

Alvarez & Marsal Education Credentials

2019

ALVAREZ & MARSAL

Global Qualifications

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Alvarez & Marsal Overview



A&M: A Global Professional Services Firm



50+ OFFICES

20+
COUNTRIES

3,000+
EMPLOYEES

FOUNDED
1983

OUR PEOPLE

Senior Leadership

- 400+ experienced Managing Directors

Dedicated Private Equity Service Practice

- 500+ Private Equity Services Professionals

OUR CLIENTS

200+ Mid-cap/Large-cap PE Firms

25% FTSE 100

60% Fortune 100

138+ Industries

OUR DIFFERENTIATORS

Integrated Full-service Solutions

Senior-led Team

Hands-on Approach to Problem Solving / Value Creation

Strong Operational Heritage

Free from Audit-based Conflicts

The A&M Difference



LEADERSHIP

- Focusing senior resources at every stage of the delivery process
- Forging consensus around credible, executable solutions
- Engaging and partnering with your organization



SENIOR RESOURCE DEPTH

- Global reach
- Executives drawn from both industry and professional services firms
- Majority of our professionals (Director grade and above) have extensive Board-level operational experience



MANAGING COMPLEXITY

- Proven track record in managing complex, high-profile situations
- Delivery through assured leadership and execution
- Development of strategic and corporate finance options in cooperation with management to support the business plan



SPEED, EXECUTION AND ACTION

- Focus on delivering rapid results with overarching focus on improving bottom-line results
- Coordinate short- and medium-term objectives and credible plans with achievable milestones



OPERATIONAL HERITAGE

- Proven, fact-based approach
- Over 30 years of operational experience
- Ability to provide seasoned interim executives for rapid implementation

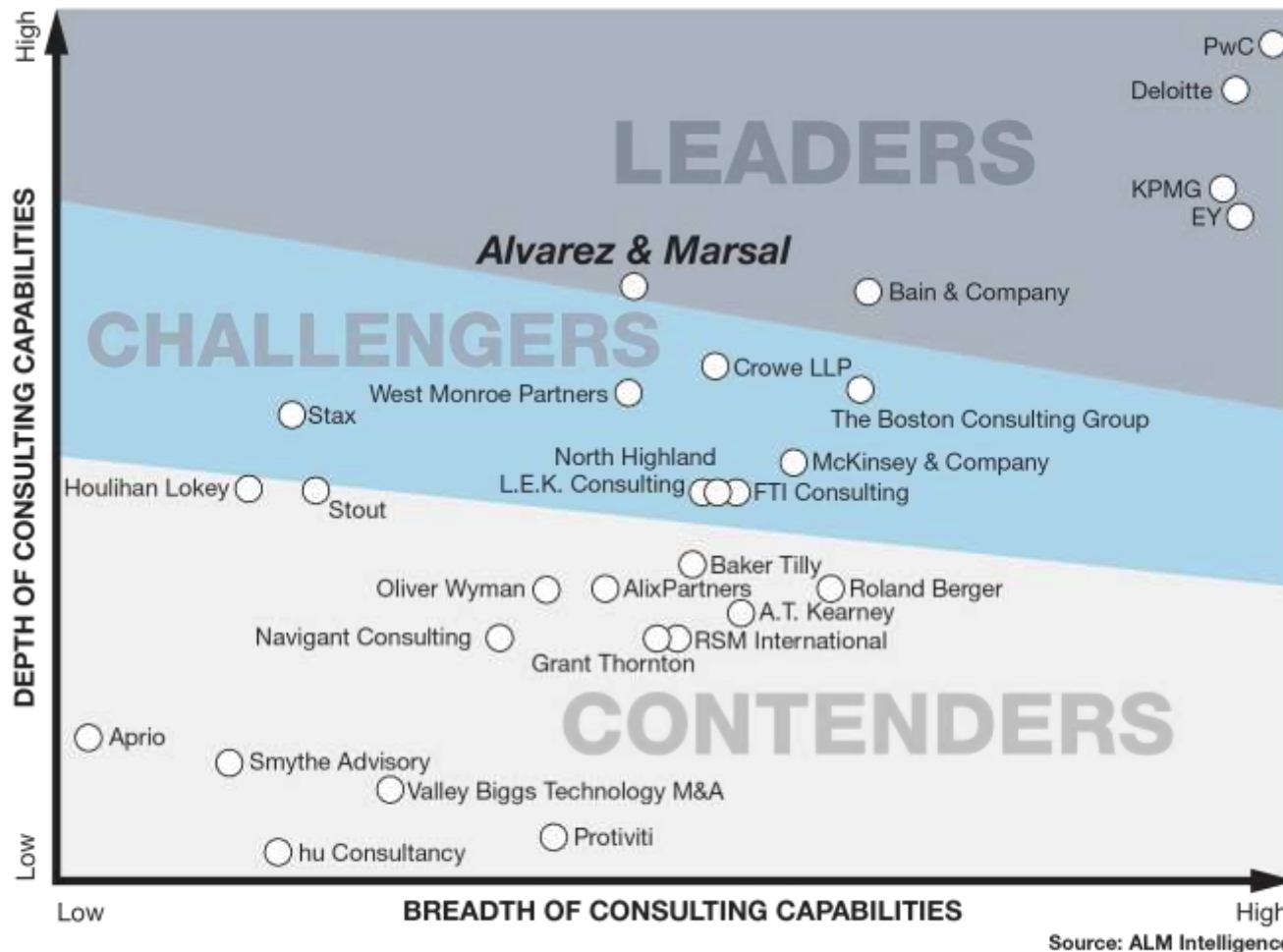


PRACTICAL BOTTOM-LINE ORIENTATION

- Keen awareness of what can be implemented in a turnaround environment
- Overarching focus on improving bottom-line results
- Able to achieve business transformation with restructuring speed

ALM Intelligence 2018 Transactions - Acquisitions Consulting Report: Alvarez & Marsal a Recognized Leader

ALM Intelligence (formerly Kennedy Consulting) recognizes Alvarez & Marsal as a leader in transactions-acquisitions consulting in their June 2018 ALM Vanguard Transactions-Acquisitions Consulting Report.



Alvarez & Marsal's integrated approach towards mergers & acquisitions gives you in-depth experience across the investment lifecycle.

