1 through C8		3,174,355	00	C9 style="text-align: right;">3,390,020
Liabilities				
C10 Accounts payable and accrued expenses		215,018	00	C10 style="text-align: right;">60,490
C11 Mortgages and other notes payable: Include schedule			00	C11 style="text-align: right;">00
C12 Other liabilities (describe): SEE STATEMENT 6		418,586	00	C12 style="text-align: right;">374,895
C13 Total liabilities: Add lines C10 through C12		633,604	00	C13 style="text-align: right;">435,385
Net Assets				
C14 Capital stock or trust principal			00	C14 style="text-align: right;">00
C15 Paid-in or capital surplus			00	C15 style="text-align: right;">00
C16 Retained earnings or accumulated income		2,540,751	00	C16 style="text-align: right;">2,954,635
C17 Total net assets: Add lines C14 through C16		2,540,751	00	C17 style="text-align: right;">2,954,635
C18 Total liabilities and net assets: Add lines C13 and C17		3,174,355	00	C18 style="text-align: right;">3,390,020

✍️ PLEASE BE SURE TO SIGN THE RETURN ON PAGE 3.

Name (as shown on page 1)

SCOTTSDALE PREPARATORY ACADEMY

EIN

20-8778703**Declaration**

Under penalties of perjury, I declare that I have examined this return, including the accompanying schedules and statements, and to the best of my knowledge and belief, it is a true, correct and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the State of Arizona.

**Please
Sign
Here**

OFFICER'S SIGNATURE

RON ZOROMSKI

DATE

CFO

TITLE

**Paid
Preparer's
Use
Only**

RACHEL R. LOCKE, CPA

PAID PREPARER'S SIGNATURE

05/25/2018

DATE

P00450405

PAID PREPARER'S PTIN

FESTER & CHAPMAN, PLLC

FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED)

82-1455657FIRM'S EIN OR SSN**9019 E. BAHIA DR STE 100**

FIRM'S STREET ADDRESS

602-264-3077

FIRM'S TELEPHONE NUMBER

SCOTTSDALE

CITY

AZ

STATE

85260

ZIP CODE

Mail to: Arizona Department of Revenue, PO Box 52153, Phoenix, AZ 85072-2153

Arizona Statements

Statement 1 - Form 99, Page 1, Line 11 - Other Income

Description	Amount
OTHER	215,674
TOTAL	<u>215,674</u>

Statement 2 - Form 99, Page 1, Line 18 - Depreciation

Description	Amount
DEPRECIATION	174,828
TOTAL	<u>174,828</u>

Statement 3 - Form 99, Page 1, Line 19 - Miscellaneous Expenses

Description	Amount
AUDIT	10,557
LEGAL	2,035
MANAGEMENT FEES	596,779
PROFESSIONAL SERVICES	52,332
INFORMATION TECHNOLOGY	35,632
POSTAGE AND PRINTING	21,680
SUPPLIES	325,243
REPAIRS AND MAINTENANCE	321,688
CO-CURRICULAR ACTIVITIES	197,145
FUNDRAISING	6,980
OTHER	261,788
PSO EXPENSE	295,207
GRANTS TO RELATED PARTIES	34,000
TOTAL	<u>2,161,066</u>

Statement 4 - Form 99, Page 2, Line C7c - Land, Buildings, and Equipment

Description	Beginning of Year	End of Year
BUILDINGS, EQUIPMENT	\$ 979,092	\$ 1,041,670
LESS: ACCUMULATED DEPRECIATION	-557,705	-732,534
TOTAL	<u>\$ 421,387</u>	<u>\$ 309,136</u>

Arizona Statements

Statement 5 - Form 99, Page 2, Line C8 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DUE FROM RELATED PARTY	\$ 110	\$
DEPOSITS	1,919	
INTANGIBLE ASSETS		83,935
PREPAID EXPENSES	148,117	
TOTAL	<u>\$ 150,146</u>	<u>\$ 83,935</u>

Statement 6 - Form 99, Page 2, Line C12 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DEFERRED REVENUE	\$ 184,254	\$ 157,516
DUE TO RELATED PARTY	27,628	6,356
DEPOSITS HELD FOR OTHERS	206,704	211,023
TOTAL	<u>\$ 418,586</u>	<u>\$ 374,895</u>