

**CHARTER SCHOOL FACILITIES PROGRAM
PROPOSITION 55 FUNDING ROUND
STAFF SUMMARY REPORT – FEBRUARY 2010**

Applicant/Obligor:	Aspire Public Schools
Project School:	Aspire Centennial College Preparatory Academy
CDS (County – District – School) Code:	19-64733-0112128
Project Location:	2518-2552 East 58 th St., Huntington Park, CA
Type of Project:	New Construction
County:	Los Angeles County
District in which Project is Located:	Los Angeles Unified School District
Charter Authorizer:	Los Angeles Unified School District
Total OPSC Project Cost:	\$19,669,826
State Apportionment (50% Project Cost):	\$9,834,913
Lump Sum Contribution:	\$0
Total CSFP Financed Amount:	\$9,834,913
Length of CSFP Funding Agreement:	30 years
Assumed Interest Rate:	3.00%
Estimated Annual CSFP Payment:	\$501,770
First Year of Occupancy of New Project:	2012-13

Staff Recommendation: Aspire Public Schools (Aspire), on behalf of LA 6-12 Charter School operating as Aspire Centennial College Preparatory Academy (Centennial), is seeking a Proposition 55 Advance Apportionment of \$10,526,800 (this figure constitutes the State grant and loan portion) for site acquisition. Aspire is making the CSFP payments on behalf of the school. Staff recommends that the California School Finance Authority (CSFA) Board determine that Aspire Public Schools is financially sound for the Charter School Facilities Program (Program) Advance Apportionment, but not for purposes of Final Apportionment under the Program. This determination as it relates to an Advance Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction and the State Allocation Board regarding this determination.

Aspire, an educational management organization (EMO), has applied for CSFP Prop 55 financing on behalf of Centennial. Centennial had previously increased their projected construction costs to \$23,078,329 but has since decreased these estimates due to reduction in site acquisition costs. Centennial received a preliminary apportionment for \$19,669,826 and should be sufficient to complete the Centennial project. If project costs are in excess of \$19,669,826, CSFP may be able to increase funding amounts depending on the availability of excess funds. The project has an anticipated occupancy date of August 2012.

In June 2007, Aspire received Final Apportionment of \$9,517,000 for its CSFP Proposition 47 financing of Rosa Parks Academy (Rosa Parks) in Stockton. Aspire is matching 50% of this project cost through a signed funding agreement with CSFA. This agreement has a 30-year term to January 2037 with annual payments of \$328,275 based on a final interest rate of 5.254%. Additionally, Aspire has received a Preliminary Apportionment of \$52,269,004 under CSFP Proposition 1D to fund new construction for the Antonio Maria Lugo Academy (AMLA) and Clarendon Elementary (Clarendon). Staff’s financial analysis of Aspire assumes that the organization’s 50% local matching share of the combined funding amount of \$71,938,830 is documented through a 30-year funding agreement with CSFA at an interest rate of 3.00%, resulting in annual payments of \$1,835,133 commencing in 2013-14. In accordance with the CSFP payment subordinate lien pledge, debt service coverage is calculated including the \$328,275 CSFP lease payment associated with the Rosa Parks project, for a total lease payment of \$2,163,408.

Application Highlights: Below staff has highlighted key criteria that were evaluated when conducting our financial soundness review of Aspire. Detailed information is contained in the body of the report.

Criteria	Comments
EMO Information	
Demographic Information	<ol style="list-style-type: none"> 1. In 2008-09, Aspire operated 21 charter schools chartered by nine districts; enrollment totaled 6,280 students (up 8.1%); the system-wide ADA rate was 96.8%. Aspire has noted that their retention rate is 84%. 2. By 2014-15, Aspire plans to operate 50 schools with total projected enrollment of 17,324 students.
Debt Service Coverage	Based on Aspire’s financial projections, the projected debt service coverage levels for the anticipated combined CSFP lease payment in 2013-14 and 2014-15 are 440.2% and 563.8%, respectively. Aspire will need to receive at least 20% (\$1.84 million) of expected contributions in 2013-14 in order to meet the 100% debt service coverage ratio threshold. In 2014-15, Aspire wouldn’t need to receive any expected contributions to maintain 100% debt service coverage.
Other Financial Factors	<ol style="list-style-type: none"> 1. Measured as a percentage of total revenues, contributions from 2009-10 through 2014-15 are projected to average 7.5% annually, which is below the 15.0% threshold level employed by staff. Of the \$48.07 million in projected fundraising receipts, roughly 32.3% is committed and 28.1% is anticipated, with the remainder of 39.6% to come from start-up site donations. 2. Aspire’s net working capital (NWC) at June 30, 2008 was \$2.05 million, or 3.6% of total expenses, and decreased to \$1.57 million, or 2.4% of total expenses at June 30, 2009. Staff considers NWC representing less than 5.0% of total expenses to be a weak liquidity indicator.
School Information	

Eligibility Criteria	Centennial has met all eligibility criteria: (1) Centennial commenced operations in 2006-07; (2) Centennial's charter was renewed in December 2008 and is in place through June 2014; (3) Centennial is in good standing with its chartering authority, and in compliance with the terms of its charter.
Student Performance	All AYP criteria for Centennial were met in 2007-08 and 2008-09. Centennial's API growth target was also met in these years. Centennial was ranked 6 out of 10 statewide and 10 out of 10 among similar schools in 2008-09.
Demographic Information	Centennial currently serves 516 students in grades 6-9 and anticipates expanding to include grades 6-11 in 2011-12. Enrollment in 2011-12 is expected to be 852 students but Centennial plans to downsize enrollment to 400 students to accommodate the capacity of the proposed facility. Based on the 2009-10 first interim report, Centennial's ADA rate was 97.4%. ADA rates of 97.0% and 96.8% were achieved in 2006-07 and 2007-08. Aspire's financial projections assume an ADA rate of 95.0% for Centennial.

Program Eligibility: On January 6, 2010, at CSFA staff's request, verification was received from the Office of Innovation and Charter Schools Division of Los Angeles Unified School District (LAUSD), confirming that Centennial is (1) in compliance with the terms of its charter agreement, and (2) is in good standing with its chartering authority.

Legal Status Questionnaire: CSFA staff and counsel review responses to the questions contained in the Legal Status Questionnaire. Aspire answered "Yes" to a LSQ question(s). CSFA staff and counsel have reviewed the facts surrounding the disclosure(s) and have determined that the potential liability does not impact the organization's ability to make its CSFP payments should Aspire be granted an apportionment.

Project Description: Aspire has requested total Proposition 55 funding for anticipated project costs of \$19,669,826, and is currently seeking an Advance Apportionment of \$10,526,800 (this figure constitutes the State grant and loan portion) for site acquisition. Aspire has already received advance apportionment of Prop 55 funding in the amount of \$914,503 for design costs associated with Centennial project. Centennial's proposed project is for new construction of a 7-12 grade school facility to be located in the City of Huntington Park at the intersection of 58th St. and Pacific Blvd. The project consists of a building with 18 classrooms, three auxiliary rooms, and one multi-purpose room. Along with 69 parking spaces, the campus will include a soccer field and gymnasium. This new facility would accommodate approximately 400 students.

