



College for Certain

Aspire Public Schools

Organizational Update

and

Quarterly Financial Report¹

**For the three months and nine months ending
March 31, 2015 and 2014**

May 15, 2015

¹ Financials unaudited.

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Aspire Public Schools CEO Message

I'm pleased to report on the third quarter of Aspire's 16th year delivering a College for Certain education for our students:

- In January, both Aspire Rosa Parks Academy in Stockton, and Aspire Berkley Maynard Academy in Oakland, had their charter renewals unanimously approved by their respective charter authorizers, the Stockton and Oakland Unified School Districts. These schools serve a total of 935 students in grades K through 8, and these five-year renewals ensure Aspire's service to these school communities for years to come.
- The construction of Aspire's newest school facility in the S.F. Bay Area is proceeding apace. Aspire will be leasing the facility, opening in the fall in Richmond. It will house an expanded Aspire California College Preparatory Academy, relocating from its current location in Berkeley. Aspire's newest school, Aspire Richmond Technology Academy (ARTA), will be housed on the same campus as Cal Prep, as we explore options for finding a separate campus for ARTA. The schools will constitute a complete K-12 quality public school option for families in this high-need community, including the 400 Richmond families currently served by Cal Prep and our Oakland schools.
- Resolving a longstanding challenge of finding new facilities for two of our Huntington Park (L.A. County) schools currently housed in small, aging buildings, Aspire broke ground in February on a new, spacious school facility in Huntington Park. This facility, opening in the fall, will serve students from both Aspire Antonio Maria Lugo Academy and Aspire Huntington Park Charter School (which will close in June), and both schools will operate using our successful blended learning model next year.
- Aspire's California schools are readying their students for the inaugural administration of the Common Core-aligned state Smarter Balanced Assessment Consortium tests. While we continue to assess student achievement using internal, Common Core-aligned measures, we look forward to the relaunch of California's statewide assessment which will align our long-standing college readiness goals with the state assessment system using the new "college and career ready" standards of the Common Core
- As a testament to our mission of sharing successful practices and catalyzing change in public schools, Laura Martinez, After School Program Director at Aspire East Palo Alto Phoenix Academy (S.F. Bay Area), was elected to the Sequoia Union High School District Governing Board, which oversees four high schools serving a diverse student population of nearly 9,400. Laura, the first in her family to graduate college, at age 30 has years of leadership experience and influence, having served twice as Mayor of East Palo Alto, and currently serves on the East Palo Alto City Council.
- Aspire's VP of Finance, Delphine Sherman, was promoted to Chief Financial Officer, effective April 2015. Delphine replaced Viraj Patel, who recently decided to return to the private sector. Since 2009, Delphine has served ably on Aspire's finance team as Director of Finance before becoming VP of Finance. Before Aspire, she was VP of Client Services at EdTec where she assisted charter schools across California. Delphine currently serves on the advisory board for the Center for Nonprofit and Public Leadership at the Haas School of Business at UC Berkeley. Delphine holds an undergraduate degree from Dartmouth College and an MBA from the Haas School of Business.
- Aspire's second annual College for Certain Dinner Celebration will be held Wednesday, May 20, in San Francisco. The program will feature a keynote video address from Bill and Melinda Gates, and presentations from two outstanding Aspire graduates. In conjunction with this year's event, Aspire launched the *Shining Star* program to recognize outstanding seniors at each of our nine California high schools. Each one exemplifies why College for Certain is making a difference for our students and their families, and we look forward to honoring them at the Celebration.

Thank you as always for your continued support. College for Certain!

James Willcox
Chief Executive Officer

Organizational Update – Q3, FY15
Strategies, Priorities and Key Initiatives

In FY13, Aspire adopted a five-year plan governing its programming and operations, with longer-term (5-year) Strategies and shorter-term (2-5 year) Priorities (formerly known as Must Achieves). Aspire's strategies and priorities tie directly to Aspire's mission and guide its efforts to deliver on its mission and vision. Strategies are the organization's long-term approach to furthering our mission, and priorities outline where the organization will focus and direct resources over the shorter term. Aspire sets annual metrics within each priority area.

