

**Arete Preparatory Academy**  
**Notice of Meeting of Board of Directors**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to members of the Board of Directors of Arete Preparatory Academy and to the general public that the Board of Directors will hold a meeting open to the public on **Tuesday, June 19, 2018 at 11:00 a.m.** The meeting will be held telephonically, all public members are able to join and participate in the entire call by calling **641-715-3580, and entering conference code 852213#**. Public members are also welcome to participate by attending the meeting in person at the Coliseum Conference Room on the second floor of the **Cicero Campus, 7205 N Pima Rd Scottsdale, AZ 85250**.

Additional documentation relating to public meeting agenda items may be obtained at least 24 hours in advance of the meeting by contacting Gena McFarland at (502) 644-2580. Persons with a disability may request a reasonable accommodation by contacting Gena McFarland at (502) 644-2580 at least 48 hours in advance of the meeting to allow time to arrange for the accommodation

**AGENDA**

1. Call to Order
2. Call to the Public  
*In compliance with the Open Meeting Law, the Board of Directors will neither discuss nor take action on issues raised during the call to the public that are not specifically identified on the agenda. At the conclusion of an open call to the public, members of the Board of Directors may, however, respond to criticism made by those who have addressed the Board, ask staff to review a matter, or ask that a matter be placed on a future agenda.*
3. Approval of Consent Agenda  
*Any member of the public or member of the board of directors may request that a consent agenda item be removed from the consent agenda and discussed separately.*  
Approval of the Minutes from the February 5, 2018 Meeting
4. Approval of the Proposed Annual Budget for School Year 2018-2019
5. Announcements/Adjournment

*Members of the Board of Directors will attend the meeting either in person or by telephone conference call. The Board reserves the right to change the order of items on the agenda, with the exception of public hearings set for a specific time.*

**Dated and posted this \_\_\_\_\_ day of \_\_\_\_\_ 2018, at \_\_\_\_\_ a.m. / p.m.**  
**Arete Preparatory Academy-**

**Signature** \_\_\_\_\_

**Print name** \_\_\_\_\_

**ARETE PREPARATORY ACADEMY**

Board of Directors

Unapproved Minutes

Date: February 5, 2018

Time: 10:45 a.m.

Location: Great Hearts Quayle Campus

A meeting of the Great Hearts Academies-Arete Preparatory Academy Board of Directors was held at Great Hearts Quayle Campus, 3102 N. 56th Street, Suite 300, Phoenix AZ 85018, pursuant to A.R.S. 38-431.02, notice having been duly given.

**I. Call to Order**

Mr. Denton called the meeting to order at 10:53 a.m. The following directors/administrators were present/absent:

| <b>Directors</b>             | <b>Office</b>          | <b>Present</b> | <b>Absent</b> | <b>Notes</b> |
|------------------------------|------------------------|----------------|---------------|--------------|
| David Denton                 | President              | X              |               |              |
| Karen Tibbitts               | Vice President         |                | X             |              |
| Marilyn Papke                | Secretary              |                | X             |              |
| Scott Grondin                | Director               | X              |               | By phone     |
| Lois Yates                   | Director               | X              |               |              |
| John Paul Poppleton          | Director               | X              |               |              |
| Bayo Atolagbe                | Director               |                | X             |              |
| <b>Administration/Guests</b> |                        |                |               |              |
| Julia Gillingham             | Headmaster, Arete Prep | X              |               |              |

|                   |  |   |  |  |
|-------------------|--|---|--|--|
| Jennifer Bradshaw | Manager, School Accounting                               | X |  |  |
| Gracie Rose       | Staff Accountant, GH                                     | X |  |  |
| Michele Wilson    | Director of Academy Giving, Arete Prep and Archway Arete | X |  |  |
| Robert Wagner     | Superintendent Arizona Schools                           | X |  |  |

## II. Call to the Public

|  |  |  |
|--|--|--|
| Mr. Denton made a call to the public at 10:54a.m. No public was present. |  |  |
|--|--|--|

## III. Approval of Consent Agenda

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>a. Approval of the Minutes from the November 7, 201 meeting</li> <li>b. Approval of the Minutes from the November 7, 2018 Executive Session Meeting</li> </ul> | Ms. Yates moved that the Board approve the consent agenda, seconded by Mr. Poppleton, all in favor, none opposed, motion carried at 10:54 a.m. |
|---|--|

## IV. Headmaster's Report

|  |  |
|--|--|
| <p>Ms. Gillingham presented the headmaster report. Forecasting has been a point of stress. Ms. Rose has been wonderful and out to the school to discuss this with her. Enrollment has been impacted by new school opening. Ms. Gillingham has been enjoying observations with 276 completed. She has also been busy with hiring, planning and strategic meetings. Vandalism has been a problem and costly in the boys' bathroom. There has been much communication and investigation regarding this issue. In regard to AZ Merit, the department leads have been sharing results from test and</p> |  |
|--|--|

|   |  |
|---|--|
| <p>MAP testing. She also looks at curriculum and AZ merit with example questions, practice tests and teacher learning circles. The MAP testing is not very helpful except for bubble students. She likes US Test Prep better, but was unable to approve the expenditure for it this year.</p> |  |
|---|--|

## V. Approval to change the Mission Statement of the Academy

|  |  |
|--|--|
| <p>“The mission of Arete Preparatory Academy is to cultivate the minds and hearts of students through the pursuit of Truth, Goodness, and Beauty.”</p> | <p>Mr. Poppleton moved to change the mission statement of Arete Preparatory Academy to: “The mission of Arete Preparatory Academy is to cultivate the minds and hearts of students through the pursuit of Truth, Goodness, and Beauty.”<br/>Seconded by Ms. Yates, all in favor, none opposed the motion carried at 11:10 a.m.</p> |
|--|--|