Centennial anticipates funding its 50% local matching share of the OPSC calculated Project cost of \$19,669,826 through a 30-year agreement with the State. CFSP payments are assumed to commence in 2013-14. Aspire will make the payments on behalf of the Centennial.

Centennial Organizational Information: Centennial's charter was approved by the LAUSD on June 6, 2003, and the school began operations in 2006-07 and since has been renewed through June 30, 2014.

Centennial currently serves 516 students in grades 6-9 and anticipates expanding to include grades 6-11 in 2011-12. Enrollment in 2011-12 is expected to be 852 students but Centennial plans to downsize enrollment to 400 students to accommodate the capacity of the proposed facility. The students that do not reenroll with Centennial will be transferred to another Aspire school which plans on sharing its campus with Centennial. The additional school plans to open in 2010-11. Based on the 2009-10 first interim report, Centennial's ADA rate was 97.4%. ADA rates of 96.8% and 97.4% were achieved in 2007-08 and 2008-09. Aspire's financial projections assume an ADA rate of 95.0% for Centennial.

School Management: Centennial does not have executive positions at the school level as these duties are handled by staff at Aspire's corporate level. Ms. Diana Garcia is currently serving as Principal.

Management Experience for Schools Open Less than Two Years: Not applicable as Centennial began operations in 2006-07, exceeding the two years of instruction requirement.

Student Performance: Because of its implications for student enrollment stability and growth, staff views student performance as a leading indicator of a charter school's financial position. Schools with improving student performance trends are viewed favorably, especially if these trends exceed threshold goals set by the school or the California Department of Education (CDE). In order to measure student performance, staff utilizes Academic Performance Index (API) and Adequate Yearly Progress (AYP) trend data generated by the CDE. The API is also used as an indicator for measuring AYP per the No Child Left Behind Act of 2001. Any school not meeting AYP targets would face additional mandates and corrective actions if the school is a recipient of federal Title 1 funds.

Centennial has three years of reported API scores, allowing a review of progress and comparison to similar schools. The following table summarizes the school's trend in student performance.

Aspire Centennial College Preparatory Academy	FY 2006-07	FY 2007-08	FY 2008-09
ADEQUATE YEARLY PROGRESS (AYP)			
Met All AYP Criteria?	No	Yes	Yes
Criteria Met / Required Criteria	16 / 17	17 / 17	17 / 17
Met API Indicator for AYP?	Yes	Yes	Yes
Met Graduation Rate?	N/A	Yes	Yes
ACADEMIC PERFORMANCE INDEX (API)			
Met Schoolwide Growth Target?	N/A	Yes	Yes
Met Comparable Improvement Growth Target?	N/A	Yes	Yes
Met Both Schoolwide & CI Growth Targets?	N/A	Yes	Yes
API Base Statewide Rank (10 = best)	N/A	1	6
API Base Similar Schools Rank (10 = best)	N/A	6	10
School's Actual Growth	N/A	79	25
Similar Schools Median of Actual Growth	N/A	27	25
Did School's Growth Exceed Median?	N/A	Yes	No

For 2006-07, the school’s first operational year, Centennial recorded a growth API score of 671. Centennial did not meet its AYP English proficiency percentage and as a result met 16 of 17 AYP criteria. For 2007-08, Centennial recorded a growth API score of 749, which was 79 points above its base API score of 670 and seven points above its growth target. The growth score of 749 was above the 684 median score for similar schools. The school ranked 1 out of 10 statewide and 6 out of 10 among similar schools in 2007-08. Centennial met all 17 of the AYP criteria for 2007-08 and 2008-09 while meeting API growth targets. Centennial improved in API rankings to 6 out of 10 statewide and 10 out of 10 among similar schools in 2008-09 with an API base of 761 and API growth of 786. .

Overview of Aspire Public Schools: According to information supplied by Aspire, Aspire Public Schools was founded in 1998 to manage, guide, direct, and promote charter schools that provide quality education to California youth in primary and secondary grades. Aspire is a nonprofit, public-benefit corporation with 501(c)(3) status operating charter schools in three clusters located in the San Francisco Bay Area, the Central Valley, and Los Angeles County. Aspire has a four part mission: (1) to increase the academic performance of California students; (2) to develop effective educators; (3) to start change in the public school system; and (4) to share practices with other educators. Aspire locates their charter schools in areas with academically underperforming traditional schools in order to provide an alternative learning experience. Geographic areas where at least 75% of the students qualify for free or reduced priced meals also are targeted by Aspire. In 2009-10, Aspire is operating 25 schools serving roughly 7,687 students. The organization maintains plans to expand to 50 schools by 2014-15 by opening four to six new schools each year.

Enrollment Trends and Projections: The table on the following page presents school and enrollment information for Aspire’s schools open during 2008-09 and 2009-10 and for new schools expected to be opened between 2010-11 and 2012-13. As of June 30, 2009, Aspire operated 21 charter schools chartered by nine districts. In 2008-09 Aspire opened up four additional schools: Millsmont Secondary Academy; East Palo Alto Phoenix Academy; Langston Hughes Academy; and Huntington Park Charter School. In 2009-10 has continued to grow opening ERES Academy, Vanguard College Preparatory Academy, Alexander Twilight College Preparatory Academy, and Titan Academy.

In 2008-09, enrollment totaled 6,280 students, with attendance at 6,079 students to produce an average daily attendance (ADA) rate of 96.8%. From 2005-06 through 2007-08, Aspire's schools had total enrollments and ADA rates of 3,968 (95.8%), 4,917 (95.8%), and 5,809 (96.8%). The aggregate ADA rate has averaged 96.3% for the last four years. Aspire has noted that their re-enrollment (retention) rate is at 84% in all schools and 82% at Centennial from the end of 2008-09 to the beginning of 2009-10.

The 2009-10 P-1 report shows system-wide enrollment up by 23.0% to 7,677 students. In 2010-11, when Aspire opens three K-5 grade schools and two secondary grade schools, Aspire foresees aggregate system-wide enrollment expanding 22.0% to 9,636 students. The majority of the enrollment growth in 2010-11 and subsequent years is expected to come from the opening of new schools, as existing schools will have reached mature enrollment levels. Projected enrollment totals for 2011-12 through 2014-15 are 11,658, 13,419, 15,211 and 17,324 students, respectively. Aspire plans to operate 40 schools by 2012-13 and 50 by 2014-15. The organization's financial projections incorporate these expected enrollment levels as well as an assumed system-wide ADA rate of 95.0%.