Aspire leadership revisits its Strategies and Priorities each year to ensure that they continue to capture the initiatives essential to making each student college-ready. In FY14, Aspire revised its Strategies and Priorities for FY15 and those are detailed below, along with highlights from Q3 of FY15 on key initiatives within each strategy and priority area.

Strategy #1: <u>College Readiness</u>. Increase the number of college-ready Aspire graduates.
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Priorities:

- Achieve meaningful gains in Aspire students' **college readiness** levels by **aligning Aspire instruction** with the **Common Core State Standards (CCSS)** and **Next Generation Science Standards (NGSS)**.
- Increase the percentage of **9th grade cohort** that graduates from Aspire schools.
- Use an **equity** lens to examine Aspire policies, practices, and systems at Aspire to strive for all groups to increase access and benefit from Aspire's work.

Update on Key Initiatives:

Gains in College Readiness by Aligning Instruction with CCSS and NGSS.

CCSS. The mid-year secondary writing results show an increase of 10% in Aspire secondary students writing at a proficient level. Teachers continue to be supported through external and internal professional development to increase their skills in teaching writing. Additionally, Common Core Town Halls were held in all cities to develop Aspire's next steps to serve its students.

NGSS. As reported for Q1 & Q2, Aspire is participating in a 4-year California NGSS K-8 Early Implementation Initiative developed by the K-12 Alliance at WestEd. In Q3, Aspire's science coaches finished two rounds of the Teaching Learning Collaborative with a group of Elementary Science Specialists and will be adding more Teacher Leaders to participate in the Initiative.

Blended Learning's Role.

- Aspire's California elementary school students are preparing to take the state CCSS-aligned Smarter Balanced Assessment Consortium (SBAC) tests over the next two months and these will be administered 100 percent online. Through the conversion to blended learning, Aspire students have received much more exposure to computers and increased technological literacy across Aspire (as well as more differentiated instruction throughout the school day). Aspire believes that both of these benefits of its blended learning model will have a very positive effect on their ability to

successfully navigate the shift to the Common Core and state assessments that are completely online.

Blended Learning School Openings and Conversions.

- Aspire completed its implementation of blended learning at Aspire Firestone Academy in South Gate in the fall, with all classrooms now completely converted to blended learning. Aspire also completed its pilot of blended learning at Aspire Junior Collegiate Academy in Huntington Park and plans to implement blended learning in the remaining classrooms in fall of 2015.
- Aspire is planning for the opening of a new school facility for Aspire Antonio Maria Lugo Academy and Aspire Huntington Park Charter School in Huntington Park (L.A. County) this fall as a blended learning school. In addition, Aspire is opening Aspire Richmond Technology Academy, a new elementary school in Richmond, California, in the fall as a blended learning school, and is preparing that facility as well. Lastly, Aspire is implementing blended learning in its oldest Bay Area elementary school, Aspire Monarch Academy, this fall. By the fall, Aspire will have a total of 15 blended learning schools.

Increasing 9th Grade Cohort Retention. The trend for Aspire to successfully retain more of its 9th grade students through additional supports and a close examination of grading policies and data continues, with the retention of almost 90% of Aspire 9th graders. Fewer students are receiving D's and F's, and this trend continues to be correlated with the organizational priority to ensure that more 9th graders stay at Aspire schools until they graduate.

Equity.

- 110+ Aspire leaders (Senior Leadership Team, Principals, Regional Teams and School Teams) attended the National Equity Project's Leading For Equity Institute, a nearly 3-day, intensive retreat to build one's equity consciousness.
- The January all-Principals meeting was hosted by Aspire's Memphis region and held at the National Civil Rights Museum in Memphis, which helped to further develop equity consciousness at both an individual and organizational level. The 2-day meeting included break-out sessions related to identifying and addressing equity issues in the hiring and selection process.
- A prototype of an "equity lens" – a set of guiding questions that could be asked when assessing possible equity issues regarding a decision, action or interaction – was developed, and both Principals and Directors were given an opportunity to provide feedback.
- Professional development and learning series sessions continue to be held for SLT, Directors and Principals.

