



Aspire Public Schools

Quarterly Financial Report¹

For the three and six months ending December 31, 2017

¹ Financials unaudited.

2nd Quarter Financial Highlights

- Aspire ended the quarter with \$33.8 million in cash & investments, compared to \$45.1 million a year ago. The \$11.3 million decrease in cash & investments is attributed to planned capital expenditures over the past year together with planned operating spend.
- Aspire ended the quarter with \$14.1 million in accounts payable and accrued expenses. The \$2.1 million increase from a year ago is primarily due to the growth of the organization with corresponding increases to the payroll and vacation liability and accounts payable.
- As of December 31, 2017, debt amounted to \$138.9 million, which is \$0.5 million lower than the \$139.4 million at September 30, 2017. Aspire received \$0.7 million in loan forgiveness from Charter School Growth Fund during the quarter.
- Total revenues of \$103.1 million during the quarter was on track with budget and were \$6.6 million higher than a year ago. This increase is due to higher enrollment and higher per-pupil funding.
- Enrollment has increased this past quarter by 120 students to 16,404 but we are still 2.0% under our budgeted enrollment.
- Expenses are on track with budget. Total expenses of \$105.7 million during the first six months of the year were \$8.6 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, more construction projects were completed. The Twilight modular expansion and EPAPA gym construction were both completed, and work continues on Prop 39 Clean Energy projects involving solar panel installations, lighting upgrades, and HVAC work. Prop 39 Clean Energy projects are expected to save our schools on utility costs in the long term and is funded through the State. Below is a status of construction projects as of December 31, 2017:

Summary of Aspire Construction Project / Region	Funding Type	Budget	Funds Received	Costs Incurred Q2	Total Costs as of 12/31/17	Remaining to be billed
Aspire EPAPA (Gym) <i>Bay Area</i>	Philanthropy + Reserves	5,189,000	5,189,000	269,826	5,233,598	completed
Aspire ERES (Building) <i>Bay Area</i>	State Grant + Loan (50/50)	30,000,000	7,412,000	53,287	1,927,264	28,072,736
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	362,627	3,691,244	completed
Twilight (Modular Classrooms) <i>Central Valley</i>	School Reserves	1,600,000	1,600,000	-	1,518,537	completed
East Academy (Building) <i>Memphis</i>	Const. Loan + Philanthropy	6,000,000	5,700,000	199,112	5,494,822	completed
Prop 39 Clean Energy (Solar/HVAC) <i>California Schools</i>	State Grant	5,800,000	5,000,000	282,995	2,396,826	3,403,174
	Total:	58,989,000	35,301,000	1,167,847	26,918,291	31,475,910

Aspire Public Schools
Unaudited Consolidated Balance Sheet*

		<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2017</u>	<u>June 30, 2017</u>
Assets					
Current	Cash & Equivalents	\$ 28,682,371	\$ 45,071,543	\$ 30,375,427	\$ 39,121,852
	Restricted Cash	3,104,265	2,912,807	1,581,421	4,609,969
	Accounts Receivable	29,082,600	24,081,927	32,232,891	19,920,844
	Pledges Receivable	2,942,680	2,500,000	1,608,280	4,743,280
	Prepaid Expenses	790,020	582,456	757,832	645,459
	Total Current Assets	64,601,936	75,148,733	66,555,850	69,041,405
Non-Current	Restricted Cash	10,893,237	12,957,564	10,506,738	10,676,702
	Investments	5,132,476	-	5,130,238	10,104,496
	Pledges Receivable	48,172	1,000,000	48,172	1,048,172
	Property & Equipment (net)	170,032,430	159,691,139	170,580,884	168,154,461
	Other Assets (net)	401,966	449,466	413,841	425,716
	Total Non-Current Assets	186,508,281	174,098,169	186,679,873	190,409,547
	Total Assets	\$ 251,110,217	\$ 249,246,902	\$ 253,235,723	\$ 259,450,951
Liabilities & Net Assets					
Current	Accounts Payable	6,774,676	5,147,828	4,714,866	7,229,912
	Accrued Expenses	7,332,189	6,842,260	9,437,172	10,344,731
	Debt	1,819,690	1,669,107	2,233,813	2,183,813
	Lines of Credit	-	750,000	-	200,000
	Total Current Liabilities	15,926,555	14,409,195	16,385,851	19,958,457
Non-Current	Deferred Rent Due	850,467	815,910	842,475	834,483
	Debt	137,086,699	136,190,095	137,155,422	138,851,094
	Total Liabilities	153,863,721	151,415,200	154,383,749	159,644,034
Net Assets	Beginning Net Assets	99,806,918	96,912,930	99,806,918	96,912,930
	Change in Net Assets	(2,560,422)	918,772	(954,944)	2,893,988
	Ending Net Assets**	97,246,496	97,831,703	98,851,975	99,806,918
Total Liabilities & Net Assets		\$ 251,110,217	\$ 249,246,902	\$ 253,235,723	\$ 259,450,952