Aspire Public Schools – Aspire Centennial College Preparatory Academy

Aspire Public Schools School and Enrollment Information for Existing and New Schools												
Charter School	Grades Served	Year Opened	Chartering District	County	Charter Expiration	2008-09 Enrollment			2009-10 Enrollment			
						Actual Enroll.	Current	Waitlist	Actual Enroll. @ P-1	12-13 Proj. Enroll.		
						@ P-2	ADA					
1 Aspire Monarch Academy	K - 5	2000-01	Oakland Unified School District	Alameda	6/30/2014	351	97.4%	717	352	352		
2 Aspire Lionel Wilson College Preparatory Academy	6 - 12	2002-03	Oakland Unified School District	Alameda	6/30/2012	500	97.5%	255	433	400		
3 Aspire East Palo Alto Charter School	K - 8	1997-98	Ravenswood School District	San Mateo	6/30/2010	415	97.7%	329	420	420		
4 Aspire Millsmont Academy	K - 5	2005-06	Oakland Unified School District	Alameda	6/30/2014	220	95.9%	191	254	245		
5 Aspire Berkley Maynard Academy	K - 7	2005-06	Oakland Unified School District	Alameda	2/8/2010	387	96.2%	220	451	516		
6 Aspire California College Preparatory Academy	8 - 11	2005-06	Alameda County Office of Education	Alameda	6/30/2013	196	95.2%	111	192	210		
7 Aspire East Palo Alto Phoenix Academy (1)	9 - 12	2008-09	Sequoia Union High School District	San Mateo	6/30/2013	105	94.3%	53	134	193		
8 Aspire University Public School	K - 5	1999-00	Lodi Unified School District	San Joaquin	6/30/2014	349	97.2%	550	353	352		
9 Aspire University Charter School	K - 5	2000-01	Sylvan Union Elementary School District	Stanislaus	6/30/2013	244	96.6%	37	245	240		
10 Aspire Summit Charter Academy	K - 5	2001-02	Ceres Unified School District	Stanislaus	6/30/2011	437	96.1%	76	347	352		
11 Aspire River Oaks Charter School	K - 5	2001-02	Lodi Unified School District	San Joaquin	6/30/2011	350	96.6%	*	354	352		
12 Aspire Benjamin Holt College Preparatory Academy	6 - 12	2003-04	Lodi Unified School District	San Joaquin	6/30/2013	527	97.3%	275	568	635		
13 Aspire Capitol Heights Academy	K - 5	2003-04	Sacramento City Unified School District	Sacramento	6/30/2013	235	96.1%	*	215	240		
14 Aspire Rosa Parks Academy	K - 5	2005-06	Stockton Unified School District	San Joaquin	6/30/2010	350	96.7%	224	347	352		
15 Aspire Langston Hughes Academy (2)	6 - 9	2008-09	Stockton Unified School District	San Joaquin	6/30/2013	198	96.5%	48	270	544		
16 Aspire Port City Academy	K - 5	2007-08	CA. Dept. of Education	San Joaquin	6/30/2012	244	96.8%	391	260	352		
17 Aspire Antonio Maria Lugo Academy	K - 5	2005-06	Los Angeles Unified School District	Los Angeles	6/30/2014	207	97.5%	125	205	204		
18 Aspire Centennial College Preparatory Academy	6 - 9	2006-07	Los Angeles Unified School District	Los Angeles	6/30/2014	397	97.4%	228	518	400		
19 Aspire Huntington Park Charter School (3)	K - 5	2008-09	Los Angeles Unified School District	Los Angeles	6/30/2013	188	96.8%	196	204	204		
20 Aspire Clarendon Elementary School	K - 6	2007-08	CA. Dept. of Education	Los Angeles	6/30/2012	192	97.6%	69	277	272		
21 Aspire Millsmont Secondary Academy	6 - 11	2007-08	Oakland Unified School District	Alameda	6/30/2013	223	96.1%	41	269	482		
22 Aspire Titan Academy	K - 5	2009-10	CA. Dept. of Education	Los Angeles	6/30/2012	n/a	n/a	120	256	272		
23 Aspire Alexander Twilight College Preparatory Academy	K - 8	2009-10	CA. Dept. of Education	Sacramento	6/30/2012	n/a	n/a	*	338	494		
24 Aspire Vanguard College Preparatory Academy	6 - 9	2009-10	CA. Dept. of Education/SBE	San Joaquin	6/30/2012	n/a	n/a	*	203	335		
25 Aspire ERES Academy	K - 8	2009-10	Oakland Unified School District	Alameda	6/30/2014	n/a	n/a	4	212	215		
Sub-total for Existing Schools						6,315	96.8%	4,260	7,677	8,633		
26 New Sacramento 9-12	9-12	2010-11	To be determined	Sacramento						78		
27 New LA 6-12	6-12	2010-11	To be determined	Los Angeles						400		
28 New LA K-5	K-5	2010-11	To be determined	Los Angeles						352		
29 New LA K-5	K-5	2010-11	To be determined	Los Angeles						332		
30 New Stockton K-5	K-5	2010-11	To be determined	San Joaquin						260		
31 New Oakland K-5	K-5	2011-12	To be determined	Alameda						352		
32 New Bay Area K-5	K-5	2011-12	To be determined	TBD						352		
33 New Bay Area K-5	K-5	2011-12	To be determined	TBD						260		
34 New Stockton K-5	K-5	2011-12	To be determined	San Joaquin						352		
35 New LA 6-12	6-12	2011-12	To be determined	Los Angeles						224		
36 New Bay Area 6-12	6-12	2012-13	To be determined	TBD						448		
37 New LA K-5	K-5	2012-13	To be determined	Los Angeles						352		
38 New Bay Area K-5	K-5	2012-13	To be determined	TBD						352		
39 New Stockton 6-12	6-12	2012-13	To be determined	San Joaquin						224		
40 New LA 6-8	6-8	2012-13	To be determined	Los Angeles						448		
Sub-total for New Schools									4,786			
(1) Operated as a satellite of Aspire Lionel Wilson College Preparatory Academy during 2006-07 and 2007-08 (2) Operated as a satellite of Aspire Rosa Parks Academy during 2006-07 and 2007-08 (3) Operated as a satellite of Aspire Antonio Maria Lugo Academy during 2006-07 and 2007-08 * Waitlist data not available on short turnaround for these schools										Total for All Schools 13,419		

School Model: Aspire’s vision is to improve the achievement of all students in California. One of Aspire’s missions is to educate students that are not being well-served in their current educational environment through their curriculum. According to information provided by Aspire representatives, Aspire implements curriculum packages created by other parties, complementary to the Aspire system and aligned to the California State standards. The school’s educational program, simultaneously rigorous and relevant to the students, will emphasize interdisciplinary thinking across subject areas.

Academic Performance: As mentioned previously, staff views student performance as a leading indicator of a school’s financial position. Student performance data is available for the 21 Aspire schools operating during 2008-09.