Strategy #2: People. Develop highly effective educators in every classroom. Ensure Aspire is a destination for top talent.

Priorities:

- Recruit, retain and promote a **high-caliber workforce** that is more reflective of the communities that Aspire serves.
- Support and challenge all teammates with **evaluation and career pathway systems**.
- Build and maintain a leadership pipeline at all levels of the organization.
- Achieve high levels of affiliation.

Update on Key Initiatives:

High-Caliber Workforce. The talent team began to work with Principals to prepare for the busy hiring season. Managers surveyed their teaching staff to gauge their intent to return and teach again in the following school year. The team also looked at internal movement, growth, retirements and new school openings to guide which positions to post and how many will be hired so that each school is prepared for the SY2015-16. In addition to gathering the workforce planning numbers, the talent team will also lead a webinar for all hiring managers about “Equity in the Hiring Process,” to ensure that all Aspire leaders understand how to conduct an equitable interview and selection process. In addition to this internal work, the talent team had more than 45 recruiting and diversity hiring events scheduled through May. Many of these events are taking place at local universities, many of which are Hispanic Serving Institutions (HSIs) or Historically Black Colleges and Universities (HBCUs). Aspire’s recruitment marketing strategy includes very targeted outreach to the next generation of diverse teaching talent.

In addition, Aspire inaugurated a new salary structure for California teachers to demonstrate Aspire’s commitment to retaining and attracting top educators in a competitive environment. This year, through the Local Control Funding Formula, the state increased revenue to school districts serving a majority of low income students so that Aspire was able to increase teacher salaries. Aspire plans to reexamine the teacher salary structure annually, in conjunction with the release of the state’s annual LCFF district allocations.

Evaluation and Career Pathway Systems.

1. **All-Staff Evaluation.** Aspire has a draft of salary bands for all teammates and expects to share these in late spring or early summer with all hiring managers. Aspire is working with Towers Watson (HR consultants) on finalizing communications regarding Aspire’s Employee Value Proposition.
2. **The College-Ready Promise (TCRP) – Evaluation and Development of Teachers to Improve Their Effectiveness**
 - Aspire has continued the implementation of its second observation cycle model internally termed the “Many, Mini Model.” With this model, teachers have the option to choose an observation model than includes six 15-20 minute observations, as opposed to the existing model which includes one formal 45-60 minute observation and three 15-20 minute observations. The offering of the second observation model was driven by teacher and principal voices and aims to provide an opportunity for teachers to be observed and receive feedback more frequently and on more discrete pedagogical strategies.

- In Feb 2015, Aspire updated its effectiveness-based salary schedule to provide an organization-wide increase in teacher compensation and allow for regional differentiation based on local markets.

3. Aspire Teacher Residency

- With almost 150% growth, the Residency program anticipates training 55 residents in the coming year, over 60% of whom represent the communities served by Aspire.
- In continuing to meet the Residency's goal of recruiting, preparing, and retaining effective educators, Aspire looks forward to 35 new Aspire teachers from this year's Residency Program serving Aspire schools in their own classrooms in SY15-16.
- Aspire's recently hired Chancellor of Operations and Compliance is working closely with Aspire's Chief People Officer in actively pursuing accreditation and start-up funding for Aspire University, Aspire's multi-year plan to expand ATR into a fully self-sustainable entity that will lead ATR and eventually provide masters degrees and credentialing, including meetings with several foundation leaders.

4. Aspire Principal Residency

- Aspire's seven Principal Residents, who are serving in all four Aspire regions, took part in webinars and a seminar training held in Memphis at the Aspire Principal Meeting.
- Aspire is pleased to report that three current Principal Residents have been hired to lead schools in the Bay Area, Central Valley and Memphis starting in the fall. Other Residents are currently interviewing for positions at Aspire.
- Residency interviews took place in both January and March for the upcoming 2015-16 Principal Residency program, for which Aspire plans to hire 10-12 residents.

