



Aspire Public Schools

Quarterly Financial Report¹

**For the twelve months
ending June 30, 2017**

¹ Financials unaudited.

Financial Highlights

- The financials included in this report are based on unaudited numbers for the year ending June 30, 2017. The presentation of Aspire's year-end financials in our audit report will differ due to the presentation of numbers and, if applicable, any audit adjustments. The Audit Committee will be meet in November to review and approve Aspire's 2016/17 audit report.
- For the twelve months ending June 30, 2017, EBIDA was \$7.2 million versus \$25.9 million for the twelve months ending June 30, 2016. Although EBIDA for this year end is considerably lower than last year, it is very close to what we expected with our approved budget of \$8.2 million in EBIDA.
- Lower EBIDA in comparison to the prior year is due to budgeted, planned increases in school site and regional office staffing as well as planned compensation increases for FY 16/17.
- Expenses were on target with budget. Total expenses of \$205.4 million for the year were \$2.0 million more than planned (1% of expenses).
- Revenues were on target with budget as well. Total revenues of \$197.7 million for the year were \$0.2 million more than planned.
- Aspire ended the year with \$42.7 million in cash & cash equivalents, compared to \$49.2 million at June 30, 2016. The \$6.5 million decrease in cash is attributed to the \$10.0 million we moved to short-term investments during the 4th quarter. See supplemental highlights on Aspire Public Schools' investment performance.
- Accounts receivable balance of \$19.7 million for the year ending June 30, 2017 is \$4.2 million lower than \$23.9 million at June 30, 2016. This decrease is due to faster receipt of EPA funding (state funding in California) as well as Tennessee federal and state funding.
- Aspire ended the year with \$17.5 million in accounts payable and accrued expenses, which is \$1.6 million higher than the year ending June 30, 2016, due to the normal growth in accrued expenses.
- Aspire ended the year with \$141.0 million in debt, which is \$1.0 million higher than a year ago. This slight increase is attributed to the \$4.2 million of debt secured for the Aspire East Academy building construction. Aspire also utilized the Umpqua Bank line of credit a few times during the year but at no point for more than \$1.5 million. At year end, Aspire had \$0.2 million outstanding on the line of credit.

- During the past twelve months, there was a significant amount of progress made on construction projects. These projects have added \$11.9 million in property/real assets during the period ending June 30, 2017. Below is a summary of projects from the year:

Summary of Aspire Construction Project / Region	Funding Type	Budget	Funds Received	Activity During Q4	Costs as of 06/30/17	Remaining to complete
Aspire EPAPA (Gym) <i>Bay Area</i>	Philanthropy + Reserves	5,189,000	3,060,000	1,007,000	4,254,000	935,000
Aspire ERES (Building) <i>Bay Area</i>	State Grant + Loan (50/50)	30,000,000	7,412,000	245,000	1,838,000	28,162,000
Ben Holt Middle School (Building) <i>Central Valley</i>	Bonds + Reserves	6,656,000	6,656,000	-	6,656,000	completed
Ben Holt (Cultural Center) <i>Central Valley</i>	Bonds + Reserves	3,744,000	3,744,000	1,237,000	2,533,000	1,211,000
Twilight (Modular Classrooms) <i>Central Valley</i>	Reserves	1,500,000	1,500,000	648,000	709,000	791,000
East Academy (Building) <i>Memphis</i>	Const. Loan + Philanthropy	6,000,000	5,700,000	1,385,000	4,684,000	1,316,000

Aspire Public Schools
Unaudited Consolidated Balance Sheet*

		<u>June 30, 2017</u>	<u>June 30, 2016</u>
Assets			
Current	Cash & Equivalents	\$ 42,722,320	\$ 49,191,022
	Restricted Cash	4,609,969	2,742,925
	Short-term Investments	9,970,125	-
	Accounts Receivable	19,737,181	23,923,021
	Pledges Receivable	6,057,613	6,577,551
	Prepaid Expenses	672,738	932,223
		-----	-----
	Total Current Assets	83,769,946	83,366,741
Non-Current	Restricted Cash	8,676,702	14,706,418
	Pledges Receivable	1,430,726	3,856,509
	Property & Equipment (net)	167,896,437	156,828,940
	Other Assets (net)	518,716	473,216
		-----	-----
	Total Non-Current Assets	178,522,581	175,865,082
		-----	-----
	Total Assets	\$ 262,292,527	\$ 259,231,824
		=====	=====
Liabilities & Net Assets			
Current	Accounts Payable	6,967,472	6,375,853
	Accrued Expenses	10,518,179	9,529,420
	Debt	2,183,813	2,069,925
	Lines of Credit	200,000	700,000
		-----	-----
	Total Current Liabilities	19,869,464	18,675,198
Non-Current	Deferred Rent Due	834,483	797,336
	Debt	138,851,094	137,921,438
		-----	-----
	Total Liabilities	159,555,041	157,393,973
Net Assets	Beginning Net Assets	101,837,851	92,603,314
	Change in Net Assets	899,635	9,234,537
		-----	-----
	Ending Net Assets	102,737,486	101,837,851
		-----	-----
	Total Liabilities & Net Assets	\$ 262,292,527	\$ 259,231,824
		=====	=====

