



Aspire Public Schools

Quarterly Financial Report¹

For the three months ending September 30, 2017

¹ Financials unaudited.

1st Quarter Financial Highlights

- The financials included in this quarterly report and going forward will exclude Alder Graduate School of Education (Alder GSE) financials. In the prior June 30, 2017 report, ending net assets reported of \$102.7 million included \$2.9 million in Alder GSE net assets.
- Aspire ended the quarter with \$35.5 million in cash & investments, compared to \$49.2 million at June 30, 2017. The \$13.7 million decrease in cash & investments, together with the \$12.3 million increase in accounts receivable, is attributed to an increase in accounts receivable related to smaller State and Federal funding apportionments during the first quarter consistent with prior years.
- Aspire ended the quarter with \$14.0 million in accounts payable and accrued expenses. The \$3.6 million decrease from June 30, 2017 is due to normal payoff of year end liabilities during the quarter.
- As of September 30, 2017, debt amounted to \$139.4 million, which is \$1.6 million lower than the \$141.0 million at June 30, 2017. This decrease is attributed to the \$1.6 million of principal payments made in August on our 2015 and 2016 Revenue Bonds.
- Total revenues of \$50.4 million during the quarter were \$3.5 million higher than a year ago. This increase is due to higher enrollment and higher per-pupil funding.
- Enrollment grew by 479 students over the prior year, with the growth primarily driven by expanding grades at our new elementary school in Memphis (Aspire East Academy), adding additional sections at our growing Richmond, CA secondary school (Aspire Richmond CA College Prep Academy), and adding transitional kindergarten classes at several of our California schools.
- Total state per pupil revenues were \$10,082 per ADA for this period vs \$9,589 a year ago. This increase of \$493 per ADA, or 5%, is in line with the expected increase in per pupil state funding.
- Expenses are on track with budget. Total expenses of \$48.5 million during the quarter were \$4.0 million higher than a year ago. This increase is due to increases in staffing and operating expenses tied to increases in enrollment and inflation.
- During the past quarter, there was more progress made on construction projects with many significant projects nearing completion. These construction projects along with several active Prop 39 Clean Energy projects (Solar + HVAC) have added to the \$2.4

million net increase in property/real assets during the period ending September 30, 2017. Below is a summary of projects from the year:

Summary of Aspire Construction Project / Region	Funding Type	Budget	Funds Received	Costs Incurred Q1	Total Costs as of 09/30/17	Remaining to be billed
Aspire EPAPA (Gym) Bay Area	Philanthropy + Reserves	5,189,000	5,189,000	709,772	4,963,772	225,228
Aspire ERES (Building) Bay Area	State Grant + Loan (50/50)	30,000,000	7,412,000	35,978	1,873,978	28,126,022
Ben Holt Middle School (Building) Central Valley	Bonds + Reserves	6,656,000	6,656,000	-	6,656,000	completed
Ben Holt (Cultural Center) Central Valley	Bonds + Reserves	3,744,000	3,744,000	795,617	3,328,617	415,383
Twilight (Modular Classrooms) Central Valley	School Reserves	1,600,000	1,600,000	885,572	1,594,572	5,428
East Academy (Building) Memphis	Const. Loan + Philanthropy	6,000,000	5,700,000	611,710	5,295,710	704,290

Aspire Public Schools
Unaudited Consolidated Balance Sheet*

		<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>June 30, 2017</u>
Assets				
Current	Cash & Equivalents	\$ 30,375,427	\$ 42,689,336	\$ 39,121,852
	Restricted Cash	1,581,421	1,253,966	4,609,969
	Accounts Receivable	32,002,343	30,204,839	19,737,181
	Pledges Receivable	1,608,280	4,156,250	4,743,280
	Prepaid Expenses	757,832	304,907	645,459
	Total Current Assets	----- 66,325,303	----- 78,609,298	----- 68,857,742
Non-Current	Restricted Cash	10,506,738	12,818,715	10,676,702
	Investments	5,130,238	-	10,104,496
	Pledges Receivable	48,172	1,000,000	1,048,172
	Property & Equipment (net)	170,580,884	158,207,956	168,154,461
	Other Assets (net)	413,841	461,341	425,716
	Total Non-Current Assets	----- 186,679,873	----- 172,488,012	----- 190,409,547
	Total Assets	\$ 253,005,176 =====	\$ 251,097,310 =====	\$ 259,267,289 =====
Liabilities & Net Assets				
Current	Accounts Payable	4,523,921	4,278,667	7,229,778
	Accrued Expenses	9,437,172	7,669,566	10,344,731
	Debt	2,233,813	2,179,925	2,183,813
	Lines of Credit	-	3,000,000	200,000
	Total Current Liabilities	----- 16,194,906	----- 17,128,159	----- 19,958,322
Non-Current	Deferred Rent Due	842,475	806,623	834,483
	Debt	137,155,422	136,275,766	138,851,094
	Total Liabilities	----- 154,059,500	----- 154,210,548	----- 159,460,371
Net Assets	Beginning Net Assets	99,806,918	96,912,930	96,912,930
	Change in Net Assets	(861,243)	(26,168)	2,893,988
	Ending Net Assets**	----- 98,945,676	----- 96,886,763	----- 99,806,918
Total Liabilities & Net Assets		\$ 253,005,176 =====	\$ 251,097,310 =====	\$ 259,267,289 =====

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

* Consolidated Statements include Aspire Public Schools, Aspire Public Schools TN LLC, and College For Certain Inc.