Leadership Pipeline.

- Aspire continues to work closely with the National Equity Project in ensuring that all leaders at Aspire bring an equity lens to Aspire's work with staff, students and families.
- The annual Leadership Retreat will be held in June in Los Angeles this year – the biggest ever, with over 300 participants including all of Principals, Lead Teachers and Instructional Coaches.
- The Teacher and Principal Residency programs are finalizing the 2015-2016 cohort acceptances while the 2014-2015 cohorts are interviewing for their new roles in the coming year, filling the crucial teacher and school leader pipeline to Aspire's schools.

Team Affiliation. Affiliation remains high, with over 90% of teammates responding positively to affiliation questions in the mid-year survey. The end-of-year survey will roll out this spring, and Aspire will learn more from that feedback to help it continuously improve.

Strategy #3: Financial Stewardship. Secure and manage reliable and renewable financial resources to achieve Aspire's strategies.

Priorities:

- Ensure that every school has a **balanced, multi-year budget**.
- Meet the **Annual Fund milestones** to ensure multi-year grant commitments.
- Reduce the **Home Office** deficit and evolve Home Office into a national support system.

Update on Key Initiatives:

School Budgets.

- Schools are meeting their enrollment and attendance rate targets, including Aspire's new and expanding schools in Tennessee. All schools are spending at or below their budgeted expenses to date.
- In California, Aspire schools are receiving additional revenue of \$900 per student in FY15 as a result of the Local Control Funding Formula. Schools are using these funds to address longstanding needs at the school level, and rebuild school site programs cut during the California budget crisis.
- A new campus and charter for Aspire California College Preparatory Academy will allow the school to increase enrollment and achieve financial sustainability.
- The finance team continues to work with principals on 3- to 5-year budgets to sustain the teacher effectiveness work currently funded by federal grants and private philanthropy.

Annual Fund Milestones.

- To ensure its continued financial sustainability, Aspire plans to increase its Annual Fund goal to \$5.5 million from a diversified group of funders by FY18. This year, Aspire's target is \$3.9 million.
- Through Q3 of FY15, Aspire has raised \$1.7 million, approximately 43% of its target.
- Aspire hired a new Director of Individual Giving/Major Gifts Officer to manage its ever-growing base of individual donors and prospects, currently 315 individuals. The Director of Individual Giving directs strategy for cultivating potential funders and manages relationships with existing supporters.
- Aspire's second annual fundraising event will be held Wednesday, May 20th, 2015 in San Francisco. This year, the program will consist of a keynote video address from Bill and Melinda Gates, alumni presentations from two outstanding Aspire graduates, and recognition of outgoing CEO James

Willcox. The Advancement team is finalizing event details and securing sponsorship and financial support.

Home Office.

- Baseline support services and staffing provided by the Home Office have been established. The regional fee will pay for 3 types of services: (1) mandatory – supports that are critical to the region, (2) triggered – supports that are necessary because of decisions made by schools, Area Supervisors, and Chief Academic Officer (CAO) (e.g., additional IT support because of additional student devices, etc.), and (3) opt-in – supports that Area Superintendents and the CAO choose to help achieve their region-specific goals and address region-specific challenges (e.g., additional instructional coaching, specific PD, etc.)
- Specifics regarding triggered supports that are set to start in SY15-16 have been established.
- Area Superintendents and the Memphis Executive Director have gathered input from principals as a way to decide what Home Office services to opt into for SY15-16.

Strategy #4: Catalyze Change. Further Aspire’s impact by opening new schools where the opportunity for catalytic impact is greatest. Support scalable opportunities to share successful practices.

Priorities:

- Grow the Memphis region in partnership with the city.
- Develop and support strategic partnerships to more widely share practices, processes and systems.

Update on Key Initiatives:

Memphis Region.

