

**Chicago Public Schools - Office of Innovation & Incubation  
2013-14 Financial & Compliance Performance Report**

|                       |                               |  |           |
|-----------------------|-------------------------------|--|-----------|
| <b>School:</b>        | ASPIRA Charter School Network | <b>School ID:</b>  | Various   |
| <b>Address:</b>       | 2415 N. Milwaukee Avenue      | <b>Financial Management &amp; Compliance Accountability Version:</b> | H         |
| <b>Phone:</b>         | 773-252-0970                  | <b>Term of Agreement:</b>  | 2013-2018 |
| <b>Grades Served:</b> | 6th-12th                      |  |           |

**Financial Management and Compliance**

| Category            | Indicator                    | Performance |
|---------------------|------------------------------|-------------|
|                     | Change in Net Assets (a)     | 4           |
|                     | Liquidity/Current Ratio (a)  | 1           |
|                     | Net Asset Ratio (a)          | 4           |
|                     | Cash on Hand Ratio (a) (b)   | 3           |
|                     | Loan Delinquency (a)         | 1           |
| Financial Condition | Budget                       | 1           |
| Financial Practices | Annual Audit (a)             | 1           |
| Compliance          | Legal Compliance             | 4           |
|                     | Budget                       | 2           |
|                     | Quarterly Statements         | 1           |
|                     | Audit                        | 4           |
| Reporting           | CPS/State/Federal Compliance | 1           |

(a) Scores are based on Aspira Inc. of Illinois' June 30, 2014 audited financial statements that include the charter school network and an other school (subcontracted to another charter organization) and other programs.

(b) The expenses associated with the in-kind contributions were used in the calculation of the cash on hand ratio that increased the score from "2" to "3".

ASPIRA Charter Network  
FY14

| FY14 Change in Net Assets         |                  |   |
|-----------------------------------|------------------|---|
| FY14 Surplus/(Deficit)            | <u>3,691,508</u> | Increase in net assets greater than budgeted deficit. <span style="float: right; border: 1px solid black; padding: 2px;">4</span> |
| FY14 Budgeted Surplus / (Deficit) | (25,880)         |   |

| Current Ratio   |                   |  |
|---|-------------------|--|
| Ratio Range   | Performance Score | <b>Current Ratio</b> <span style="float: right;"><u>0.29</u></span>  |
|   | 0 1               |  |
|   | 1 2               | <b>Performance Score</b> <span style="float: right;"><u>1</u></span> |
|   | 1.1 3             |  |
|   | 1.3 4             |  |
| **Includes \$8,666,401 in long-term debt that matures in FY15 |                   | Current Assets <span style="float: right;">2,909,402</span>          |
|   |                   | Current Liabilities** <span style="float: right;">10,058,199</span>  |

| Net Asset Ratio |                   |   |
|-----------------|-------------------|---|
| Ratio Range     | Performance Score | <b>Net Asset Ratio</b> <span style="float: right;"><u>53.83%</u></span> |
|                 | 0 1               | <b>Performance Score</b> <span style="float: right;"><u>4</u></span>    |
|                 | 0.1 2             |   |
|                 | 0.2 3             | Total Net Assets <span style="float: right;">13,719,226</span>          |
|                 | 0.3 4             | Total Assets <span style="float: right;"><u>25,488,139</u></span>       |

| Cash on Hand Ratio   |                   |  |
|--|-------------------|--|
| Ratio Range  | Performance Score | <b>Original Ratio</b> <span style="float: right;"><u>1.09</u></span>                                   |
|  | 0 1               | <b>Performance Score</b> <span style="float: right;"><u>3</u></span>                                   |
|  | 0.75 2            |  |
|  | 1 3               | Year-end Cash Balance <span style="float: right;">1,407,908</span>                                     |
|  | 3 4               | Est. Monthly Cash Expenses <span style="float: right;"><u>1,294,878</u></span>                         |
| (a) Includes expenses related to contributed services (revenue of \$2,039,881) |                   | Total FY Expenses <span style="float: right;">18,293,063</span>  |
|  |                   | Less: Depr. and Amort. And contrib. expenses (a) <span style="float: right;"><u>(2,754,523)</u></span> |
|  |                   | Est. Total Cash Expenses <span style="float: right;">15,538,540</span>                                 |
|  |                   | Est. Monthly Cash Expenses (/12) <span style="float: right;">1,294,878</span>                          |

| Loan Delinquency  |   |
|---|---|
| More than 3 payments received after 30 days of due date | Performance Score <span style="float: right; border: 1px solid black; padding: 2px;">1</span> |

| FY15 Budget   |   |
|---|---|
| Appears to be an unrealistic budget with unreasonable and missing assumptions and needs to be resubmitted (a) | Performance Score <span style="float: right; border: 1px solid black; padding: 2px;">1</span> |

(a) Budget was not resubmitted-it was discussed with Aspira's CFO (May 2015)

**FY14 Annual Audit**

|   |   |          |
|---|---|----------|
| Audit Opinion:                                | Unqualified   | <b>1</b> |
| Significant Deficiencies / Material Weakness: | Material Weakness: "Ineffective oversight of ASPIRA's financial reporting and internal control by those charged with governance"<br><br><u>Significant Deficiencies:</u><br>"Improper Revenue Recognition",<br>"Improper Payroll Reporting" |          |