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*

	Twelve Months Ended <u>June 30, 2017</u>	Twelve Months Ended <u>June 30, 2016</u>
Active Schools	40	38
Enrollment	15,801	15,158
Average Daily Attendance %	95.3%	95.8%
ADA	15,055	14,521
 Revenues		
State ADA-Based	\$ 144,036,704	\$ 131,805,808
<i>Per ADA (Annualized)</i>	<i>9,568</i>	<i>9,077</i>
Other State	13,259,521	16,666,705
Total State Revenues	----- 157,296,225	----- 148,472,512
Federal Programs	13,980,394	17,673,784
Special Education	10,122,848	9,529,133
Food Programs	6,746,711	5,367,932
Local	2,080,115	2,223,610
Donations & Grants	7,200,412	3,577,165
Other Income	258,069	42,023
Total Revenues	----- 197,684,774	----- 186,886,160
 Expenses		
<i>Schools</i>		
Payroll & Benefits	127,003,808	106,712,127
Operating	36,597,754	35,074,993
Total School Expenses	----- 163,601,562	----- 141,787,120
 <i>Regional Office</i>		
Payroll & Benefits	7,567,861	5,563,669
Operating	3,087,035	1,357,737
Total Regional Office Expenses	----- 10,654,895	----- 6,921,406
 <i>Home Office</i>		
Payroll & Benefits	14,552,893	15,001,206
Operating	4,456,232	5,358,457
Total Home Office Expenses	----- 19,009,125	----- 20,359,663
Total Expenses	----- 193,265,582	----- 169,068,189
CY Expenses with PY Revenues	(2,784,068)	(8,097,846)
Total Expenses for EBIDA	----- 190,481,515	----- 160,970,342
Earnings Before Interest & Depreciation	7,203,260	25,915,817
 Other (Income) Expense		
Depreciation & Amortization	6,744,189	6,326,876
Interest	5,083,592	8,519,200
Other (Income) Expense	311,087	12,585,580
CY Expenses with PY Revenues	2,784,068	8,097,846
Net Other	----- 14,922,935	----- 35,529,503
Net Funds Provided (Used)	----- (7,719,675)	----- (9,613,685)
Special Multi-Year Revenues	8,619,310	18,848,222
Total Funds Provided	----- \$ 899,635	----- \$ 9,234,537
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Aspire Public Schools
Unaudited Consolidated Statement of Changes In Cash*

	<u>Twelve Months Ended</u> <u>June 30, 2017</u>	<u>Twelve Months Ended</u> <u>June 30, 2016</u>
Operating Activities		
Total Funds Provided	\$ 899,635	\$ 9,234,537
Depreciation & Amortization	6,744,189	6,326,876
	-----	-----
Provided By Operating Activities	7,643,823	15,561,413
Current Balance Sheet Accounts		
Restricted Cash	(1,867,044)	1,065,197
Short-term Investments	(9,970,125)	-
Accounts Receivable	4,185,840	373,742
Pledges Receivable	519,938	(99,203)
Prepaid Expenses	259,485	(275,782)
Accounts Payable	591,619	(2,387,088)
Accrued Expenses	988,759	934,235
Deferred Revenue	-	-
Capital Leases	-	(655,000)
Debt	113,888	(229,373)
Lines of Credit	(500,000)	700,000
	-----	-----
Net Current Changes	(5,677,640)	(573,271)
Non-Current Balance Sheet Accounts		
Restricted Cash	6,029,716	(3,092,925)
Pledges Receivable	2,425,783	1,373,145
Property & Equipment (net)	(11,067,497)	(9,545,071)
Other Assets (net)	(45,501)	335,990
Depreciation & Amortization	(6,744,189)	(6,326,876)
Deferred Rent Due	37,147	47,253
Capital Leases	-	(15,335,000)
Debt	929,656	27,188,253
Inter-organization	0	(0)
	-----	-----
Net Non-Current Changes	(8,434,885)	(5,355,231)
Net Change In Cash	(6,468,702)	9,632,911
	-----	-----
Beginning Cash	49,191,022	39,558,111
	-----	-----
Ending Cash	\$ 42,722,320	\$ 49,191,022
	=====	=====

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