Aspire Public Schools - API Growth Scores*				
School	2005-06	2006-07	2007-08	2008-09
Monarch Academy (K-5)	713	795	776	774
Lionel Wilson College Preparatory Academy (6-12)	665	667	735	792
East Palo Alto Charter School (K-8)	821	837	N/A	842
East Palo Alto Phoenix Academy (9-12)	N/A	N/A	N/A	674
Millsmont Academy (K-8)	643	687	692	783
Millsmont Academy Secondary (6-11)	N/A	N/A	N/A	666
Berkley Maynard Academy (K-5)	645	730	769	817
California College Preparatory Academy (6-8)	650	725	771	N/A
University Public School (K-6)	868	868	887	939
University Charter School (K-5)	884	902	N/A	909
Summit Charter Academy (K-8)	781	824	815	857
River Oaks Charter Academy (K-8)	821	815	826	850
Benjamin Holt College Preparatory Academy (7-12)	824	825	844	860
Capitol Heights Academy (K-8)	675	758	789	828
Rosa Parks Academy (K-5)	649	726	734	775
Clarendon Elementary (K-6)	N/A	N/A	763	795
Antonio Maria Lugo Academy (K-5)	724	691	777	825
Langston Hughes Academy (6-9)	N/A	N/A	N/A	738
Port City Academy (K-5)	N/A	N/A	775	837
Huntington Park Charter (K-5)	N/A	N/A	N/A	818
Centennial College Preparatory Academy (4-6)	N/A	671	749	786

*Commencing in 2006-07, green and red text indicates increases and decreases, respectively in API Growth from prior year.

Aspire Public Schools – Aspire Centennial College Preparatory Academy

As shown in the following table, the Aspire schools' statewide and similar schools rankings (base API scores) were generally low in past years but have shown gradual improvement. Of the 14 schools that posted statewide and similar school rankings in 2008-09, only two schools didn't show improvement in either ranking categories.

Aspire – Base API Score Statewide Ranking / Similar School Ranking (10 = best)**				
School	2005-06	2006-07	2007-08	2008-09
Monarch Academy (K-5)	2 / 4	3 / 9	6 / 10	6 / 10
Lionel Wilson College Preparatory Academy (6-12)	2 / 2	3 / 8	4 / 8	6 / 10
East Palo Alto Charter School (K-8)	7 / 10	8 / 10	8 / 10	N/A
East Palo Alto Phoenix Academy (9-12)	N/A	N/A	N/A	N/A
Millsmont Academy (K-8)	N/A	1 / 3	2 / 4	2 / 7
Millsmont Academy Secondary (6-11)	N/A	N/A	N/A	N/A
Berkley Maynard Academy (K-5)	N/A	1 / 4	4 / 8	5 / 10
California College Preparatory Academy (6-8)	N/A	2 / N/A	5 / 10	N/A
University Public School (K-6)	9 / 6	9 / 8	9 / 9	9 / 10
University Charter School (K-5)	N/A	N/A	N/A	N/A
Summit Charter Academy (K-8)	N/A	N/A	8 / 10	7 / 9
River Oaks Charter Academy (K-8)	6 / 7	8 / 10	7 / 7	8 / 9
Benjamin Holt College Preparatory Academy (7-12)	7 / 3	9 / 10	9 / 9	9 / 10
Capitol Heights Academy (K-8)	1 / N/A	2 / N/A	5 / 10	6 / 10
Rosa Parks Academy (K-5)	N/A	1 / 3	4 / 7	4 / 7
Clarendon Elementary (K-6)	N/A	N/A	N/A	5 / 10
Antonio Maria Lugo Academy (K-5)	N/A	4 / 7	2 / 4	6 / 10
Langston Hughes Academy (6-9)	N/A	N/A	N/A	N/A
Port City Academy (K-5)	N/A	N/A	N/A	6 / 10
Huntington Park Charter (K-5)	N/A	N/A	N/A	N/A
Centennial College Preparatory Academy (4-6)	N/A	N/A	1 / 6	6 / 10

** Commencing in 2006-07, green and red text indicate increases and decreases, respectively in either statewide or similar school rankings from prior year.

In 2006-07 and 2007-08, 9 out of 12 (75%) and 13 out of 14 (93%) schools, respectively met all AYP criteria. In 2007-08 and 2008-09, 11 of 15 schools (73%) and 15 of 19 schools (79%), respectively, also met all AYP criteria. Aspire has been able to effectively maintain student performance while adding schools to their system. The following table presents AYP target data for each Aspire school over the four year period.

Aspire Public Schools – Met All AYP Targets				
School	2005-06	2006-07	2007-08	2008-09
Monarch Academy (K-5)	Yes	Yes	Yes	Yes
Lionel Wilson College Preparatory Academy (6-12)	Yes	Yes	Yes	Yes
East Palo Alto Charter School (K-8)	Yes	Yes	No	Yes
East Palo Alto Phoenix Academy (9-12)	N/A	N/A	N/A	No
Millsmont Academy (K-8)	No	Yes	No	Yes
Millsmont Academy Secondary (6-11)	N/A	N/A	N/A	No
Berkley Maynard Academy (K-5)	No	Yes	Yes	Yes
California College Preparatory Academy (6-8)	Yes	Yes	Yes	N/A
University Public School (K-6)	Yes	Yes	Yes	Yes
University Charter School (K-5)	N/A	N/A	N/A	N/A
Summit Charter Academy (K-8)	N/A	Yes	Yes	Yes
River Oaks Charter Academy (K-8)	Yes	Yes	Yes	Yes
Benjamin Holt College Preparatory Academy (7-12)	Yes	Yes	Yes	Yes
Capitol Heights Academy (K-8)	Yes	Yes	Yes	Yes
Rosa Parks Academy (K-5)	No	Yes	No	Yes
Clarendon Elementary (K-6)	N/A	N/A	No	Yes
Antonio Maria Lugo Academy (K-5)	Yes	Yes	Yes	Yes
Langston Hughes Academy (6-9)	N/A	N/A	N/A	No
Port City Academy (K-5)	N/A	N/A	N/A	Yes
Huntington Park Charter (K-5)	N/A	N/A	N/A	No
Centennial College Preparatory Academy (4-6)	N/A	No	Yes	Yes

EMO Organization and Management: Aspire is a 501(c)(3) non-profit public benefit corporation, governed by a board of directors that creates, controls and operates its schools. Aspire’s Board of Directors is responsible for: establishing broad policies that affect all Aspire’s schools, advocating Aspire’s mission, and providing strategic guidance to the organization. Aspire also has an Advisory Board which supports the Board of Directors and staff by providing expertise on specific issues that affect the organization’s business and education strategies. The Advisory Board includes policy makers, education researchers, community leaders, and investors.

Board Experience: The Board of Directors consists of 10 active members, plus members designated by the organization’s chartering districts. The Aspire Board of Directors includes: Mr. Bill Hughson, Ms. Beth Hunkapiller, Mr. Bill Huyett, Mr. Melvin J. Kaplan, Mr. Steven L. Merrill, Ms. Louise Muhlfeld Patterson, Dr. Don Shalvey, Mr. Richard C. Spalding, and Mr. James Wilcox.