- The Memphis region’s current enrollment is 1,132 students, up from approximately 700 students last year. Aspire anticipates growing to approximately 1,434 students next year, by adding 6th grade at Aspire Coleman and 7th grade at Aspire Hanley 1.
- Aspire has successfully supported efforts to reduce enrollment restrictions with the passing of the **SB293/HB473** bill by the Tennessee State Legislature, allowing for ASD charter operators to enroll qualifying non-zoned students (i.e., students not zoned to a charter-operated school). Students who are eligible for free- and reduced-price lunch or who have not scored at least proficient on state tests may now constitute up to 25% of an ASD charter operator’s overall enrollment.
- In order to maximize regional relationships and impact, the Memphis team has added a Regional Director of Strategic Partnerships. Dr. Nickalous Manning, who has previously served as the Director of Community Engagement and currently serves as the principal of Aspire Hanley 2, will work on ensuring that Aspire has a strong relationship with the local school board in order to pursue growth options with Shelby County Schools, develop a robust regional parent council, and establish partnerships with local organizations to support the expansion of extracurricular opportunities for Aspire Memphis’s K-7 students.

- In addition to adding staff capacity, Aspire Memphis is also sponsoring a group of parents to receive training on how to engage community members and advocate for high-quality school options. This work is intended to help parents serve as local advocates for their children, their communities, and their partnership with Aspire.

Strategic Partnerships.

- Aspire successfully incubated and launched Schoolzilla in 2013, as an independent Education Tech data analysis company. Schoolzilla is a comprehensive data warehousing and visualization platform that connects and optimizes data from disparate data sources, and transforms it into timely, accurate, and easily accessible dashboards for educators and administrators. Schoolzilla now helps increase student achievement for over 1 million students, and reflects Aspire's commitment to sharing successful practices with school systems nationwide. Knowledge-sharing sessions are held at least monthly with the Schoolzilla team to share best practices and serve as thought partners for each other.
- Aspire continued its partnership with charter operators Achievement First and YES Prep to lead a cohort of 12 public charter school networks for the Charter Network Accelerator.
- Aspire is a member of the Lumicore Group, an affiliation of high-performing charter operators receiving support from the Bill & Melinda Gates Foundation. With Lumicore Group grant funding, Aspire has begun a pilot of a professional development digital badging project that will build teachers' skills and knowledge of best instructional practices to help English learners master the rigorous English Language Arts standards of the Common Core, hiring a Project Manager, curating content for the first three badges, and planning for training teachers this summer on the badging system, with a plan to have the first group of teachers begin earning the pilot badges in the fall.
- Aspire is a member of 100Kin10, a multi-sector network of partners committed to training and retaining 100,000 excellent science, technology, engineering and math teachers by 2021. Aspire continued its collaboration with 100Kin10 and other partners on a STEM teacher recruitment campaign called "Blow Minds, Teach STEM," an online portal where STEM majors, professionals and others can learn about becoming a STEM teacher and access information about teacher residencies nationwide, including the Aspire Teacher Residency (ATR). In March, staff from the KIPP DC's Capital Teaching Residency, with funding from 100Kin10, came out to observe an ATR mentor seminar and learn how Aspire supports its mentor teachers.
- Aspire is a member of a residency network helmed by Urban Teacher Residency United (also a 100Kin10 partner). As a member, Aspire problem-solves with peer organizations, participates in symposia, and attends and hosts instructional rounds. Aspire's Director of Teacher Residency in Memphis recently participated in rounds of teacher residents in Memphis. Aspire is also working with UTRU to survey Aspire's residents and mentors about their ATR experience.
- Aspire continues to work closely with the University of the Pacific and will move into a new role with UOP as they begin to sponsor Aspire in its accreditation process for Aspire University.