ALM Intelligence 2018 Transactions - Acquisitions Consulting Report: Alvarez & Marsal a Recognized Leader

“Alvarez & Marsal is still one of the most frequently invoked firms by both clients and competitors in this space”¹

“Alvarez & Marsal is very event-driven and equipped to help clients quickly plan and implement large-scale, transformative change.”¹

“Alvarez & Marsal scores particularly well in transactions support, and ability to guide top management through complex deals”²

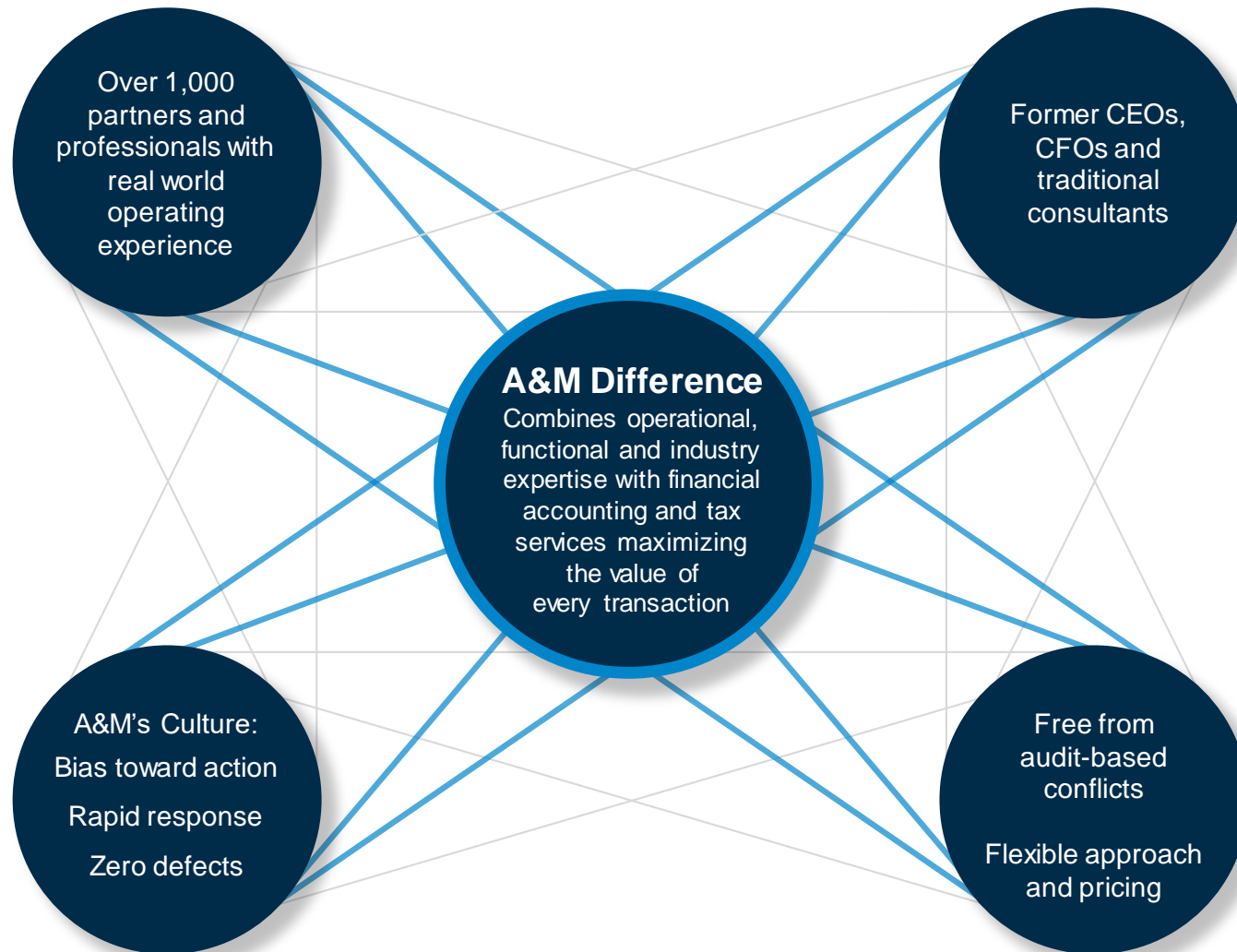
“Its services are increasingly on a global scale with 50 offices on (almost) all continents and key hubs in New York, London and Hong Kong”¹

“Alvarez & Marsal treats M&A as the counter-cyclical counter-weight to its renowned restructuring capabilities”¹

¹ ALM Intelligence: June 2018 ALM Vanguard Transactions-Acquisitions Consulting Report

² Consultancy.uk

Why Alvarez & Marsal Private Equity Services



DEDICATED GLOBAL
PRACTICE

INTEGRATED DILIGENCE
APPROACH

DEDICATED INDUSTRY VERTICAL
AND SUBJECT MATTER EXPERTS

DEDICATED RELATIONSHIP
MANAGEMENT

Private Equity Services: Our Integrated Diligence is a Unique Solution

Transaction Analytics

Embeds analytics throughout the investment lifecycle for more insights and better decisions.

Financial Accounting

Validates financial results and provides insight into reported performance

Operational

Validates that top and bottom-line potential can be achieved

Tax

Identifies risk and after-tax cash flow efficiencies from acquisition through compliance and post-acquisition planning

Human Capital

Quantifies remuneration and benefits inputs to valuation. Identifies risk and opportunities post-closing

A&M Difference

Financial Accounting And Tax Combined With Deep Operational, Functional And Industry Expertise Maximizes Value of Every Transaction

Valuation

Provides pre-deal valuation diligence and modeling services

Commercial

Answers critical investor questions regarding market position and opportunities

Information Technology

Goes well beyond the checklist to focusing on end-to-end business activities, costs, and personnel

Representative Industry Expertise



Automotive & Suppliers



Food & Beverage



Education



Retail & Restaurants



Consumer



*Healthcare



Media & Entertainment



Transportation



*Energy



Insurance



Public Sector



*Software & Technology



*Financial Services



Manufacturing



Real Estate



Marketing Services

A&M has extensive operational, functional, and industry expertise across a wide variety of sectors, including dedicated verticals in Healthcare, Retail, Financial Services, Energy, and Software & Technology.