Staff Experience: As previously mentioned, Aspire maintains executive positions at the

corporate level. Mr. James Willcox is the Chief Executive Officer for Aspire and is responsible for setting the direction of Aspire. Prior to his appointment as CEO, Mr. Willcox served as the Chief Operating Officer for Aspire. As COO, Mr. Willcox managed operations, human resources, fund-raising, and facilities. Prior to joining the management team of Aspire, Mr. Willcox was the founding Chief Operating Officer for Education for Change (EFC), a nonprofit charter management organization founded to restructure underperforming district schools as independent charter schools within the Oakland Unified School District. Mr. Willcox graduated from West Point with a B.A. and received a M. Ed. and a M.B.A. from Stanford University.

Mr. Mike Barr is the Chief Financial Officer. Mr. Barr has over 20 years experience in the finance field and oversees Aspire's financing, accounting, and treasury duties. Mr. Barr received his B.S. from Oregon State University and is a Certified Management Accountant.

Ms. Elise Darwish has been an executive with Aspire Public Schools since its founding and currently serves as the Chief Academic Officer. In this role she supports principals, oversees research and development pertaining to curriculum, instruction, and assessment, and manages internal professional development programs. Ms. Darwish designed the Aspire education model and oversaw its implementation. Ms. Darwish has over 21 years of experience in charter schools, traditional public schools and private schools, and holds a Masters Degree in Educational Administration from San Francisco State University and a B.S. in Early Childhood Education from the University of Illinois.

Ms. Gloria Lee is a Regional Vice President for the Bay Area. She is responsible for the academic performance and financial solvency of the Aspire schools in this region. Ms. Lee received both an M.B.A and Masters in Education from Stanford University and a B.S. from Cornell University. Gloria was the Founding COO of Aspire Public Schools, a position she held for eight years before transitioning into her current role. As COO, Gloria developed the systems and processes necessary to bring the Aspire network successfully from one school to 17 schools.

The Regional Vice President for the Central Valley is Mr. Alex Hernandez. Mr. Hernandez has substantial experience in both business and education. Formally an investment banker with J.P. Morgan, Mr. Hernandez was most recently the Director of School Improvement for Portland Public Schools. Prior to PPS, he was Vice President of Strategy at the Inner City Education Foundation (ICEF), a nonprofit manager of the highest-performing charter schools in Los Angeles, and was named 2005 Teacher of the Year at ICEF's third school, View Park Preparatory Charter High School. Mr. Hernandez graduated from Claremont McKenna and received a M.B.A. and a Masters of Arts in Education from Stanford.

As the Regional Vice President for Los Angeles, Dr. Roberta Benjamin has spent 35 years in public education in different capacities. She has served in the Los Angeles Unified School District as a teacher, principal, district level leader and former head of the district's charter schools division. Dr. Benjamin is also an Associate Professor at Loyola Marymount University.

Financial Analysis: Staff's review of Aspire's financial performance is based on four years of audited financial statements (2005-06 through 2008-09), and financial projections from 2009-10 through 2014-15 as provided by Aspire.

Highlighted in this section are financial data and credit indicators used to evaluate Aspire's ability to meet its CSFP obligations for its projects funded by Propositions 55. Staff's financial analysis is based on information for Aspire as an organization and not for each applicant school on a stand-alone basis. Please note that the revenue, expenditure and changes to net assets recorded in financial audits and provided in Aspire's financial projections have been modified by staff, where necessary, to include capital outlays, operating leases and repayment of debt and other significant obligations, and to exclude non-cash items such as depreciation.

Long-Term Liabilities – At June 30, 2009, Aspire had outstanding long-term liabilities of \$35.54 million, which was a slight decrease from the \$35.60 million recorded at June 30, 2008. These debt obligations took the forms of two capital leases (\$19.58 million); two California Department of Education loans (\$801,606); two CSFP funding agreements (\$5.22 million) under Propositions 47 and 55; a publicly offered revenue bond (\$9.01 million); drawn lines of credit from Wells Fargo Bank (\$2.97 million) and Raza Development Fund, Inc. (\$749,999); and, a loan from NCB Capital Impact (\$161,102); and two Charter Fund, Inc. loans (\$2.00 million. Annual payments due under these various obligations will be paid before annual payments are made on the CSFP funding agreements for the projects funded by Propositions 55. Details regarding these long-term liabilities are provided below.

The capital lease of \$19.47 million for facilities at River Oaks Charter School and Benjamin Holt College Preparatory Academy has a term of January 1, 2005 through August 1, 2032 at an interest rate of 4.35%. Average annual payments due under the capital lease approximate \$1.39 million per year over the term. Aspire also entered into a capital lease for furniture with an outstanding balance of \$117,652 as of June 30, 2009.

The California Department of Education loan of \$250,000 became effective October 2007, bearing an interest rate of 2.69%. The loan is expected to be repaid in five annual installments of \$50,000 through 2014. An additional loan from the Department of Education became effective in December 2007 for \$807,000. The loan is to be repaid in annual installments of \$269,001 through the final maturity of 2011.

The two CSFP funding agreements are for: 50% of the project costs for the Proposition 47 financing of Rosa Parks in Stockton (30-year term to January 2037 with annual payments of \$328,275 based on a final interest rate of 5.25%) and 50% of the Advance Apportionment for the Prop 55 financing for Centennial.

The Series 2001A Revenue Bonds outstanding in the amount of \$9.01 million carry a fixed interest rate of 7.25% through final maturity of 2032; repayment is secured by a pledge of all assets and revenues of for Lionel Wilson College Preparatory Academy. Annual principal installments on this debt range from \$110,000 to \$760,000, with average annual debt service payments of \$815,000 per year over the term.

Aspire maintains a \$3.50 million and \$4.50 million line of credit with Wells Fargo Bank. The first was effective as of June 30, 2008 and carried a balance of \$2.97 million at June 30, 2009. The line of credit has since increased to \$5.50 million. This line of credit bears interest at 0.50% below the Prime Rate. The second (\$4.50 million) line of credit became effective September 16, 2009 and bears interest at 2.50% over the prime rate. These lines of credit are secured by all revenues, accounts and general intangibles.

Aspire has two lines of credit with Raza Development Fund, Inc. The first line, dated as of December 30, 2005 and bearing interest at a 6.0% rate, has a capacity of up to \$250,000. Interest on advances are payable monthly in arrears, while the principal balance and all outstanding interest is due at the maturity date of December 30, 2009. Aspire had advances of \$250,000 and repayments of \$125,001 during the year ended June 30, 2009. The outstanding balance as of June 30, 2009 was \$249,999. Aspire's second line of credit, dated December 30, 2005 and bearing interest at a 3.0% rate, has a capacity of up to \$500,000. Interest on advances are payable monthly in arrears, while the principal balance and all outstanding interest is due at the maturity date of December 30, 2009. Aspire had an outstanding balance of \$500,000 at June 30, 2009. In October 2009, Aspire negotiated extensions to the Raza line of credits to delay repayment of outstanding principal and interest for an additional year. Aspire's liquidity position is discussed further in the "Liquidity" section.