Financial Discussion

I. Overview

- For the nine months ending March 31, 2015, Earnings before Interest, Depreciation and Amortization (EBIDA) were \$21.1 million versus \$15.7 million for March 31, 2014.
- Enrollment grew this year by approximately 1,100 students, and we have met our budgeted enrollment targets. Enrollment at March 31, 2015 was 14,682, which is 8% higher than the same period one year ago and exactly the same enrollment as last quarter.
- Our state per pupil revenues increased by \$1,000 per student since last year due to the continued roll-out of California's Local Control Funding Formula. This year's surplus is being used on direct school programs, and salary (COLA) and benefit increases across the organization.
- Actual expenses are slightly under our budgeted expectations. Overall expenses are \$14 million higher than a year ago due to enrollment growth in our California and Tennessee schools.
- Aspire ended the quarter with \$49.0 million in cash. Cash is \$9.7 million higher than June 30, 2014 because there have been no state funding deferrals, the organization's cash reserves have increased over the last two years, and some of the funding is restricted for construction projects.
- During the third quarter, Aspire paid down \$0.2 million of debt and ended the quarter with \$115.4 million in debt. Over the next year, through March 31, 2016, the organization is scheduled to make \$3.6 million in principal payments and \$5.7 million in interest payments. Aspire has sufficient funds to meet these obligations.
- Aspire has started its budgeting process for the year ending June 30, 2016. The preliminary projections show that enrollment will grow by 660 students in California and Tennessee. California state funding is expected to increase by 10% to \$8,382 per student. Most of that increase is being allocated to teacher salary increases. Aspire's budget will be presented for approval at the June Board meeting.

II. Enrollment and Average Daily Attendance

- Enrollment at March 31, 2015 was 14,682 compared to 13,571 at March 31, 2014, a growth of approximately 600 students in Memphis and 500 students in California. We added one new school in Memphis serving Pre-K to 5th grade. In California, the growth in our students came from our existing secondary schools, not from the opening of a new school. We have had very stable enrollment throughout the school year.
- Attendance percentages are on track with expectations in California. Actual ADA is 96.1% year-to-date. (In Tennessee, state funding is calculated based on enrollment and not attendance).

III. Revenues

- Actual YTD revenues at March 31, 2015 are \$119.0 million, which is 20% higher than the comparable amount one year ago. The majority of the increase is from higher per-ADA revenues from LCFF and Prop 30 revenues and a significant increase in enrollment. In addition:

- Federal program funding is higher by \$1.0 million after the third quarter as compared to a year ago. This increased funding came from the TIF grant (Teacher Incentive Fund) and was used to pay for targeted professional development for our school leaders.
- Federal and state nutrition funding increased by \$1.0 million this year, because of the addition of five new school sites to Aspire's breakfast and lunch program.
- Donation and Grants is \$3.2 million higher after the third quarter as compared to a year ago. This is due to the timing of multi-year grant revenue and is in line with budgeted expectations for the third quarter.

IV. Expenses

- Actual YTD expenses at the schools are \$87.3 million. This is 15% higher than one year ago and slightly below budget. The growth in school expense is driven by the increased enrollment (new staff, furniture, supplies, technology) and COLA adjustments for existing staff. The growth in total expenses is less than the growth in total revenues.
- Home office expenses after the second quarter are \$15.4 million, which is \$3.4 million higher than a year ago. The increase is due to one-time expenditures paid for with grant funds (Teacher Incentive Fund) which was explained above. Home office expenses are also slightly below budget.

V. Balance Sheet

- Aspire ended the quarter with \$49.0 million of cash, an increase of \$9.7 million from last year. This increase is driven by the fact that there have been no state deferrals this year to date, and Aspire has increased its operating cash reserves over the last two years. Approximately \$8.5 million of the \$49.0 million is restricted funds for construction and improvement projects on our facilities.
- During the quarter Aspire did not add any new debt. Debt pay downs of \$0.2 million were also made and approximately \$1.8 million moved from long-term debt to current debt.
- Accounts receivable is \$19.3 million at March 31, 2015. The balance is as per Aspire's internal expectations, knowing the cyclical nature of state and federal funding.
- Current restricted cash of \$1.1 million is set aside to make debt and interest payments on Aspire's 2010 Bond issue. On January 1, 2015 an interest payment of \$2.8 million was made.
- The organization had \$14.6 million in current liabilities at March 31, 2015 versus \$17.3 million at June 30, 2014. The decrease is from a payoff of accounts payable of \$4.8 million offset by an increase in deferred revenue of \$0.5 million and an increase in short-term debt of \$1.6 million.