*Denotes dedicated industry verticals

Global Transaction Advisory Group Presence

Number of Professional Staff as of December 2018

UNITED STATES: 172

Managing Directors: 34
Professional Staff: 138
Offices: 10

- Atlanta
- Boston
- Chicago
- Denver
- Houston
- Los Angeles
- Miami
- Nashville
- New York (HQ)
- San Francisco

LATIN AMERICA: 24

Managing Directors: 3
Professional Staff: 21
Offices: 2

- Mexico City
- Sao Paulo

EUROPE: 84

Managing Directors: 18
Professional Staff: 66
Offices: 6

- Amsterdam
- Frankfurt
- London
- Munich
- Paris
- Stockholm

ASIA: 15

Managing Directors: 4
Professional Staff: 11
Offices: 4

- Beijing
- Hong Kong
- Shanghai
- Singapore

INDIA: 63

Managing Directors: 4
Professional Staff: 59
Office: 1

- Mumbai



GLOBAL PRACTICE

- OVER 350 PROFESSIONALS
- 63 MANAGING DIRECTORS
- 23 OFFICES WORLDWIDE

FORMER BIG FOUR
CPA/CHARTERED
ACCOUNTANTS

DEDICATED
INDUSTRY VERTICAL TEAMS

INTEGRATED DILIGENCE
OFFERING

A&M Global Transaction Analytics – Overview

A&M Global Transaction Analytics (GTA) embeds analytics throughout financial due diligence, commercial due diligence, and operational performance improvement services to gain more insights and help clients make better decisions.

MORE INSIGHTS. BETTER DECISIONS.

- *Global resources with transaction expertise and data analytics experts within the same team*
- *Aligned with former C-level Operators and Industry Subject Matter Experts*
- *Leverage market leading technology and advanced analytics capabilities for relevant business insights*

Data Transformation

- Utilize specialized tools to collect, clean, consolidate, and transform complex data
- Streamline analysis of large volumes of raw data from ERP systems
- Set up a repeatable process flow with clear audit trails

Enrichment

- Contextualize disparate datasets from company's financial and operational systems
- Enrich analyses with third party data including demographics data, social media, and benchmark data

Interactive Data Exploration

- Develop industry-specific KPIs as deal drivers
- Use visualization to enable dynamic reporting with real-time data exploration
- Access secure web-hosted dashboards to remote connectivity

Dynamic and Interactive Visual Analytics to Uncover Hidden Trends



A&M Taxand: The Global Adviser of Choice

A GLOBAL ORGANIZATION OF TAX ADVISORS

- Taxand provides high quality, integrated tax advice worldwide. With more than 400 tax partners and over 2,000 tax advisors in over 40 countries, our tax professionals grasp both the fine points of tax and the broader strategic implications, helping mitigate risk, manage tax burden and drive business performance.
- We share knowledge and provide clients with seamless access to tax advisers in countries around the globe.
- We are independent, ensuring that clients adhere both to best practice and to tax law and that we remain free from time consuming, audit based conflict checks. This enables us to deliver practical advice, responsively.
- A&M Taxand is the largest provider of global tax services outside the Big Four.

A&M OFFERS A FULL SERVICE TAX PRACTICE

- We have over 40 Managing Directors and 220 professionals located in the U.S. and the UK.
- We provide tax advisory and compliance services throughout the full lifecycle of an organization to mid-market, larger corporate, global and U.S. based clients without audit-based conflicts of interest.

Our services include:

Federal Tax	State and Local	International
Compensation and Benefits	Research Credits and Incentives	Mergers and Acquisitions
Transfer Pricing	Sales and Use	Private Client Services

A&M Private Equity Performance Improvement Services Overview

Operational Performance Improvement, Pre and Post Acquisition to Drive Value



CFO Services

Improve finance function performance through enhanced reporting and transparency, more effective management of liquidity and working capital, upgrades to organization and processes, and financial system implementations.



Operations Management

Improve cohesion between merchants, supply chain and store operations. Strengthen in-store process to reduce time on non-customer facing activities. Optimize scheduling and improve customer engagement practices.



OpEx Efficiency

Streamline business and delayer organization structure. Leverage shared services, outsourcing and process change to drive functional savings. Identify overhead efficiencies and reduce the fixed cost structure company.



Information Tech Services

Assess infrastructure needs for short-, mid-, and long-term scalability. Determine Omni-channel enhancement needs and paybacks. Ensure efficient spending on third party contractors.



Supply Chain Services

Create and implement sourcing strategies to leverage and optimize OPEX spend. Harness portfolio companies aggregate buying power to maximize cost savings. Reduce direct costs/COGS. Optimize total logistics network and implement fully integrated planning.



Revenue & Margin Management

Identify sustainable sources of revenue and margin opportunities. Implement frameworks to optimize merchandising, product portfolio, and pricing. Assess marketing effectiveness and marketing channel return on investment.



Interim Management

Stimulate communication and responsiveness by implementing management expertise. Utilize leadership as a driving force for tactical strategies, course correction, and operational realities. Execute actions with results oriented focus.



Merger Integration / Carve-Out

Articulate strategic scope to develop TSA framework and key strategies. Define integration plans with structure, approach, and reporting. Execute platform stabilization, while monitoring synergy and realization of goals.



