



College for Certain

Aspire Public Schools

Quarterly Financial Report¹

For the three and six months ending December 31, 2016

¹ Financials unaudited.

2nd Quarter Financial Highlights

- For the six months ending Dec 31, 2016, EBIDA was \$5.2 million versus \$12.6 million for the six months ending Dec 31, 2015.
- Similar to the prior quarter, 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.
- Aspire ended the quarter with \$48.4 million in cash & cash equivalents, compared to \$44.3 million at June 30, 2016. The \$4.1 million increase in cash is attributed to expected collection of accounts receivable balances from prior year as well as expected increase in state apportionments.
- Accounts receivable balance of \$23.9 million for the quarter ending Dec 31, 2016 is \$6.3 million lower than \$30.2 million at Sept 30, 2016. This decrease is attributable to the collection of receivables from prior years as well as increased state apportionments.
- Aspire ended the quarter with \$12.0 million in accounts payable and accrued expenses. \$0.8 million is attributable to payables related to the current construction projects.
- Expenses are on track with budget. Total expenses of \$92.3 million during the quarter were \$10.7 million higher than a year ago. As noted above, this increase relates to budgeted increases in staffing and compensation.
- Revenues are on track with budgets as well. Total revenues of \$96.7 million during the quarter were \$5.9 million higher than a year ago. This increase is due to higher enrollment and higher per-pupil funding.
- During the second quarter, Aspire Tennessee schools received the majority of their delayed prior year funding, allowing for payment of nearly the entire balance on the line of credit. The line of credit balance decreased to \$0.8 million from \$3.0 million during the quarter.
- Over the past 12 months, there have been two significant construction projects, which have contributed to the overall \$10.2 million increase in property/real assets during this timeframe:
 - The construction phase has begun for the \$5.0 million Aspire East Palo Phoenix Gym to be completed in April/May 2017.
 - With Phase I of the Aspire Ben Holt Middle School expansion completed in Q1, Phase II (Community Center) is nearing completion as we close this quarter. Revised total budgeted costs for the entire expansion project are just over \$10.0 million with over \$7.3 million billed through the close of Q2.

Aspire Public Schools
Unaudited Consolidated Balance Sheet*

		<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Assets					
Current	Cash & Equivalents	48,352,179	\$ 37,292,680	\$ 44,269,737	\$ 40,351,862
	Restricted Cash	2,912,807	3,171,610	1,253,966	1,598,640
	Accounts Receivable	23,900,646	26,386,015	30,204,839	27,711,480
	Pledges Receivable	4,460,390	2,604,058	6,216,483	6,604,058
	Prepaid Expenses	596,131	632,205	314,907	427,627
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	Total Current Assets	80,222,153	70,086,567	82,259,933	76,693,668
Non-Current	Restricted Cash	10,957,564	14,860,714	12,818,715	7,676,880
	Pledges Receivable	1,856,509	2,968,735	1,856,509	2,179,654
	Property & Equipment (net)	159,691,139	149,508,176	158,207,956	149,037,857
	Other Assets (net)	449,466	513,230	461,341	768,228
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	Total Non-Current Assets	172,954,678	167,850,855	173,344,521	159,662,619
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	Total Assets	\$ 253,176,831	\$ 237,937,422	\$ 255,604,453	\$ 236,356,287
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Liabilities & Net Assets					
Current	Accounts Payable	5,099,892	3,400,439	4,289,815	6,320,183
	Accrued Expenses	6,891,394	6,999,664	7,708,382	7,331,465
	Capital Leases	-	-	-	661,250
	Debt	1,669,107	1,585,000	2,179,925	1,999,298
	Lines of Credit	750,000	-	3,000,000	1,500,000
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	Total Current Liabilities	14,410,393	11,985,103	17,178,122	17,812,197
Non-Current	Deferred Rent Due	815,910	773,709	806,623	761,896
	Capital Leases	-	-	-	15,165,000
	Debt	136,190,095	123,598,156	136,275,766	107,248,832
	Inter-Organization	(0)	-	-	-
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	Total Liabilities	151,416,397	136,356,968	154,260,511	140,987,924
Net Assets	Beginning Net Assets	101,837,851	92,603,314	101,837,851	92,603,314
	Change in Net Assets	(77,418)	8,977,140	(493,909)	2,765,048
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	Ending Net Assets	101,760,433	101,580,454	101,343,942	95,368,362
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	Total Liabilities & Net Assets	\$ 253,176,831	\$ 237,937,422	\$ 255,604,453	\$ 236,356,287
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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>Six Months Ended December 31, 2016</u>	<u>Six Months Ended December 31, 2015</u>	<u>Three Months Ended December 31, 2016</u>	<u>Three Months Ended December 31, 2015</u>
Active Schools	40	38	40	38
Enrollment	15,718	15,199	15,792	15,287
Average Daily Attendance %	96.3%	96.4%	95.6%	95.9%
ADA	15,132	14,654	15,104	14,658
Revenues				
State ADA-Based	\$ 72,553,540	\$ 65,728,329	\$ 36,208,512	\$ 32,855,667
<i>Per ADA (Annualized)</i>	9,589	8,971	9,589	8,966
Other State	6,482,620	8,026,817	3,180,087	4,314,381
Total State Revenues	79,036,160	73,755,146	39,388,599	37,170,049
Federal Programs	6,740,168	8,434,986	3,545,829	4,759,875
Special Education	4,660,500	4,572,240	2,356,328	2,325,684
Food Programs	3,012,306	2,335,479	1,831,564	1,282,119
Local	1,048,845	1,178,763	754,167	644,100
Donations & Grants	2,086,966	526,007	1,655,430	70,035
Other Income	80,629	17,976	69,666	6,646
Total Revenues	96,665,574	90,820,596	49,601,582	46,258,508
Expenses				
<i>Schools</i>				
Payroll & Benefits	60,719,740	51,420,512	31,467,123	27,353,797
Operating	17,607,340	16,821,233	8,859,017	8,354,478
Total School Expenses	78,327,080	68,241,745	40,326,140	35,708,275
<i>Regional Office</i>				
Payroll & Benefits	3,574,395	2,557,287	1,846,073	1,263,328
Operating	1,544,755	493,180	664,025	202,662
Total Regional Office Expenses	5,119,150	3,050,467	2,510,098	1,465,991
<i>Home Office</i>				
Payroll & Benefits	6,731,699	7,446,198	3,335,766	3,681,213
Operating	2,139,262	2,890,157	1,080,697	1,547,533
Total Home Office Expenses	8,870,961	10,336,355	4,416,462	5,228,745
Total Expenses	92,317,191	81,628,567	47,252,700	42,403,010
CY Expenses with PY Revenues	(870,395)	(3,423,613)	(314,660)	(1,571,530)
Total Expenses for EBIDA	91,446,796	78,204,954	46,938,040	40,831,481
Earnings Before Interest & Depreciation	5,218,779	12,615,642	2,663,542	5,427,027
Other (Income) Expense				
Depreciation & Amortization	3,240,930	2,966,674	1,664,902	1,607,924
Interest	2,584,165	3,210,871	1,299,704	1,570,289
Other (Income) Expense	743	47,030	743	(836)
CY Expenses with PY Revenues	870,395	3,423,613	314,660	1,571,530
Net Other	6,696,232	9,648,188	3,280,009	4,748,907
Net Funds Provided (Used)	(1,477,454)	2,967,455	(616,467)	678,121
Special Multi-Year Revenues	1,400,036	6,009,685	1,032,959	5,533,970
Total Funds Provided	\$ (77,418)	\$ 8,977,140	\$ 416,492	\$ 6,212,091