VI. Other Charter Updates

- All of our charter renewals have been completed successfully this year including:
 1. Aspire Gateway Academy
 2. Aspire Firestone Academy
 3. Aspire Pacific Academy
 4. Aspire Rosa Parks Academy
 5. Aspire Berkley Maynard Academy

- Aspire has been awarded charters for two new schools in West Contra Costa Unified School District.

Aspire received a charter approval from Shelby County Office of Education in Tennessee. Shelby County could be an additional charter authorizer for Aspire in Tennessee, in addition to the Achievement School District.

Quarterly Financial Statements
Unaudited Consolidated Balance Sheet

	<u>March 31, 2015</u>	<u>June 30, 2014</u>
Assets		
Cash & Equivalents	\$ 48,972,891	\$ 39,390,319
Restricted Cash	1,070,275	3,695,292
Accounts Receivable	19,251,813	24,481,110
Pledges Receivable	2,570,246	6,014,287
Prepaid Expenses	371,574	257,053
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Total Current Assets	72,236,800	73,838,060
Non-Current Assets		
Restricted Cash	8,771,587	7,757,821
Pledges Receivable	830,512	830,512
Property & Equipment (net)	137,158,413	136,490,660
Other Assets (net)	4,295,633	4,470,487
	-----	-----
Total Non-Current Assets	151,056,145	149,549,481
	-----	-----
Total Assets	\$ 223,292,945	\$ 223,387,541
	=====	=====
Liabilities & Net Assets		
Accounts Payable	4,424,527	6,581,608
Accrued Expenses	5,413,827	8,040,736
Deferred Revenue	500,000	-
Capital Leases	650,000	635,000
Debt	3,636,062	2,070,896
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Total Current Liabilities	14,624,416	17,328,240
Non-Current		
Deferred Rent Due	738,466	695,531
Capital Leases	15,498,750	15,990,000
Debt	111,723,194	116,745,506
	-----	-----
Total Liabilities	142,584,826	150,759,278
Net Assets		
Beginning Net Assets	72,628,264	54,427,024
Change in Net Assets	8,079,855	18,201,240
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Ending Net Assets	80,708,119	72,628,264
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Total Liabilities & Net Assets	\$ 223,292,945	\$ 223,387,541
	=====	=====

