



College for Certain

Aspire Public Schools

Quarterly Financial Report¹

**For the three and nine months
ending March 31, 2017**

¹ Financials unaudited.

3rd Quarter Financial Highlights

- For the nine months ending Mar 31, 2017, EBIDA was \$8.9 million versus \$19.8 million for the nine months ending Mar 31, 2016.
- Similar to the prior quarter, lower EBIDA in comparison to the prior year is still due to budgeted, planned increases in school site and regional office staffing as well as planned compensation increases for FY 16/17.
- Aspire ended the quarter with \$56.1 million in cash & cash equivalents, compared to \$48.4 million at Dec 31, 2016. The \$7.7 million increase in cash is attributed to faster distribution and collection of LCFF accounts receivable balances. Nearly all 3rd Quarter EPA funding allocations were received by Mar 31, 2017.
- Accounts receivable balance of \$14.9 million for the quarter ending Mar 31, 2017 is \$9.0 million lower than \$23.9 million at Dec 31, 2016. This decrease is due to faster distribution and collection of LCFF accounts receivable balances as well as increased state apportionments.
- Aspire ended the quarter with \$12.1 million in accounts payable and accrued expenses, which is \$3.0 million higher than the quarter ending Mar 31, 2016. This increase is mostly attributed to the \$2.2 million in payables and accrued expenses related to the current construction projects.
- Expenses are still on track with budget. Total expenses of \$139.7 million for the nine months ending Mar 31, 2017 were \$18.2 million higher than the same period a year ago. As noted in prior budget discussions, this increase relates to planned increases in staffing and compensation.
- Revenues are still on track with budgets as well. Total revenues of \$146.8 million for the nine months ending Mar 31, 2017 were \$10.1 million higher than the same period a year ago. This increase is due to higher enrollment and higher per-pupil funding.
 - Donations & Grants Revenue of \$5.5 million are made up of:
 - \$1.8 million in Annual Fund donations/grants revenue
 - \$1.5 million Pyramid Peak donation for Aspire East facility construction
 - \$1.2 million in site specific donations/grants revenue (raised by sites; mostly by the East Palo Alto schools)
 - \$0.7 million in Loan Forgiveness from Charter School Growth Fund
 - \$0.3 million in donations/grants revenue for Aspire University Inc.

- During the third quarter, Aspire Public Schools TN LLC closed a \$4.6 million loan with Boston Community Loan Fund for the acquisition and construction of the new Aspire East Academy facility in Memphis, TN. With the closing of the loan in March 2017, there was one construction draw submitted and approved for \$1.5 million for the acquisition of land and building.
- The line of credit balance of \$0.8 million from the prior quarter was paid off entirely in February 2017. State of TN funding continues to come in on a timely basis which has allowed for full repayment of this balance. This pay down satisfies Aspire's requirement to pay down the line of credit for a 30 day period within the year.
- Aspire University Inc. financials are currently consolidated with Aspire's financials. Aspire University's anticipated expenses of \$3.0 million for the year will represent about 1.5% of Aspire's expected annual expenses. Aspire University's anticipated revenue this year of \$1.0 million will represent less than 1.0% of Aspire's expected year end revenue total.
- During the latest quarter, there continues to be significant progress made on construction projects. These projects have added an increase of \$4.2 million in property/real assets during the quarter ending Mar 31, 2017:
 - **Aspire East Palo Phoenix Gym (Bay Area):** The construction phase continues on for the \$5.0 million project to be completed in June 2017.
 - **Aspire Ben Holt Middle School Community Center (Central Valley):** Phase II (Community Center) is nearing completion as we close this quarter. It is expected to be completed in June or July 2017. Revised total budgeted costs for the entire expansion project are just over \$10.0 million with over \$8.5 million billed.
 - **Aspire East Academy School Construction (Memphis):** Construction on this newly acquired facility has ramped up in the latest quarter. The \$4.6 million project is about half way complete with completion expected by Aug 2017.