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>Six Months Ended</u> <u>December 31, 2016</u>	<u>Six Months Ended</u> <u>December 31, 2015</u>	<u>Three Months Ended</u> <u>December 31, 2016</u>	<u>Three Months Ended</u> <u>December 31, 2015</u>
Operating Activities				
Total Funds Provided	\$ (77,418)	\$ 8,977,140	\$ 416,492	\$ 6,212,091
Depreciation & Amortization	3,240,930	2,966,674	1,664,902	1,607,924
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Provided By Operating Activities	3,163,512	11,943,814	2,081,394	7,820,015
Current Balance Sheet Accounts				
Restricted Cash	(169,882)	636,512	(1,658,841)	(1,572,969)
Accounts Receivable	20,712	(2,089,252)	6,304,193	1,325,465
Pledges Receivable	2,117,161	3,874,290	1,756,093	4,000,000
Prepaid Expenses	336,092	24,236	(281,223)	(204,578)
Accounts Payable	(2,129,971)	(5,362,502)	810,076	(2,919,744)
Accrued Expenses	(1,782,352)	(1,595,522)	(816,988)	(331,801)
Deferred Revenue	-	-	-	-
Capital Leases	-	(655,000)	-	(661,250)
Debt	(400,818)	(714,298)	(510,818)	(414,298)
Lines of Credit	50,000	-	(2,250,000)	(1,500,000)
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Net Current Changes	(1,959,059)	(5,881,534)	3,352,492	(2,279,175)
Non-Current Balance Sheet Accounts				
Restricted Cash	3,748,858	(3,247,221)	1,861,151	(7,183,834)
Pledges Receivable	2,000,000	2,260,919	-	(789,081)
Property & Equipment (net)	(2,862,200)	(2,224,307)	(1,483,183)	(470,318)
Other Assets (net)	23,750	295,976	11,875	254,998
Depreciation & Amortization	(3,240,930)	(2,966,674)	(1,664,902)	(1,607,924)
Deferred Rent Due	18,574	23,627	9,287	11,813
Capital Leases	-	(15,335,000)	-	(15,165,000)
Debt	(1,731,343)	12,864,971	(85,671)	16,349,324
Inter-organization	0	-	(0)	-
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Net Non-Current Changes	(2,043,291)	(8,327,709)	(1,351,444)	(8,600,022)
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Net Change In Cash	(838,838)	(2,265,430)	4,082,442	(3,059,182)
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Beginning Cash	49,191,017	39,558,110	44,269,737	40,351,862
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Ending Cash	\$ 48,352,179	\$ 37,292,680	\$ 48,352,179	\$ 37,292,679
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