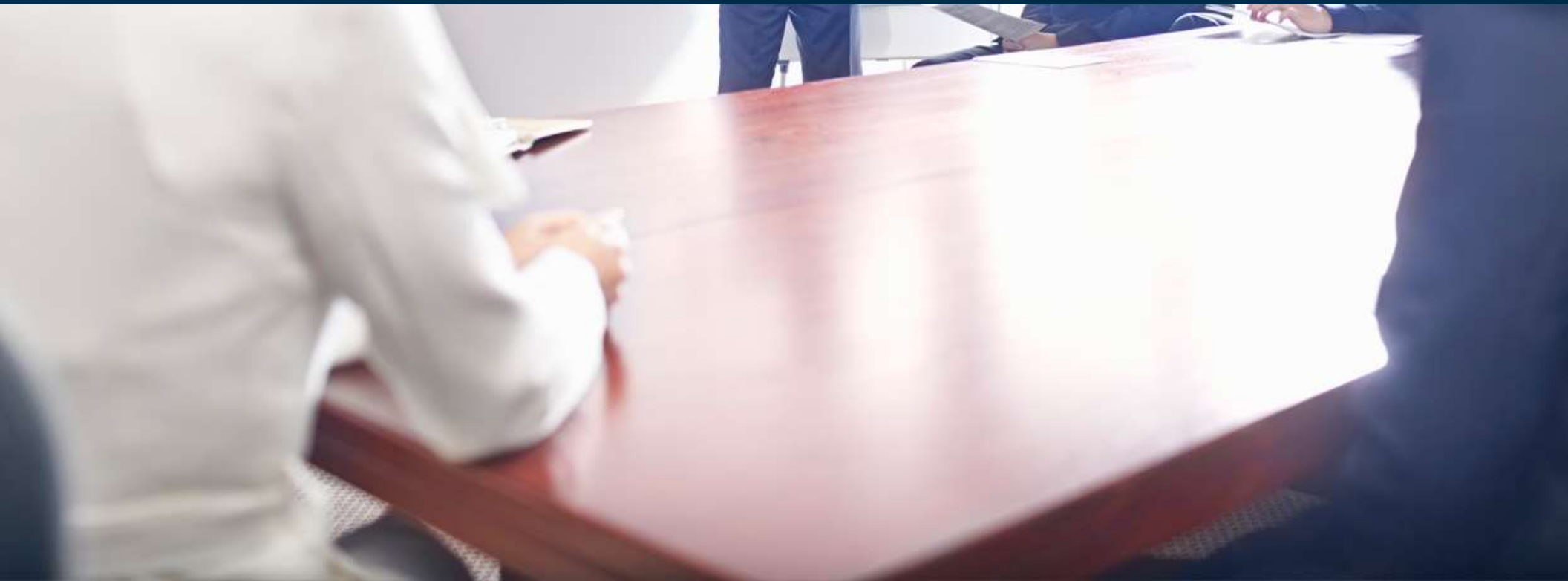
Real Estate

Establish real estate strategy with location strategy, analysis, asset and risk management. Identify pro-formula projections with impactful asset/portfolio performance. Provide alignment with leading service providers to increase portfolio value and long term evaluation.





Education Qualifications



Select Financial, Tax and Operational Qualifications

Private Equity Services

Country	Target Description	Service Role
Netherlands	International operator of education institutions (preschool through secondary education)	Financial Due Diligence
India	Operates three premium bilingual British curriculum schools in Oman	Commercial and Operational Due Diligence
India	Company is a leading publisher of books, stationery manufacturer and provides e-learning services	Performance Improvement
China	Online platform linking teachers to students	Financial and Tax Due Diligence
United States	Digital courseware and education solutions provider	Financial Due Diligence
United States	Company owns and operates unique, specialized private schools	Financial Due Diligence
United States	Provider of for-profit post-secondary education and continuing education	Financial Due Diligence
United States	Digital learning company	Financial Due Diligence
United States	American Education Group	Sell-side Financial Due Diligence
United States	Glynlyon Teaching Company	Financial Due Diligence
United States	Provider of for-profit post-secondary education and continuing education	Sell-side Financial Due Diligence
United States	Provider of E-Learning continual education courses for training and certification of information technology professionals	Financial Due Diligence

Select Financial, Tax and Operational Qualifications

Private Equity Services

Country	Target Description	Service Role
United Kingdom	Education Provider	Financial and Tax Due Diligence
United Kingdom	Group of private education providers specializing in business, social sciences, tourism, and hospitality as well as business courses	Financial and Tax Due Diligence
United Kingdom	Provider of schools for children with additional needs and fostering services	Financial Due Diligence
United Kingdom	A leading provider of benchmarking, formative and diagnostic assessments to schools	Financial and Tax Due Diligence
United Kingdom	Offers hospitality management with campuses in Switzerland and London and satellite campuses in Spain and China	Financial Due Diligence
Asia	Assisted Baird Private Equity in its investment in an after school activities group based in Shanghai	Financial Due Diligence

Yeshiva University

Financial Advisory, Interim Management

Problem

- Major research university with ten undergraduate and graduate schools, including a medical school, spread across four campuses in New York City
- Approximately 6,000 students
- At the time of A&M's engagement, the University faced a liquidity crisis, near-term debt maturities and a substantial annual operating deficit

Solution

- A&M was engaged as the Financial and Restructuring Advisor to stabilize operations and develop near and long-term strategies in connection with a sustainable business model

Result

- Demonstrated the University as a going concern to the independent auditors, avoiding potential default
- Increased cash runway from less than 6 months to more than 3 years, including debt refinancing, management of cash disbursements, identification of available liquidity resources and detailed monitoring and reporting on cash projections and liquidity balances
- Sold non-core residential properties to enhance liquidity
- Refinanced two near-term debt maturities into one long-term financing
- Led discussions with rating and accreditation agencies regarding financial forecasts and restructuring initiatives
- Created "bottoms-up" budget for the University with material reductions to the operating deficit
- Implemented operational strategies to generate savings, including reducing corporate support costs and right-sizing administrative infrastructure
- Developed academic restructuring process and achieved significant savings while maintaining academic standards
- Promulgated strategic changes to curriculum and teaching loads, working in concert with provost, faculty and deans

Online Distance Education Provider

Sales/Revenue Optimization

Problem

- The client is a distance education company formed in 1987 and was owned by a private equity firm. Since private equity purchase, the company saw a 67% decrease in new enrollments against 34% decline in marketing spend, while the industry as a whole was experiencing growth. The company was about one month away from missing payroll.
- From 2005 to 2007, there were multiple & significant changes in leadership & strategic direction for the company, including changes to marketing management and processes, pricing structure, and school branding.