Aspire Public Schools
Unaudited Consolidated Balance Sheet*

		<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Assets					
Current	Cash & Equivalents	\$ 56,149,425	\$ 54,458,923	\$ 48,352,179	\$ 37,292,680
	Restricted Cash	2,002,510	280,383	2,912,807	3,171,610
	Accounts Receivable	14,888,006	17,711,309	23,900,646	26,386,015
	Pledges Receivable	2,535,390	1,250,000	4,460,390	2,604,058
	Prepaid Expenses	329,834	327,153	596,131	632,205
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	Total Current Assets	75,905,164	74,027,769	80,222,153	70,086,567
Non-Current	Restricted Cash	11,093,059	15,569,283	10,957,564	14,860,714
	Pledges Receivable	3,356,509	2,968,735	1,856,509	2,968,735
	Property & Equipment (net)	163,895,765	152,692,212	159,691,139	149,508,176
	Other Assets (net)	511,278	485,091	449,466	513,230
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	Total Non-Current Assets	178,856,610	171,715,320	172,954,678	167,850,855
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	Total Assets	\$ 254,761,775	\$ 245,743,089	\$ 253,176,831	\$ 237,937,422
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Liabilities & Net Assets					
Current	Accounts Payable	6,261,347	4,998,973	5,099,892	3,400,439
	Accrued Expenses	5,861,312	4,150,317	6,891,394	6,999,664
	Debt	2,291,562	1,450,000	1,669,107	1,585,000
	Lines of Credit	-	-	750,000	-
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	Total Current Liabilities	14,414,221	10,599,290	14,410,393	11,985,103
Non-Current	Deferred Rent Due	825,197	785,523	815,910	773,709
	Debt	136,250,480	138,610,406	136,190,095	123,598,156
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	Total Liabilities	151,489,898	149,995,218	151,416,397	136,356,968
Net Assets	Beginning Net Assets	101,837,851	92,603,314	101,837,851	92,603,314
	Change in Net Assets	1,434,026	3,144,557	(77,418)	8,977,140
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	Ending Net Assets	103,271,877	95,747,871	101,760,433	101,580,454
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Total Liabilities & Net Assets		\$ 254,761,775	\$ 245,743,089	\$ 253,176,831	\$ 237,937,422
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Note: Certain items have been reclassified to conform with current period presentation.

* Consolidated Statements include Aspire Public Schools, College For Certain Inc, and Aspire University Inc

Aspire Public Schools
Unaudited Consolidated Statement of Activities*

	<u>Nine Months Ended</u> <u>March 31, 2017</u>	<u>Nine Months Ended</u> <u>March 31, 2016</u>	<u>Three Months Ended</u> <u>March 31, 2017</u>	<u>Three Months Ended</u> <u>March 31, 2016</u>
Active Schools	40	38	40	38
Enrollment	15,714	15,198	15,716	15,194
Average Daily Attendance %	95.7%	95.9%	94.9%	95.2%
ADA	15,046	14,582	14,918	14,472
Revenues				
State ADA-Based	\$ 107,470,164	\$ 98,144,126	\$ 34,916,623	\$ 32,415,797
<i>Per ADA (Annualized)</i>	9,524	8,974	9,362	8,959
Other State	9,912,680	12,018,494	3,430,060	3,991,677
Total State Revenues	117,382,844	110,162,621	38,346,683	36,407,474
Federal Programs	10,091,034	12,414,150	3,350,866	3,979,163
Special Education	7,401,559	6,961,781	2,741,059	2,389,541
Food Programs	4,773,487	3,900,214	1,761,181	1,564,735
Local	1,546,670	1,763,504	497,825	584,742
Donations & Grants	5,477,906	1,497,592	3,390,940	971,585
Other Income	165,688	24,048	85,059	6,072
Total Revenues	146,839,187	136,723,909	50,173,613	45,903,312
Expenses				
<i>Schools</i>				
Payroll & Benefits	92,490,300	77,676,754	31,770,561	26,256,242
Operating	25,932,295	24,118,385	8,324,954	7,297,152
Total School Expenses	118,422,595	101,795,139	40,095,515	33,553,394
<i>Regional Office</i>				
Payroll & Benefits	5,489,238	3,910,592	1,914,843	1,353,305
Operating	2,338,796	792,852	794,042	299,672
Total Regional Office Expenses	7,828,034	4,703,444	2,708,885	1,652,977
<i>Home Office</i>				
Payroll & Benefits	10,325,210	10,985,438	3,593,511	3,539,240
Operating	3,115,257	3,967,220	975,995	1,077,063
Total Home Office Expenses	13,440,468	14,952,658	4,569,506	4,616,303
Total Expenses	139,691,097	121,451,241	47,373,906	39,822,674
CY Expenses with PY Revenues	(1,764,112)	(4,489,922)	(893,717)	(1,066,310)
Total Expenses for EBIDA	137,926,985	116,961,318	46,480,189	38,756,364
Earnings Before Interest & Depreciation	8,912,202	19,762,590	3,693,423	7,146,948
Other (Income) Expense				
Depreciation & Amortization	4,893,419	4,425,028	1,652,489	1,458,354
Interest	3,734,928	6,397,256	1,150,763	3,186,386
Other (Income) Expense	745	12,584,655	2	12,537,625
CY Expenses with PY Revenues	1,764,112	4,489,922	893,717	1,066,310
Net Other	10,393,204	27,896,862	3,696,971	18,248,674
Net Funds Provided (Used)	(1,481,002)	(8,134,272)	(3,548)	(11,101,726)
Special Multi-Year Revenues	2,915,028	11,278,829	1,514,992	5,269,144
Total Funds Provided	\$ 1,434,026	\$ 3,144,557	\$ 1,511,444	\$ (5,832,583)