School Facilities – Aspire anticipates operating 50 charter schools with an aggregate enrollment of 17,324 students by 2014-15. As previously discussed, the facility costs for three of these 30 schools are represented by payments made on the Series 2001A Revenue Bonds and the capital lease, while the payments to CSFA for the funding agreements pursuant to Propositions 47, and expected for Proposition 55 and 1D, Aspire will account for the facility costs of four schools: Centennial - \$501,770; AMLA - \$540,684; Clarendon - \$792,679; Rosa Parks - \$328,275. Aspire's rent costs for East Palo Alto Charter School (EPACS) and East Palo Alto Phoenix Academy are not funded through debt or leases but rather take the form of the 3.0% oversight fee paid to Ravenswood City Elementary District for the use of its facilities.

Aspire leases land and buildings for an administrative office in Oakland and leases land and buildings in Stockton, Oakland, Modesto, East Palo Alto, Los Angeles and Sacramento under various operating leases. The financial audit notes that it is unlikely that Aspire will cancel any of these operating leases before they expire. The aggregate rental payments required under the terms of their operating leases ranges from a high of \$3.09 million in 2007-08 to a low of \$625,429 in 2013-14 with total operating lease payments approximating \$197,550, thereafter.

The aggregate facility costs for all Aspire schools incorporated into the financial projections are as follows: \$6.63 million (2009-10), \$8.41 million (2010-11), \$10.40 million (2011-12), and \$12.27 million (2012-13). These estimated expenses are equivalent to an average of 10.1% of annual total revenues including contributions. These levels are in the 10-15% affordability range and these commitments are not expected to impact the organization's flexibility to respond to any unforeseen costs.

Non-Operating Revenues from Contributions - Over the last four years, Aspire received the following total amounts of private grants and contributions averaging \$5.52 million per year:

\$4.74 million (2005-06), \$2.26 million (2006-07), \$7.19 million (2007-08), and \$7.90 million (2008-09). The financial projections estimate the following donations averaging \$8.01 million per year: \$6.42 million (2009-10), \$6.43 million (2010-11), \$7.68 million (2011-12), \$9.15 million (2012-13), \$9.20 million (2013-14), and \$9.20 million (2014-15). Historically, fundraising annual receipts averaged 13.7% and 13.3% of revenues in 2007-08 and 2008-09, but this average is expected to improve to 7.5% from 2009-10 through 2014-15. The projected percentage of contributions to revenues is below the 15.0% threshold level employed by staff.

Aspire’s projected contribution revenues are supported by listings of both “committed donations” and “anticipated donations” by donor. The following table presents these details. Of the \$48.07 million in fundraising receipts included in Aspire’s financial projections, roughly 32.3% is committed and 28.1% is anticipated with the remainder of 39.6% to come from start-up site donations. For 2013-14 and 2014-15, 24.2% of the expected contributions are from committed sources. Including only committed donations in calculating debt service coverage, Aspire is projected to achieve debt service coverage ratios of 117.8% and 241.4% in 2013-14 and 2014-15, respectively. Significant donors to Aspire are the Walton Family Foundation and the Bill & Melinda Gates Foundation.

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	TOTAL
Committed Donations							
Walton	\$ 400,000	\$ 800,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,200,000
Gates	393,000	-	-	-	-	-	393,000
Dell	846,000	-	-	-	-	-	846,000
Broad	400,000	-	-	-	-	-	400,000
Schwab	625,000	-	-	-	-	-	625,000
New Schools Venture Fund	660,000	-	-	-	-	-	660,000
Other Private Philanthropy	626,000	-	-	-	-	-	626,000
Start up Support	450,000	780,000	975,000	975,000	975,000	975,000	5,130,000
CDE Funding	400,000	250,000	250,000	250,000	250,000	250,000	1,650,000
Sub-total	\$ 4,800,000	\$ 1,830,000	\$ 2,225,000	\$ 2,225,000	\$ 2,225,000	\$ 2,225,000	\$ 15,530,000
% of Total Donations	74.8%	28.5%	29.0%	24.3%	24.2%	24.2%	32.3%
Anticipated Donations							
Broad/ Other TBD		2,000,000	2,500,000	3,000,000	3,000,000	3,000,000	13,500,000
Sub-total	\$ -	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 13,500,000
% of Total Donations	0.0%	31.1%	32.6%	32.8%	32.6%	32.6%	28.1%
Additional Donations - Sites	\$ 1,621,000	\$ 2,600,000	\$ 2,950,000	\$ 3,920,000	\$ 3,975,000	\$ 3,975,000	\$ 19,041,000
% of Total Donations	25.2%	40.4%	38.4%	42.9%	43.2%	43.2%	39.6%
Total Donations	\$ 6,421,000	\$ 6,430,000	\$ 7,675,000	\$ 9,145,000	\$ 9,200,000	\$ 9,200,000	\$ 48,071,000

Staff Adjusted Changes in Net Assets - Aspire’s historical and projected financial operations incorporate the aforementioned described enrollment trends, facility costs and non-operating revenues from contributions. The organization’s CFO prepared Aspire’s financial projections by carrying forward the State’s 2009-10 per-pupil funding rates for the 2010-11 through 2014-15 period, with annual increase. This static per-pupil revenue assumption is reasonable given that projected expenses do not include annual inflationary increases. The CFO has noted that the organization’s annual growth in expenses has historically correlated with increases in the State’s per-pupil funding rates. Aspire believes their financial projections are conservative also because per-pupil costs for facilities are expected to be fixed once financing has been arranged while per-pupil block and categorical grant revenues are likely to increase annually over time.

The organization's financial performance in each year from 2005-06 through 2014-15 is characterized by minimal decreases to net assets before receipt of contributions. As a percentage of total expenses, these decreases range from a historical high of -7.3% in 2008-09 to a projected low of 0.5% in 2014-15, and average -1.6% over the nine-year period. These decreases have been and are projected to be mitigated by Aspire's fundraising/contribution revenues, which averaged 11.5% of expenses from 2005-06 through 2008-09, and are expected to average 7.3% over the 2009-10 through 2014-15 periods. Staff notes that Aspire has been able to maintain positive ending fund balances due to receipt of sizeable donations. As Aspire endeavors to reach full scale with their projected number of schools and student enrollment, they will attempt to alleviate this reliance on donations through cost reductions in their home and regional offices and by realizing the operational efficiencies of opening additional schools. Factoring in their contribution revenues, Aspire experienced annual increases to net assets from 2007-08 to 2008-09 of \$7.13 million and \$7.00 million. Aspire continues to project increases to net assets in the amounts of \$857,694, \$1.02 million and \$2.93 million from 2009-10 through 2011-12. From 2012-13 through 2014-15, Aspire projects net revenues available after the CSFP lease payments to be \$5.78 million, \$7.36 million, and \$10.03 million, respectively.