Solution

- After an initial assessment and analysis, several additional management changes occurred and A&M took on three key interim management roles with the following objectives:
 - Develop new inbound & outbound marketing strategies in concert with the marketing organization
 - Increase outbound sales per hour & conversion rates
 - Establish a performance management plan linked to key metrics and results
 - Source, select and ramp up an outsourced provider to assist with telesales augmentation during peak admission periods •
 - A&M also filled the Interim CFO role

Result

- Sales per hour improved from 0.50 to 0.80; conversion rates improved from 38% to 46%
- Realigned the marketing organization
- Enrollments trended upward for the first time in 7 consecutive quarters and ad spend was brought back in line with expectations
- Average enrollments improved from 150/day to 220/day
- New performance management plan established accountability with telesales representatives and stabilized incentive operating expense
- Launched outsource partner within 30 days to assist with peak calling activity



Public Sector Credentials



Firm Overview & Expertise

Our A&M team has helped organizations across the Public Sector to deliver improved performance – actionable recommendations, tangible results



K-12 EDUCATION

- Support K-12 administrators improve their educational investment and maximize resources to increase the funds dedicated to student achievement, completion and success.
- Transform public school districts to help realize millions of dollars in recurring costs savings through identification and implementation of fiscal and operational improvements.

STATE & LOCAL GOVERNMENT

- Stabilize financial and operational performance by developing and implementing comprehensive revenue improvement and expense reduction plans for governments working across the breadth of government services and programs.
- Identify and execute plans to maximize federal funding through improved program design, compliance and management.

HUMAN SERVICES

- Improve human and social services systems through increasing operational efficiencies, policy effectiveness and driving fiscal transparency and accountability. Our efforts address increases in participant needs, increasing provider costs, and limited resources while balancing the budget and improving financial and operational performance.

REAL ESTATE / PUBLIC PRIVATE PARTNERSHIPS

- Exclusively help public sector entities generate revenue, reduce costs, and create jobs by putting excess and underutilized real estate to more productive use.
- Additionally, specializes in advising entities through revenue generation from P3 and other methods of monetizing underutilized real estate assets.

MUNICIPAL DISTRESS & CREDITOR SUPPORT

- Provide analytical, subject matter support, fiduciary services, and expert testimony in support of oversight bodies, funders and creditors to municipal and other governmental organizations.

Firm Overview & Expertise

A&M Public Sector services major public clients as well as educational institutions

&
Most Recent
Education
Engagements

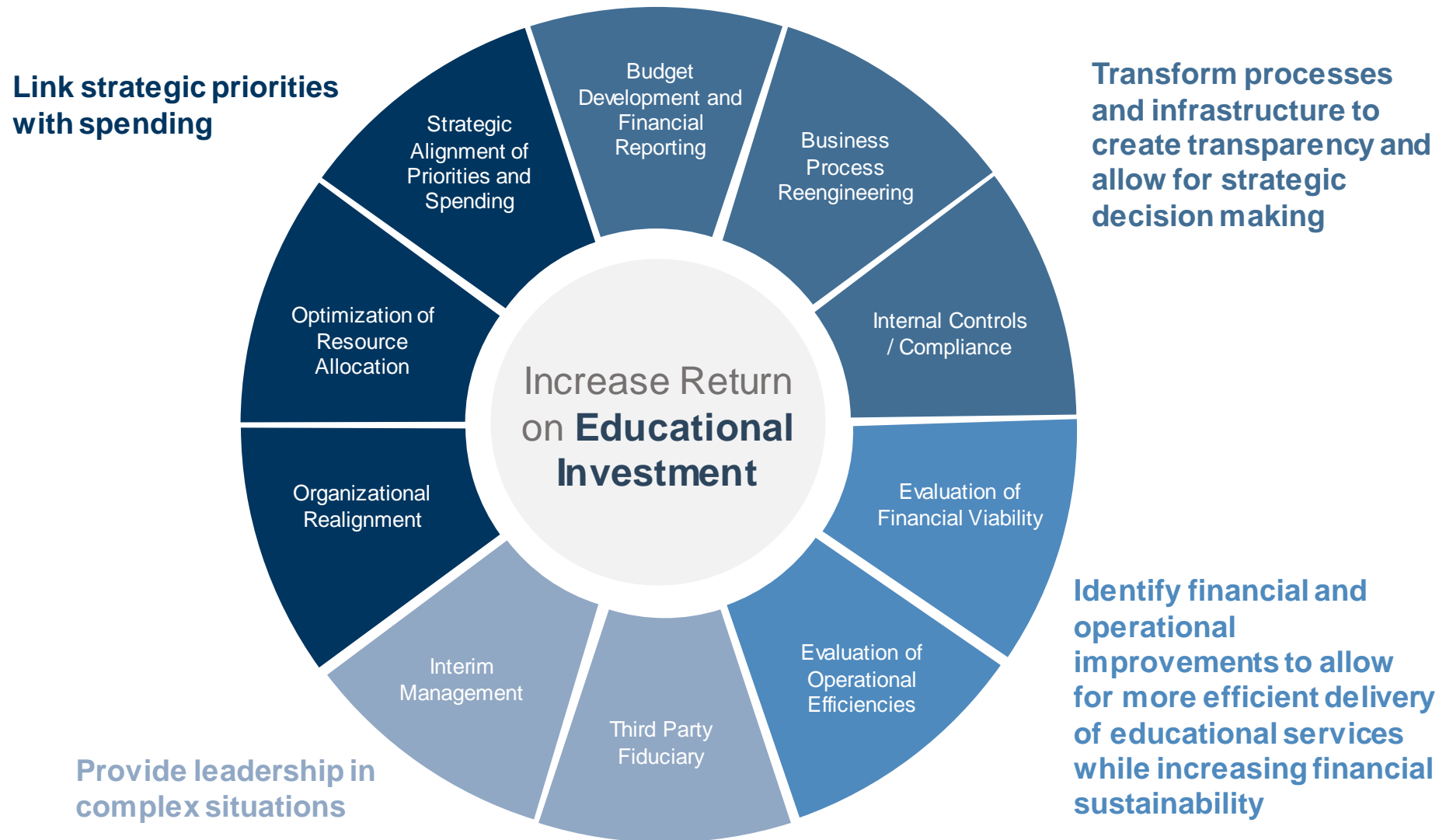


General Public Sector Credentials



Firm Overview & Expertise – Education

A&M's team partners with leaders of K-12 organizations seeking to increase the return on educational investment



Firm Overview & Expertise – Education Capabilities

A&M drives action to effect real transformative change: experienced operators and consultants, industry expertise and proven results

A&M Delivers

- **Senior level professionals** with broad and deep public and private sector transformation expertise who possess an operator mindset, including many who are former public officials and corporate executives;
- Deliberately **provocative and candid perspectives** that challenge the “but we have always done it that way” mindset;
- Actionable, operationally-grounded **recommendations that are driven by facts**, not opinion;
- An **implementation roadmap** that aligns with strategic priorities that lead to **fiscal stability**;
- A **commonly understood transformation vision** through collaboration with all stakeholders;
- A **commitment to change management** from the very beginning of the engagement that cements ownership and accountability for implementation;
- **Independence in thought and action**: we neither sell, deploy or license technology nor are tied to prior deployed solutions; and
- A **bias for action** and an accountability for results in everything we do

Firm Overview & Expertise – Education Client Summaries

A&M's proven approach helped drive education gains in four different settings



Newark Public Schools

- A&M is assisting Newark Public Schools in developing a three year financial and operating plan that will establish a roadmap to modify the cost structure of the school district as charter schools expand.