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

Unaudited Consolidated Statement of Activities

	Nine Months Ended March 31		Three Months Ended March 31	
	2015	2014	2015	2014
Active Schools	38	37	38	37
Enrollment	14,682	13,571	14,682	13,571
Average Daily Attendance %	96.1%	96.5%	96.1%	96.5%
ADA	14,110	13,090	14,110	13,090
Revenues				
State ADA-Based	\$ 83,149,243	\$ 68,609,867	\$ 27,409,202	\$ 23,015,489
<i>Per ADA (Annualized)</i>	7,857	6,989	7,770	7,033
Other State	7,296,450	7,541,984	2,942,962	2,654,146
Total State Revenues	90,445,693	76,151,852	30,352,164	25,669,635
Federal Programs	11,134,968	10,186,803	3,349,412	3,208,631
Special Education	6,388,846	5,951,229	2,168,622	1,984,944
Food Programs	3,611,742	2,667,886	1,370,872	1,003,764
Local	988,481	822,517	315,398	211,511
Donations & Grants	6,302,862	3,133,516	1,580,775	369,066
Other Income	88,420	130,232	9,768	22,304
Total Revenues	118,961,012	99,044,035	39,147,011	32,469,855
Expenses				
<i>Schools</i>				
Payroll & Benefits	65,932,717	59,084,303	22,560,479	19,395,156
Operating	21,348,779	16,887,932	7,088,420	5,421,060
Total School Expenses	87,281,496	75,972,235	29,648,898	24,816,216
<i>Home Office</i>				
Payroll & Benefits	10,538,774	9,247,274	3,404,893	3,081,365
Operating	4,823,326	2,712,752	1,423,440	936,634
Total Home Office Expenses	15,362,100	11,960,026	4,828,333	4,017,999
Total Expenses	102,643,596	87,932,260	34,477,231	28,834,215
CY Expenses with PY Revenues	(4,838,790)	(4,623,924)	(1,101,739)	(1,099,333)
Total Expenses for EBIDA	97,804,806	83,308,336	33,375,492	27,734,882
Earnings Before Interest & Depreciation	21,156,206	15,735,698	5,771,519	4,734,973
Other (Income) Expense				
Depreciation & Amortization	4,019,603	3,323,099	1,337,393	1,119,702
Interest	5,054,583	4,986,254	1,683,387	1,658,622
Other (Income) Expense	(0)	106	(0)	174
CY Expenses with PY Revenues	4,838,790	4,623,924	1,101,739	1,099,333
Net Other	13,912,975	12,933,383	4,122,519	3,877,832
Net Funds Provided (Used)	7,243,231	2,802,315	1,648,999	857,142
Special Multi-Year Revenues	836,624	15,984,954	486,624	7,231,904
Total Funds Provided	\$ 8,079,855	\$ 18,787,269	\$ 2,135,623	\$ 8,089,045

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

Unaudited Consolidated Statement Of Changes In Cash

	<u>Nine Months Ended March 31</u>		<u>Three Months Ended March 31</u>	
	2015	2014	2015	2014
Operating Activities				
Total Funds Provided	\$ 8,079,855	\$ 18,787,269	\$ 2,135,623	\$ 8,089,045
Depreciation & Amortization	4,019,603	3,323,099	1,337,393	1,119,702
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Provided By Operating Activities	12,099,458	22,110,368	3,473,017	9,208,747
Current Balance Sheet Accounts				
Restricted Cash	2,625,017	665,859	2,215,182	1,146,260
Accounts Receivable	5,229,296	19,850,431	3,949,831	6,025,499
Pledges Receivable	3,444,041	(1,392,500)	1,242,543	1,375,000
Prepaid Expenses	(114,522)	341,221	305,040	(27,081)
Accounts Payable	(2,157,080)	(4,243,630)	758,878	(213,294)
Accrued Expenses	(2,626,910)	(942,912)	(1,204,848)	(1,031,415)
Deferred Revenue	500,000	635,000	-	100,000
Capital Leases	15,000	18,750	5,000	6,250
Debt	1,565,166	(1,176,973)	2,188,142	1,319,268
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Net Current Changes	8,480,008	13,755,247	9,459,768	8,700,487
Non-Current Balance Sheet Accounts				
Restricted Cash	(1,013,766)	1,099	(1,095,620)	(396)
Pledges Receivable	-	-	-	-
Property & Equipment (net)	(667,752)	(4,048,716)	(2,075,741)	(36,753)
Other Assets (net)	174,854	236,736	58,285	47,014
Depreciation & Amortization	(4,019,603)	(3,323,099)	(1,337,393)	(1,119,702)
Deferred Rent Due	42,935	33,446	14,312	-
Capital Leases	(491,250)	(476,250)	(163,750)	(158,750)
Debt	(5,022,313)	(281,123)	(2,412,728)	(198,020)
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Net Non-Current Changes	(10,996,894)	(7,857,906)	(7,012,636)	(1,466,606)
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Net Change In Cash	9,582,572	28,007,709	5,920,149	16,442,628
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Beginning Cash	39,390,319	21,600,698	43,052,743	33,165,779
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Ending Cash	\$ 48,972,891	\$ 49,608,407	\$ 48,972,891	\$ 49,608,407
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Note: Certain items have been reclassified to conform with current period presentation.