Note: Certain items have been reclassified to conform with current period presentation.

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Aspire Public Schools
Unaudited Consolidated Statement of Changes In Cash*

	<u>Nine Months Ended</u> <u>March 31, 2017</u>	<u>Nine Months Ended</u> <u>March 31, 2016</u>	<u>Three Months Ended</u> <u>March 31, 2017</u>	<u>Three Months Ended</u> <u>March 31, 2016</u>
Operating Activities				
Total Funds Provided	\$ 1,434,026	\$ 3,144,557	\$ 1,511,444	\$ (5,832,583)
Depreciation & Amortization	4,893,419	4,425,028	1,652,489	1,458,354
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Provided By Operating Activities	6,327,445	7,569,585	3,163,933	(4,374,229)
Current Balance Sheet Accounts				
Restricted Cash	740,415	3,527,738	910,297	(2,108,774)
Accounts Receivable	9,033,352	6,585,454	9,012,640	8,674,706
Pledges Receivable	4,042,161	5,228,348	1,925,000	(645,942)
Prepaid Expenses	602,389	329,288	266,297	305,052
Accounts Payable	(968,516)	(3,763,968)	1,161,457	1,598,534
Accrued Expenses	(2,812,435)	(4,444,869)	(1,030,082)	(2,849,347)
Capital Leases	-	(655,000)	-	-
Debt	221,637	(849,298)	622,455	(135,000)
Lines of Credit	(700,000)	-	(750,000)	-
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Net Current Changes	10,159,003	5,957,694	12,118,063	4,839,229
Non-Current Balance Sheet Accounts				
Restricted Cash	3,613,363	(3,955,789)	(135,495)	8,258,193
Pledges Receivable	500,000	2,260,919	(1,500,000)	2,000,000
Property & Equipment (net)	(7,066,825)	(5,408,344)	(4,204,625)	(3,184,037)
Other Assets (net)	(38,062)	324,115	(61,812)	28,139
Depreciation & Amortization	(4,893,419)	(4,425,028)	(1,652,489)	(1,458,354)
Deferred Rent Due	27,860	35,440	9,287	11,813
Capital Leases	-	(15,335,000)	-	-
Debt	(1,670,958)	27,877,221	60,385	15,012,250
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Net Non-Current Changes	(9,528,040)	1,373,534	(7,484,749)	20,668,005
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Net Change In Cash	6,958,408	14,900,813	7,797,247	21,133,005
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Beginning Cash	49,191,017	39,558,110	48,352,179	37,292,680
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Ending Cash	\$ 56,149,425	\$ 54,458,923	\$ 56,149,426	\$ 58,425,685
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