The 2009-10 ADA funding rates of \$4,855 (grades 4 to 6), \$5,003 (grades 7 to 8), and \$5,845 (grades 9 to 12) were used as a base when determining projected future funding rates. Aspire assumed growth of 0.5%, 2.3%, 2.5%, 3.0% and 3.0% in years 2010-11 through 2013-14, respectively, to the general purpose block grant per ADA funding rates. The assumed growth rates are applied to the categorical block grant as well. Expenses are expected to increase based on enrollment levels, using the same annual growth COLAs as the per ADA funding rates.

Projected Debt Service Coverage – Debt service coverage ratios on CSFP payments are calculated using net revenues available after payment of debt service on any existing and projected indebtedness. Aspire does not have debt outstanding but no new debt has been incorporated into their financial projections. Staff calculates Net Revenues Available for CSFP Payments by adding back capital outlay expenses to the projected change in net assets on the presumption that these costs would be deferred if the obligor was unable to make its CSFP payments, and thus these funds would be accessible for CSFP payments. Prior to Aspire's expected CSFP payments, the annual increases in net assets are projected to be \$9.52 million in 2013-14 and \$12.20 million in 2013-14.

Assuming a 3.00% interest rate and 30-year repayment period, Aspire's annual CSFP payments for AMLA, Clarendon, and Centennial would total to \$1,835,133 commencing in 2013-14. In addition, Aspire's CSFP payment of \$328,275 for Rosa Parks is included in the calculation of debt service coverage with the combined CSFP payment totaling \$2,163,408. The following table presents detail on the CSFP payments for each of Aspire's four projects. Occupancy of the AMLA and Clarendon Prop 1D projects has not been determined but debt service coverage has been calculated inclusive of these combined projected lease payments. With CSFP payments expected to commence one year after a project's occupancy date, Aspire's Net Revenues Available for CSFP Payments in 2013-14 and 2014-15 are projected to provide debt service coverage of 440.2% and 563.8%, respectively, on all three estimated CSFP payments.

If debt service coverage is calculated using solely projections from Centennial’s operations, coverage of 117.0% and 119.8% are projected in 2013-14 and 2014-15, respectively. In addition, Centennial does not include contributions in its financial projections through 2014-15.

Contributions are projected to represent to be 6.6% and 5.7% of total revenues in 2013-14 and 2014-15. Aspire would need to receive at least 20.0% of expected contributions in 2013-14 and no contributions in 2014-15 to maintain debt service coverage ratios of greater than 100.0%.

School (Project)	CSFP Facility Occupancy Date	Project Cost	50% of Project Cost (Local Match)	Estimated Annual Payment*
Prop 1D: Clarendon, SBC (K-8)	TBD**	\$ 31,073,722	\$ 15,536,861	\$ 792,679
Prop 1D: Antonio Maria Lugo Academy (K-5)	TBD**	21,195,282	10,597,641	540,684
		\$ 52,269,004	\$ 26,134,502	\$ 1,333,363
Prop 55: Centennial College Preparatory	2012-13	\$ 19,669,826	\$ 9,834,913	\$ 501,770
Prop 47: Rosa Parks Academy	2008-09	\$ 9,517,000	\$ 4,758,500	\$ 328,275
Total		\$ 81,455,830	\$ 40,727,915	\$ 2,163,408

*CSFP payments for Rosa Parks represent actual amounts

**Although no occupancy date has been determined, estimated CSFP lease payments are accounted for when calculating debt service coverage in 2013-14 and 2014-15

Liquidity – For the fiscal year ending June 30, 2006, Aspire’s maintained a cash balance of \$233,342. Aspire experienced significant increases in cash balances from the prior year with an ending cash balance of \$3.85 million for 2006-07. Cash balances decreased substantially to \$24,527 at the end of 2007-08 and slightly increased to \$106,074 as of June 30, 2009. Liquidity is also measured in terms of net working capital (NWC) is calculated by subtracting current liabilities from current assets. Aspire’s NWC at June 30, 2008 was \$2.05 million, or 3.6% of total expenses, and decreased to \$1.57 million at June 30, 2009, or 2.4% of total expenses. As staff considers NWC equivalent to at least 5.0% of total expenses to be sufficient, Aspire’s most recent audited financials and cash balances indicate weak liquidity positions.

Aspire has indicated its weak liquidity position has been due to an investment in a property in 2007-08, that is not yet revenue-generating. As of June 30, 2009, a total of \$6.6 million in cash had gone towards the purchase of the property (\$4.7 million) and soft costs related to the development and environmental cleanup of the property (\$1.9 million). Because the site required substantial environmental cleanup work, the borrowings to cover the cash flow were made via a short-term operating line of credit with Wells Fargo bank.

The property has had extensive environmental cleanup work done and upon completion of that work, Aspire will have paid a total of approximately \$8.0 million towards the property. Aspire anticipates issuing bonds in March 2010 to finance nine schools on campuses

throughout California. Upon issuance of the bonds, the cash outflows associated with the aforementioned property will be repaid to Aspire via a sale into a limited liability company.

As a back-up plan in the event bonds cannot be sold in March 2010, Aspire has arranged a transaction with Pacific Charter School Development to alleviate Aspire's liquidity issues. PCSD would purchase the property from Aspire with a combination equity and third party lending, then lease the property back to Aspire. Aspire's lease payments to PCSD would cover financing costs and a deferred maintenance reserve. Lease payments increase rapidly in years 6 through 8 by 10% annually to encourage "take-out" financing with tax-exempt bonds. The charter schools are expected to be financially established at that time, which would allow for the tax-exempt financing and prepaying of the PCSD lease obligation.