**Compliance**

|           |      |          |
|-----------|------|----------|
| Findings: | None | <b>4</b> |
|-----------|------|----------|

**Reporting - Timeliness or not Submitted**

|                           |   |          |
|---------------------------|---|----------|
| FY14 Budget               | <b>Late:</b> Submitted with significant delay (45 days or more)   | <b>2</b> |
| FY14 Quarterly Statements | <b>Not Submitted:</b> 1st Quarter Statement, 2nd Quarter Statement and 4th Quarter<br><b>Late:</b> 3rd quarter  | <b>1</b> |
| FY14 Audit                |   | <b>4</b> |
| CPS/Fed/State Compliance  | <b>All Campuses Late:</b> Schedule of Board Meeting Dates, List of Board Members, Certificate of Liability Insurance, Fiscal Handbook, Statement. <b>Early College Late:</b> Lease or Permit. | <b>1</b> |

**Version H: Financial Management and Compliance Rating Matrix for the 2013-2014 Performance Report**

**Financial Condition and Budget:**

| <b>Indicator</b>        | <b>+4</b>   | <b>+3</b>  | <b>+2</b>   | <b>+1</b>   |
|-------------------------|---|--|---|---|
| Change in Net Assets    | Increase in net assets in line with or greater than budgeted surplus                          | Increase in net assets less than budgeted surplus or realizing a balanced budget                     | Decrease in net assets in line with or less than budgeted deficit             | Unbudgeted decrease in net assets or decrease in net assets greater than budgeted deficit |
| Liquidity/Current Ratio | Current ratio is greater than or equal to 1.3   | Current ratio is less than 1.3 but greater than or equal to 1.1                                      | Current ratio is less than 1.1 but greater than or equal to 1.0               | Current ratio is less than 1.0  |
| Net Asset Ratio         | Net assets are greater than or equal to 30% of total assets                                   | Net assets are greater than or equal to 20% of total assets but less than 30%                        | Net assets are greater than or equal to 10% of total assets but less than 20% | Net assets are less than 10% of total assets  |
| Cash-on-hand Ratio      | Cash/avg. monthly expenses greater or equal to 3.0  | Cash/avg. monthly expenses greater or equal to 1.0 but less than 3.0                                 | Cash/avg. monthly expenses greater or equal to 0.75 but less than 1.0         | Cash/avg. monthly expenses less than .75  |
| Loan Delinquency        | No late payments in last twelve months, or no outstanding debt                                | One late payment in last twelve months   | Two or three late payments in last twelve months                              | More than three late payments in last twelve months                                       |
| Budget                  | Realistic budget with reasonable assumptions and revisions allowed through the end of October | Realistic budget with mostly reasonable assumptions and revisions allowed through the end of October | Realistic budget without assumptions and needs to be resubmitted              | Unrealistic budget with unreasonable assumptions and needs to be resubmitted              |

**Financial Controls:**

| <b>Indicator</b> | <b>+4</b>   | <b>+3</b>   | <b>+2</b>   | <b>+1</b>   |
|------------------|---|---|---|---|
| Annual Audit     | Unqualified opinion, no material weaknesses or significant deficiencies | Unqualified opinion; one significant deficiency noted, but school will address within 12 months | Unqualified opinion, with two noted significant deficiencies. | Unqualified opinion, with a noted material weakness or three or more significant deficiencies; or a qualified opinion |

**Compliance:**

| <b>Indicator</b> | <b>+4</b>   | <b>+3</b>   | <b>+2</b>  | <b>+1</b>   |
|------------------|---|---|--|---|
| Legal Compliance | Auditor report on compliance reflects no findings | Auditor report on compliance reflects one finding | Auditor report on compliance reflects two findings | Auditor report on compliance reflects three or more findings; and/or audit states that corrections have not been made for prior year finding(s) |

**Reporting:**

| <b>Indicator</b>                              | <b>+4</b>  | <b>+3</b>  | <b>+2</b>   | <b>+1</b>  |
|---|--|--|---|--|
| Budget  | Budget is submitted on a timely basis                | Budget is submitted with one delay but with prior notification to and acknowledgement by I & I | Budget is submitted with significant delay or submitted late without prior notification to and acknowledgement by I & I | Budget is submitted with significant delay for second year in a row, or not submitted at all |
| Quarterly Statements                          | Quarterly statements are submitted on a timely basis | Quarterly statements are submitted late one time   | Quarterly statements are submitted late two times   | Quarterly statements are submitted late three or more times, or not submitted at all         |
| Audit   | Audit is submitted on a timely basis                 | Audit is submitted with one delay but with prior notification to and acknowledgement by I & I  | Audit is submitted with significant delay or submitted late without prior notification to and acknowledgement by I & I  | Audit is submitted with significant delay for second year in a row, or not submitted at all  |
| CPS/State/Fed Compliance Document Submissions | Timely submittal of all required documents           | Late submittal of up to two required documents   | Late submittal of three required documents  | Late submittal of more than three required documents   |