** As of July 1, 2017, Alder Graduate School of Education financials have been removed from the consolidated report.

In prior June 30, 2017 report, ending net assets of \$102.7 million included \$2.9 million in Alder GSE net assets.

Aspire Public Schools
Unaudited Consolidated Statement of Activities*

	<u>Three Months Ended</u> <u>September 30, 2017</u>	<u>Three Months Ended</u> <u>September 30, 2016</u>
Active Schools	40	40
Enrollment	16,280	15,638
Average Daily Attendance %	96.9%	96.9%
ADA	15,776	15,161
 Revenues		
State ADA-Based	\$ 38,712,842	\$ 36,345,029
<i>Per ADA (Annualized)</i>	<i>9,816</i>	<i>9,589</i>
Other State	3,642,444	3,302,533
Total State Revenues	----- 42,355,286	----- 39,647,562
Federal Programs	3,250,494	3,194,339
Special Education	2,538,024	2,304,172
Food Programs	1,096,625	1,180,743
Local	819,603	292,091
Donations & Grants	315,212	356,536
Other Income	69,774	10,963
Total Revenues	----- 50,445,019	----- 46,986,406
 Expenses		
<i>Schools</i>		
Payroll & Benefits	31,550,407	29,252,617
Operating	9,949,689	8,748,323
Total School Expenses	----- 41,500,096	----- 38,000,940
 <i>Regional Office</i>		
Payroll & Benefits	1,786,541	1,728,322
Operating	700,899	880,730
Total Regional Office Expenses	----- 2,487,440	----- 2,609,052
 <i>Home Office</i>		
Payroll & Benefits	3,127,031	2,998,062
Operating	1,391,510	911,109
Total Home Office Expenses	----- 4,518,541	----- 3,909,170
Total Expenses	----- 48,506,077	----- 44,519,162
CY Expenses with PY Revenues	(619,535)	(457,782)
Total Expenses for EBIDA	----- 47,886,543	----- 44,061,380
Earnings Before Interest & Depreciation	2,558,477	2,925,025
 Other (Income) Expense		
Depreciation & Amortization	1,646,321	1,576,028
Interest	1,277,689	1,284,461
Other (Income) Expense	(3,560)	(0)
CY Expenses with PY Revenues	619,535	457,782
Net Other	----- 3,539,985	----- 3,318,270
Net Funds Provided (Used)	----- (981,509)	----- (393,245)
Special Multi-Year Revenues	120,266	367,077
Total Funds Provided	----- \$ (861,243)	----- \$ (26,168)
	=====	=====

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Aspire Public Schools
Unaudited Consolidated Statement of Changes In Cash*

	<u>Three Months Ended</u> <u>September 30, 2017</u>	<u>Three Months Ended</u> <u>September 30, 2016</u>
Operating Activities		
Total Funds Provided	\$ (861,243)	\$ (26,168)
Depreciation & Amortization	1,646,321	1,576,028
	-----	-----
Provided By Operating Activities	785,078	1,549,860
Current Balance Sheet Accounts		
Restricted Cash	3,028,548	1,488,959
Accounts Receivable	(12,265,162)	(6,486,629)
Pledges Receivable	3,135,000	-
Prepaid Expenses	(112,373)	617,015
Accounts Payable	(2,705,857)	(2,088,449)
Accrued Expenses	(907,560)	(1,859,854)
Deferred Revenue	-	-
Capital Leases	-	-
Debt	50,000	110,000
Lines of Credit	(200,000)	2,300,000
	-----	-----
Net Current Changes	(9,977,403)	(5,918,959)
Non-Current Balance Sheet Accounts		
Restricted Cash	2,169,964	1,887,703
Investments	4,974,258	-
Pledges Receivable	1,000,000	2,000,000
Property & Equipment (net)	(2,426,423)	(1,379,016)
Other Assets (net)	11,875	11,875
Depreciation & Amortization	(1,646,321)	(1,576,028)
Deferred Rent Due	7,992	9,287
Capital Leases	-	-
Debt	(1,695,671)	(1,645,672)
Inter-organization	50,226	0
	-----	-----
Net Non-Current Changes	2,445,899	(691,851)
	-----	-----
Net Change In Cash	(6,746,426)	(5,060,949)
	-----	-----
Beginning Cash	39,121,852	47,750,285
	-----	-----
Ending Cash	\$ 32,375,427	\$ 42,689,336
	=====	=====

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