South Carolina Department of Education

- A&M conducted a 90 day statewide efficiency review of all 82 South Carolina school districts, resulting in approximately \$40 million in savings across all districts.



Alliance College Ready Public Schools

- A&M serves as interim controller of Alliance College Ready Public Schools, currently conducting a comprehensive review of internal controls and a change management plan that is focused on developing changes in fiscal policies, improvements to financial processes and a procurement system.



Detroit Public Schools

- A&M served as financial advisor to the Emergency Financial Manager of Detroit Public Schools, driving the savings of \$53 million over a 2 year period, including savings in janitorial and maintenance, transportation, and security.

Newark Public Schools – Financial Advisory Services

Fixing a \$75 million budget deficit



Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ Facing a \$75 million budget deficit for FY2016-2017, Newark Public Schools (NPS) engaged A&M to provide financial advice to reduce/close the shortfall	<ul style="list-style-type: none">▶ A&M is serving as financial advisor to the Newark Public Schools helping to plan and execute a balanced budget for FY2016-17 and FY2017-18▶ A&M identified opportunities that would minimize the impact of budget shortfall on academic programs and direct student supports including new revenue opportunities, operational efficiencies, minimize reductions in personnel, and align spending with district priorities	<ul style="list-style-type: none">▶ A&M identified new revenue opportunities totaling \$40 million and \$25 million in cost savings opportunities that improved effectiveness and reduced inefficiencies in the school district▶ Additionally, A&M assisted NPS with the development of a new weighted student funding model creating greater equity and transparency while ensuring adequate investment could be made in programs known to improve academic achievement▶ A&M is currently in the process of implementing many of the initiatives identified in the planning process

South Carolina School District Efficiency Survey

\$40 million in savings expected from efficiency study over 82 districts



Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ A&M was engaged to perform an efficiency study of 82 underlying school districts to identify opportunities for increased efficiency in district-level operations for:<ul style="list-style-type: none">• Finance,• Human resources,• Procurement,• Transportation, and• Administrative Overhead.	<ul style="list-style-type: none">▶ Led the efficiency study for all 82 school districts over the course of four months, conducting interviews and identifying areas for improvement in efficiency and effectiveness of operations▶ Collected and organized data, and built out an analytic dashboard that allowed for dynamic benchmarking against peer groups for key indicators▶ Identified opportunities for increased statewide efficiency, effectiveness and cost savings through recommendations	<ul style="list-style-type: none">▶ A&M's final report contained recommendations and cost savings with annual potential savings totaling approximately \$40 million across all 82 districts▶ For stand-alone savings A&M recommended: system upgrades, strategic sourcing, and implementation of routing software▶ Overall, A&M recommended that most districts strategically group together to run shared service models to realize the greatest efficiencies through increased economies of scale in operations and greater buying power

Tackling a high turnover and the lack of standardized processes as the acting interim controller

Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ Alliance College Ready Public Schools operates 28 middle and high schools in the Los Angeles area, and was experiencing a high degree of organizational turnover, a complicated operating model, lack of standard finance and accounting processes across all schools, and some outdated systems▶ The organization was experiencing increasing tension and momentum building around possible unionization of teachers which would likely increase their expenses, which the organization was not in a financial position to absorb	<ul style="list-style-type: none">▶ A&M is currently acting as the Interim Controller for ACRPS▶ Conducted an extensive assessment of overall system controls which led to the development and change management plan for implementation of a new chart of accounts as well as selection of a new procurement system	<ul style="list-style-type: none">▶ Identification and implementation of new fiscal policies and procedures, implementation of new procure to pay system, conversion to a new chart of accounts, and recommendations on key process improvements in accounting, finance, and operations

Implemented over \$53 million in cost savings while acting as Executive Budget Director and Director of Special Education

Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ Detroit Public Schools was faced with an operating deficit of more than \$305 million and major academic and financial shortfalls▶ DPS needed to serve its mission while restructuring the department for long term fiscal stability▶ Governor Granholm appointed an Emergency Manager to oversee the financial and academic restructuring of the State's largest public education system▶ A&M was a financial advisor to the Emergency Financial Manager of Detroit Public Schools providing various process improvement, internal control, policy analysis and educational outcome▶ Detroit's fiscal crisis limited DPS's ability to service 16,000+ special education students	<ul style="list-style-type: none">▶ A&M developed financial condition assessment and financial models, operational assessments, alternatives for increased revenues and cost cutting measures and debt restructuring plans▶ Provided capacity to reform / restructure delivery of services to better serve students in light of fiscal deficit, enrollment trends and diminishing accountability, while adhering to state and Federal regulations and mandates▶ Managed Special Education finances and operations, improve service, lower costs and manage Special Education referral processes▶ Reviewed spending and processes to assist DPS with efforts to improve quality and efficiency and to lower costs	<ul style="list-style-type: none">▶ Over a two-year period, DPS implemented \$53 million in cost savings, which included \$14.8 million annual savings in janitorial and maintenance costs, \$8 million in transportation, \$4 million in security, and \$4.8 million in revenue from the sale of a bus fleet, while achieving unprecedented levels of compliance▶ Developed a new finance/budget organization including▶ Created a school based revenue allocation budget model (Responsibility Centered Management)▶ Served as Acting Executive Budget Director /Deputy CFO▶ Served as Acting Director of Special Education

Situation

- ▶ Prince William County Public Schools (PWCS) had been cast publicly as being **overstaffed** in the central office functions. The school district, in conjunction with the board, sought out an independent analysis and verification of the staffing levels in comparison to relevant school district benchmarks

A&M Role

- ▶ PWCS selected A&M to perform an objective staffing study of the Central Administrative Offices (CAO) to compare to benchmarks and assess the effectiveness and efficiency of the central administrative functions.
- ▶ A&M developed a cross agency peer benchmarking interview guide, conducted interviews and a review of the current state of each PWCS department, collected peer district staffing files, conducted outreach to peer districts, and analyzed the results against best practices.