Aspire Public Schools – Aspire Centennial College Preparatory Academy

Aspire Public Schools (for Aspire Centennial)	Actual FY 2007-08	Actual FY 2008-09	Budgeted FY 2009-10	Projected FY 2010-11	Projected FY 2011-12	Projected FY 2012-13	Projected FY 2013-14	Projected FY 2014-15
ENROLLMENT PROJECTIONS								
Enrollment	5,809	6,280	7,870	9,636	11,658	13,419	15,211	17,324
Average Daily Attendance	5,640	6,079	7,392	9,154	11,075	12,748	14,450	16,458
Average Daily Attendance (%)	97%	97%	94%	95%	95%	95%	95%	95%
FINANCIAL PROJECTIONS								
Total Revenues Available for CSFP Lease Payment	\$ 58,368,144	\$ 68,335,093	\$ 68,013,394	\$ 82,220,365	\$ 101,478,035	\$ 119,816,771	\$ 138,414,633	\$ 160,779,102
Total Expenses Paid Before CSFP Lease Payment	54,846,352	64,587,328	70,824,612	85,794,617	104,306,070	120,891,164	137,277,285	158,419,086
Accounting Adjustments	3,607,735	3,256,843	3,997,187	4,918,612	6,087,591	7,182,331	8,385,718	9,837,118
Net Revenues Available for CSFP Lease Payment	\$ 7,129,527	\$ 7,004,608	\$ 1,185,969	\$ 1,344,360	\$ 3,259,556	\$ 6,107,938	\$ 9,523,066	\$ 12,197,135
CSFP Lease Payment	\$ -	\$ -	\$ 328,275	\$ 328,275	\$ 328,275	\$ 328,275	\$ 2,163,408	\$ 2,163,408
Net Revenues After CSFP Lease Payment	\$ 7,129,527	\$ 7,004,608	\$ 857,694	\$ 1,016,085	\$ 2,931,281	\$ 5,779,663	\$ 7,359,658	\$ 10,033,727
FINANCIAL INDICATORS								
Net Revenues Available for CSFP Lease Payment	\$ 7,129,527	\$ 7,004,608	\$ 1,185,969	\$ 1,344,360	\$ 3,259,556	\$ 6,107,938	\$ 9,523,066	\$ 12,197,135
Debt Service Coverage by Net Revenues	N/A	N/A	361.3%	409.5%	992.9%	1860.6%	440.2%	563.8%
Contributions	\$ 7,312,177	\$ 7,900,816	\$ 6,421,171	\$ 6,430,000	\$ 7,675,000	\$ 9,145,000	\$ 9,200,000	\$ 9,200,000
Debt Service Coverage by Net Revenues (w/out Contributions)	N/A	N/A	Less than 0%	Less than 0%	Less than 0%	Less than 0%	14.9%	138.5%
CSFP Lease Payment / Revenues	N/A	N/A	0.5%	0.4%	0.3%	0.3%	1.6%	1.3%
Contributions / Revenues	12.5%	11.6%	9.4%	7.8%	7.6%	7.6%	6.6%	5.7%
Net Revenues After CSFP Lease Payment / Revenues	12.2%	10.3%	1.3%	1.2%	2.9%	4.8%	5.3%	6.2%
Revenues / ADA	\$ 10,350	\$ 11,241	\$ 9,201	\$ 8,982	\$ 9,163	\$ 9,399	\$ 9,579	\$ 9,769
Expenses / ADA	\$ 9,725	\$ 10,625	\$ 9,626	\$ 9,408	\$ 9,448	\$ 9,509	\$ 9,650	\$ 9,757
Surplus (Deficit) / ADA	\$ 624	\$ 617	\$ (425)	\$ (426)	\$ (285)	\$ (110)	\$ (71)	\$ 12
Net Working Capital	\$ 2,048,675	\$ 1,570,587						
Net Working Capital / Expenses	3.7%	2.4%						

Aspire Centennial College Preparatory Academy	Actual FY 2007-08	Actual FY 2008-09	Budgeted FY 2009-10	Projected FY 2010-11	Projected FY 2011-12	Projected FY 2012-13	Projected FY 2013-14	Projected FY 2014-15
ENROLLMENT PROJECTIONS								
Enrollment	402	405	516	725	852	400	400	400
Average Daily Attendance	389	394	503	703	826	388	388	388
Average Daily Attendance (%)	97%	97%	97%	97%	97%	97%	97%	97%
FINANCIAL PROJECTIONS								
Total Revenues Available for CSFP Lease Payment	\$ 3,687,721	\$ 4,182,656	\$ 4,333,871	\$ 5,549,506	\$ 6,489,173	\$ 3,293,158	\$ 3,022,419	\$ 3,083,158
Total Expenses Paid Before CSFP Lease Payment	3,493,890	4,366,314	4,611,611	5,500,568	6,418,406	3,171,482	2,475,368	2,521,957
Accounting Adjustments	92,935	50,501	72,197	205,000	270,000	140,000	40,000	40,000
Net Revenues Available for CSFP Lease Payment	\$ 286,766	\$ (133,157)	\$ (205,543)	\$ 253,938	\$ 340,767	\$ 261,675	\$ 587,051	\$ 601,201
CSFP Lease Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,770	\$ 501,770
Net Revenues After CSFP Lease Payment	\$ 286,766	\$ (133,157)	\$ (205,543)	\$ 253,938	\$ 340,767	\$ 261,675	\$ 85,281	\$ 99,431
FINANCIAL INDICATORS								
Net Revenues Available for CSFP Lease Payment	\$ 286,766	\$ (133,157)	\$ (205,543)	\$ 253,938	\$ 340,767	\$ 261,675	\$ 587,051	\$ 601,201
Debt Service Coverage by Net Revenues	N/A	N/A	N/A	N/A	N/A	N/A	117.0%	119.8%
Contributions	\$ 2,831	\$ 51,000	\$ 172,236	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Debt Service Coverage by Net Revenues (w/out Contributions)	N/A	N/A	N/A	N/A	N/A	N/A	117.0%	119.8%
CSFP Lease Payment / Revenues	N/A	N/A	N/A	N/A	N/A	N/A	16.6%	16.3%
Contributions / Revenues	0.1%	1.2%	4.0%	1.8%	N/A	N/A	N/A	N/A
Net Revenues After CSFP Lease Payment / Revenues	7.8%	-3.2%	-4.7%	4.6%	5.3%	7.9%	2.8%	3.2%
Revenues / ADA	\$ 9,480	\$ 10,603	\$ 8,621	\$ 7,891	\$ 7,852	\$ 8,488	\$ 7,790	\$ 7,946
Expenses / ADA	\$ 8,982	\$ 11,069	\$ 9,174	\$ 7,822	\$ 7,766	\$ 8,174	\$ 7,673	\$ 7,793
Surplus (Deficit) / ADA	\$ 498	\$ (466)	\$ (552)	\$ 70	\$ 86	\$ 314	\$ 117	\$ 153
Net Working Capital	\$ 1,159,662	\$ 992,464						
Net Working Capital / Expenses	33.2%	22.7%						

Strengths, Weaknesses and Mitigants

- + Strong improvement in meeting AYP criteria and continued improvement in API scores
- + Staff projects debt service coverage ratios for 2013-14 and 2014-15 of 440.2% and 563.8%, respectively. Aspire would need to receive at least 18% of expected contributions 2013-14 and no contributions in 2014-15 to maintain debt service coverage ratios of greater than 100.0%.
- + Strong management and leadership with support of local districts
- Aspire's historical and projected financial operations are characterized by sizeable, negative net operating losses and a strong reliance on contributions in order to maintain operations.
- Outstanding long-term liabilities of \$35.54 million at June 30, 2009
- Aspire's past financials have shown narrow cash balances along with weak liquidity indicators such as net working capital as a percentage of expenses.
- +/- Aspire anticipates issuing bonds in March 2010 to finance nine schools on campuses. In addition, the bond issuance plans to mitigate liquidity concerns due to prior investment in non-revenue generating property.

Staff Recommendation: Staff recommends that the California School Finance Authority Board determine that Aspire Public Schools is financially sound for the Charter School Facilities Program Advance Apportionment, but not Final Apportionment under the Program. This determination as it relates to an Advance Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period. Staff recommends that the Board direct staff to notify the Office of Public School Construction and the State Allocation Board regarding this determination.