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>Six Months Ended</u> <u>December 31, 2017</u>	<u>Six Months Ended</u> <u>December 31, 2016</u>	<u>Three Months Ended</u> <u>December 31, 2017</u>	<u>Three Months Ended</u> <u>December 31, 2016</u>
Active Schools	40	40	40	40
Enrollment	16,341	15,718	16,404	15,792
Average Daily Attendance %	96.1%	96.3%	95.5%	95.6%
ADA	15,709	15,132	15,662	15,104
Revenues				
State ADA-Based	\$ 77,063,151	\$ 72,553,540	\$ 38,350,309	\$ 36,208,512
<i>Per ADA (Annualized)</i>	<i>9,812</i>	<i>9,589</i>	<i>9,795</i>	<i>9,589</i>
Other State	7,339,863	6,482,620	3,697,419	3,180,087
Total State Revenues	----- 84,403,014	----- 79,036,160	----- 42,047,728	----- 39,388,599
Federal Programs	6,409,161	6,740,168	3,158,667	3,545,829
Special Education	5,083,896	4,660,500	2,545,872	2,356,328
Food Programs	2,908,046	3,012,306	1,714,717	1,831,564
Local	1,359,315	1,311,921	539,711	1,019,830
Donations & Grants	2,426,118	1,761,966	2,110,906	1,405,430
Other Income	145,281	80,629	75,507	69,666
Total Revenues	----- 102,734,830	----- 96,603,650	----- 52,193,108	----- 49,617,245
Expenses				
<i>Schools</i>				
Payroll & Benefits	66,038,186	60,719,740	34,487,779	31,467,123
Operating	20,096,660	17,607,340	9,956,568	8,859,017
Total School Expenses	----- 86,134,846	----- 78,327,080	----- 44,444,347	----- 40,326,140
<i>Regional Office</i>				
Payroll & Benefits	3,566,519	3,574,395	1,779,978	1,846,073
Operating	1,344,592	1,544,755	643,692	664,025
Total Regional Office Expenses	----- 4,911,111	----- 5,119,150	----- 2,423,670	----- 2,510,098
<i>Home Office</i>				
Payroll & Benefits	6,299,754	5,877,587	3,172,723	2,879,526
Operating	2,375,822	1,858,428	984,312	947,319
Total Home Office Expenses	----- 8,675,576	----- 7,736,015	----- 4,157,035	----- 3,826,845
Total Expenses	99,721,533	91,182,245	51,025,052	46,663,083
CY Expenses with PY Revenues	(1,862,784)	(758,652)	(1,243,249)	(300,870)
Total Expenses for EBIDA	----- 97,858,749	----- 90,423,593	----- 49,781,803	----- 46,362,212
Earnings Before Interest & Depreciation	4,876,081	6,180,057	2,411,305	3,255,032
Other (Income) Expense				
Depreciation & Amortization	3,458,979	3,240,930	1,812,658	1,664,902
Interest	2,586,990	2,584,165	1,309,300	1,299,704
Other (Income) Expense	(46,564)	77,575	(43,004)	77,575
CY Expenses with PY Revenues	1,862,784	758,652	1,243,249	300,870
Net Other	----- 7,862,189	----- 6,661,321	----- 4,322,204	----- 3,343,051
Net Funds Provided (Used)	----- (2,986,107)	----- (481,264)	----- (1,910,899)	----- (88,019)
Special Multi-Year Revenues	425,685	1,400,036	305,419	1,032,959
Total Funds Provided	----- \$ (2,560,422)	----- \$ 918,772	----- \$ (1,605,480)	----- \$ 944,940
	=====	=====	=====	=====

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 Changes In Cash*

	<u>Six Months Ended</u> <u>December 31, 2017</u>	<u>Six Months Ended</u> <u>December 31, 2016</u>	<u>Three Months Ended</u> <u>December 31, 2017</u>	<u>Three Months Ended</u> <u>December 31, 2016</u>
Operating Activities				
Total Funds Provided	\$ (2,560,422)	918,772	\$ (1,605,480)	\$ 944,940
Depreciation & Amortization	3,458,979	3,240,930	1,812,658	1,664,902
	-----	-----	-----	-----
Provided By Operating Activities	898,557	4,159,702	207,179	2,609,842
Current Balance Sheet Accounts				
Restricted Cash	1,505,704	(169,882)	(1,522,844)	(1,658,841)
Accounts Receivable	(9,161,756)	(363,717)	3,150,291	6,122,913
Pledges Receivable	1,800,600	1,656,250	(1,334,400)	1,656,250
Prepaid Expenses	(144,561)	339,467	(32,188)	(277,548)
Accounts Payable	(455,236)	(1,219,289)	2,059,810	869,160
Accrued Expenses	(3,012,542)	(2,687,160)	(2,104,983)	(827,306)
Deferred Revenue	-	-	-	-
Capital Leases	-	-	-	-
Debt	(364,123)	(400,818)	(414,123)	(510,818)
Lines of Credit	(200,000)	50,000	-	(2,250,000)
	-----	-----	-----	-----
Net Current Changes	(10,031,914)	(2,795,149)	(198,437)	3,123,809
Non-Current Balance Sheet Accounts				
Restricted Cash	(216,535)	1,748,854	(386,500)	(138,849)
Investments	4,972,021	-	(2,237)	-
Pledges Receivable	1,000,000	2,000,000	-	-
Property & Equipment (net)	(1,877,970)	(2,862,200)	548,454	(1,483,183)
Other Assets (net)	23,750	23,750	11,875	11,875
Depreciation & Amortization	(3,458,979)	(3,240,930)	(1,812,658)	(1,664,902)
Deferred Rent Due	15,984	18,574	7,992	9,287
Capital Leases	-	-	-	-
Debt	(1,764,395)	(1,731,343)	(68,724)	(85,671)
Inter-organization	-	0	-	0
	-----	-----	-----	-----
Net Non-Current Changes	(1,306,125)	(4,043,295)	(1,701,799)	(3,351,444)
	-----	-----	-----	-----
Net Change In Cash	(10,439,482)	(2,678,742)	(1,693,057)	2,382,207
	-----	-----	-----	-----
Beginning Cash	39,121,852	47,750,285	30,375,427	42,689,336
	-----	-----	-----	-----
Ending Cash	\$ 28,682,371	\$ 45,071,543	\$ 28,682,369	\$ 45,071,543
	=====	=====	=====	=====

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.