Client Outcomes

- ▶ Benchmark comparisons and recommendations on the **level of staffing by department** for PWCS against peer school districts

Served as TPFA since 2010: significantly improved processes, faster draw-down of federal grants, and no related material weaknesses on audit

Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ As a result of continuous deficiencies in administering its U.S. Department of Education (USDE) grant programming, the Guam Department of Education (GDOE) was designated as a “high risk” grantee in September 2003 and required to develop a Comprehensive Corrective Action Plan (CCAP) in FFY 2007.▶ USDE concluded that GDOE had not made significant progress in implementing the CCAP and therefore, in FFY 2009, was required to engaged a third party fiduciary administrator (TPFA) to perform the financial management responsibilities required for federal grant awards	<ul style="list-style-type: none">▶ As the TPFA, A&M had to comply with the Special Conditions outlined by the U.S. Department of Education:<ul style="list-style-type: none">▶ Manage all USDE grant funds▶ Create process for managing and then monitoring fixed assets▶ Process payables and disbursements and maintain / reconcile related records▶ Oversee procurement of goods/services▶ Verify receipt of goods/services▶ Establish processes to track and report time & effort of federally-funded GDOE employees▶ Established the content and format for the reports that were accepted and approved by USDE▶ Assist in implementing a new Financial Mgmt. Info System▶ In addition, A&M provided value-add services:<ul style="list-style-type: none">▶ Cash activity & balance reporting▶ Excel training to GDOE personnel▶ Transition plan facilitation▶ Human capital assessment▶ Facilities assessment▶ Indirect cost negotiation / transition	<ul style="list-style-type: none">▶ No federal funds-related material weaknesses on GDOE’s single audit for any year where A&M served as TPFA▶ Successful implementation of TPFA FMIS▶ Implemented a systematic inventory process for all schools and divisions – 98%+ fixed asset reconciliation rate▶ Reduced payroll reimbursement discrepancy rate from 23% at beginning of engagement to < 1%▶ Brought GDOE current with indirect cost applications, established a replicable process, and transitioned to GDOE personnel. Rates are higher than those prior to A&M’s tenure▶ Prepared and distributed grant status and CCAP update reports▶ Facilitated transition plan and developed related tool to track progress

Los Angeles Unified School District – Strategic Planning Support

\$200M identified in recurring cost savings and analysis



Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ LAUSD faced a potential \$408M deficit for FY 2011 after reducing \$1.5B in expenditures over the prior two periods. This deficit was driven by declining enrollment, increasing special education encroachment, increasing health and welfare costs, and decreasing revenue▶ In 2010-11, LAUSD K-12 enrollment was down by 16,085 compared to 2009-10 and lost over 71k or 11% of students since 2006-07. In addition, its Special Education funding requirement continued to encroach on the Unrestricted General Fund (projected over \$700M in 2011-12)▶ Furthermore, district health benefit contributions continued to increase. All this had been occurring while LAUSD had been experiencing a drop in base revenue limit funding from the state since 2008	<ul style="list-style-type: none">▶ A&M conducted an organizational and financial assessment of the LAUSD. A&M was tasked with identifying cost savings opportunities, assessing the Budgeting for Student Achievement (BSA) Program, and creating a budget forecasting tool▶ The A&M team's cost savings opportunities focused on minimizing non-instructional spending, while the assessment of the BSA program focused on extending the weighted student funding model from its pilot schools to the entire district. The budget model focused on bottom line analysis of policy decisions and could be adjusted to account for future revenue projections based on expected student enrollment, per student funding, and other relevant inputs	<ul style="list-style-type: none">▶ Thorough analysis of the budget, including identification of nearly \$200M in recurring cost savings and analysis of a potential roll out of the weighted student funding program district-wide▶ Prepared for the Superintendent and CFO a multi-scenario budget tool to assist with identifying the impact of various educational, economic and policy decisions▶ For the performance assessment of the BSA program, the team evaluated several key success factors against internal LAUSD goals by leveraging comparable district research and the critical success factors for the Belmont Pilot Program▶ A&M developed a forecasting tool for the General Fund which highlights key factors influencing the District's financial position over the next three years

New Mexico Public Education Department – Strategic Planning

Strategic planning supported by A&M-built Resource Allocation Tool



Situation

- ▶ In 2015, A&M was engaged by the Region IX Education Cooperative and the State of New Mexico Public Education Department (“NM PED”) to help the State **ensure resources are prioritized** to D / F schools
- ▶ In conjunction with the 2015-2016 Spring budget process, the Priority Schools Bureau (PSB) ran a pilot with **22 schools** in eleven school districts that have a Priority status (P3) and a grade of F (F3) for the previous three years. The purpose of the pilot was to improve the school level planning process, connecting school and district data to inform funding action steps and strategically link dollars to instructional priorities

A&M Role

- ▶ A&M **developed the New Mexico Resource Allocation Tool** to facilitate school-level strategic planning for both school and District leaders
- ▶ The tool required principals with support from the Superintendent to create and document instructional goals for the school year. Subsequently, principals developed 90 day action plans translating goals into implementation
- ▶ Simultaneously, principals and school budget officers prepared their annual budget and assigned planned expenditures with specific action steps identified during the instructional planning process

Client Outcomes

- ▶ The resource allocation tool created greater **transparency** into school level **spending**, ultimately allowing the NM PED to ensure **underperforming** schools have adequate resources to support a school turnaround, resources are used in the most efficient way, stretching every dollar and resources are aligned with instructional priorities proven to **improve student achievement**

Puerto Rico – Government Efficiency Management Support

Designed an operations improvement plan that included \$530 million in savings through a staff and facilities consolidation plan for school districts



Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ In 2012, faced with a \$1.7 billion budget shortfall and a series of downgrades by the major rating agencies, the Commonwealth of Puerto Rico retained Alvarez & Marsal to evaluate its current operational efficiency, financial performance, and cost reduction alternatives across the Commonwealth's agencies▶ The State selected the following agencies to be assessed<ul style="list-style-type: none">▶ Puerto Rico Department of Education (K-12)▶ Puerto Rico Police Department and Corrections▶ Puerto Rico Department of Health and Insurance▶ Puerto Rico Department of Tax and Treasury	<ul style="list-style-type: none">▶ The A&M team of over 70 FTE addressed programs accounting for approximately \$9 billion in annual spend and identified critical opportunities for proposed revenue enhancement and cost reductions that totaled approximately \$1.7 billion over three years▶ A gubernatorial change shortened A&M's tenure, focusing remaining efforts on implementation quickly identifiable solutions	<ul style="list-style-type: none">▶ Designed a multi-year \$1.7 billion fiscal and operations improvement program to ensure high departmental performance without interrupting services to the commonwealth's citizenry▶ A&M recommended \$530 million in savings through a staff and facilities consolidation plan for the Commonwealth's school districts▶ Developed a road map to reduce 1,500 administrative corrections employees with savings of \$125 million▶ Developed recommendations to reduced overall costs for Puerto Rico's hospital facilities by \$48 million▶ Made recommendations in areas of core tax collection to improve payment through compliance initiatives and additional economic development with estimated savings of \$600 million

U.S. Virgin Islands DOE – Third Party Fiduciary Administrator

Served as TPFA 2006 – 2010: significantly improved processes, faster draw-down of federal grants, and no related material weaknesses on audit



Situation	A&M Role	Client Outcomes
<ul style="list-style-type: none">▶ In September 2002, USDOE entered into a 3-year comprehensive Compliance Agreement (the Agreement) with the GVI. Goals of the Agreement included developing integrated solutions across the GVI to remedy the problems in managing USDOE grant funds and programs.▶ In April 2005, USDOE determined that the VI had failed to meet key terms and conditions of the Agreement that were critical to the successful compliance of the Agreement by the time it ended in September 2005. As a result, USDOE mandated that the GVI engage a third party fiduciary to manage USDOE grant funds awarded to VIDE and other GVI departments.	<ul style="list-style-type: none">▶ As the TPFA, A&M had to comply with the Special Conditions outlined by the U.S. Department of Education. Those responsibilities included<ul style="list-style-type: none">▶ Manage all USDOE grant funds▶ Create process for managing and then monitoring fixed assets▶ Process payables and disbursements and maintain / reconcile related records▶ Oversee procurement of goods/services▶ Verify receipt of goods/services▶ Establish processes to track and report time & effort of federally-funded GDOE employees, and prepare timely related reimbursements▶ Prepare timely and accurate reports, on schedule & on demand▶ Prepare and execute regular indirect cost true-ups▶ Prepare and submit to USDE late liquidation filings▶ Assist in implementing the CCAP: established the content and format for the reports that were accepted and approved by USDE▶ Assist in implementing a new Financial Management Information System (FMIS)	<ul style="list-style-type: none">▶ No federal funds-related material weaknesses on GDOE's single audit for any year where A&M served as TPFA▶ Significantly more expeditious expenditure of federal funds – budget not expended at grant-end decreased from \$5M+, or about 18%, pre-AM to less than \$1M, or 3%, during A&M's tenure▶ Successful implementation of TPFA FMIS▶ Completed labor-intensive payroll audit that provided additional reimbursement to the GVI of approximately \$8M▶ Implemented a systematic inventory process for all schools and divisions – federal inventory not able to be reconciled from 40%+ pre-A&M to < 0.1% during A&M's tenure▶ Established USDOE-approved payroll reimbursement process

Other A&M K-12 Engagements

	Evaluating Financial Health	Assessing funding and resource allocation	Evaluating & Implementing Budget Changes	Addressing achievement challenges	Interim management Experience	Evaluating operational performance	Advising on organizational restructuring	Experience with administration transitions
Algiers Charter School Association	✓	✓	✓	✓	✓	✓	✓	
Arkansas Department of Education	✓	✓	✓	✓		✓	✓	
Baltimore City Public Schools	✓	✓	✓	✓	✓	✓	✓	
Charleston County School District	✓	✓	✓	✓		✓	✓	
Chicago Public Schools	✓	✓	✓	✓		✓	✓	
Commonwealth of Kentucky	✓	✓	✓	✓		✓	✓	
Detroit Public Schools	✓	✓	✓	✓	✓	✓	✓	✓
District of Columbia Public Schools	✓	✓	✓	✓		✓	✓	
Edison Learning	✓	✓	✓	✓	✓	✓	✓	
Guam Department of Education	✓	✓	✓	✓	✓	✓	✓	✓
Indiana Department of Education	✓	✓	✓	✓		✓	✓	
Los Angeles Unified School District	✓	✓	✓	✓		✓	✓	✓
Newark Public Schools	✓	✓	✓	✓	✓	✓	✓	✓
New Mexico Department of Education		✓		✓				
New Orleans Public Schools	✓	✓	✓	✓	✓	✓	✓	✓
New York City Department of Education	✓	✓	✓	✓	✓	✓	✓	
Pittsburgh Public Schools	✓	✓	✓	✓		✓	✓	
Providence Public Schools	✓	✓	✓	✓	✓	✓	✓	✓
Department of Education, Puerto Rico	✓	✓	✓	✓		✓	✓	
St. Louis Public Schools	✓	✓	✓	✓	✓	✓	✓	✓
U.S. Department of Education, Race to the Top	✓	✓	✓	✓		✓	✓	
U.S. Virgin Islands	✓	✓	✓	✓	✓	✓	✓	

A&M has played a significant role either helping to implement these policies or dealing with the unintended consequences of these policies



GLOBAL REACH. LOCAL APPROACH.



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4 continents and 20+ countries



A&M delivers and maximizes
value in every transaction



It's how we hire and who we
hire that delivers results

ALM Intelligence

"Alvarez & Marsal is still one of the most frequently invoked firms by both clients and competitors in this space. With industry-leading financial due diligence teams, Alvarez & Marsal treats M&A acquisitions as the cyclical counter-weight to its renowned restructuring capabilities."

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