## VI. Financial Report

|  |  |
|--|--|
| <p>Ms. Rose introduced Jennifer Bradshaw as the new manager of school accounting. Ms. Rose reviewed the year to date financial highlights and forecast. She mentioned that all 3 of the covenants are met. She reviewed the actuals, budget and variances. There is 71 days cash on hand. There were some high administrative costs and timing variances. There is further work to be done on Athletic budget. The forecast has caused some confusion, but should be worked out.</p> |  |
|--|--|

## VII. Development Report

|  |  |
|--|--|
| <p>Ms. Wilson presented the development report. Arete Prep has reached 98% of goal in community investment and 70% of Tax Credit. It can be a struggle to motivate at Prep, but have started a club and team contest with prizes. November 28<sup>th</sup></p> |  |
|--|--|

|   |  |  |
|---|--|--|
| giving day was a success, but may do it a different day next year. She works at registration with the office manager to educate new families. |  |  |
|---|--|--|

**IX. Possible Executive Session**

|      |  |  |
|------|--|--|
| None |  |  |
|------|--|--|

**X. Leave Executive Session**

|      |  |  |
|------|--|--|
| None |  |  |
|------|--|--|

**XI. Possible Motions from Executive Session**

|      |  |  |
|------|--|--|
| None |  |  |
|------|--|--|

**XII. Announcements/Adjournment**

|  |  |  |
|--|--|--|
| <b>Next Board Meeting:</b> 4:45 pm on Tuesday, May 1, 2018 at the Arete Campus, subject to change. |  | Mr. Denton adjourned the meeting at 11:35 a.m. |
|--|--|--|

\_\_\_\_\_  
Submitted by, Secretary Marilyn Papke

-Gena McFarland, Scribe-



### GREAT HEARTS ACADEMIES—ARETE HEADMASTER SITE BOARD REPORT

#### EOY Enrollment Numbers

#### Enrollment Summary: Federal Ethnicity and Race Report

Arete Preparatory Academy

**View:**  
 Federal Ethnicity and Race ▾

**Students:**  
 All Active Enrollments  
 Current Selection

**Date:**  
 06/06/2018

| Grade Level  | Total in Grade          | White                   | Black or African American | Asian               | American Indian or Alaska Native | Native Hawaiian / Other Pac Islander | Hispanic/Latino      | Two or More Race Categories | Unspecified       |
|--------------|-------------------------|-------------------------|---------------------------|---------------------|----------------------------------|--------------------------------------|----------------------|-----------------------------|-------------------|
| 6            | 97<br>49 / 48           | 65<br>40 / 25           | 1<br>1 / 0                | 8<br>2 / 6          | 0<br>0 / 0                       | 0<br>0 / 0                           | 19<br>5 / 14         | 4<br>1 / 3                  | 0<br>0 / 0        |
| 7            | 95<br>44 / 51           | 67<br>29 / 38           | 3<br>0 / 3                | 4<br>2 / 2          | 0<br>0 / 0                       | 1<br>0 / 1                           | 15<br>10 / 5         | 5<br>3 / 2                  | 0<br>0 / 0        |
| 8            | 91<br>45 / 46           | 61<br>32 / 29           | 3<br>2 / 1                | 3<br>1 / 2          | 2<br>0 / 2                       | 2<br>2 / 0                           | 15<br>7 / 8          | 5<br>1 / 4                  | 0<br>0 / 0        |
| 9            | 76<br>43 / 33           | 48<br>29 / 19           | 7<br>5 / 2                | 4<br>1 / 3          | 1<br>0 / 1                       | 1<br>1 / 0                           | 13<br>5 / 8          | 2<br>2 / 0                  | 0<br>0 / 0        |
| 10           | 54<br>23 / 31           | 40<br>19 / 21           | 1<br>0 / 1                | 1<br>0 / 1          | 0<br>0 / 0                       | 0<br>0 / 0                           | 11<br>4 / 7          | 1<br>0 / 1                  | 0<br>0 / 0        |
| 11           | 61<br>28 / 33           | 41<br>20 / 21           | 2<br>0 / 2                | 3<br>1 / 2          | 0<br>0 / 0                       | 0<br>0 / 0                           | 15<br>7 / 8          | 0<br>0 / 0                  | 0<br>0 / 0        |
| 12           | 57<br>32 / 25           | 42<br>24 / 18           | 2<br>1 / 1                | 1<br>0 / 1          | 0<br>0 / 0                       | 0<br>0 / 0                           | 9<br>5 / 4           | 3<br>2 / 1                  | 0<br>0 / 0        |
| <b>Total</b> | <b>531</b><br>264 / 267 | <b>364</b><br>193 / 171 | <b>19</b><br>9 / 10       | <b>24</b><br>7 / 17 | <b>3</b><br>0 / 3                | <b>4</b><br>3 / 1                    | <b>97</b><br>43 / 54 | <b>20</b><br>9 / 11         | <b>0</b><br>0 / 0 |

The Federal Ethnicity and Race view displays aggregate student data as required by the Federal Ethnicity and Race Categories from the U.S. Department of Education. See the help for more information.

|              |        |        |
|--------------|--------|--------|
| Jan-May 2018 | ADM    | ADA    |
| Average:     | 530.93 | 505.75 |

Arete had a great year. Our survey results, attached, show the strong faculty community and the Arete parents continue to value the hard work of the teachers and support staff.

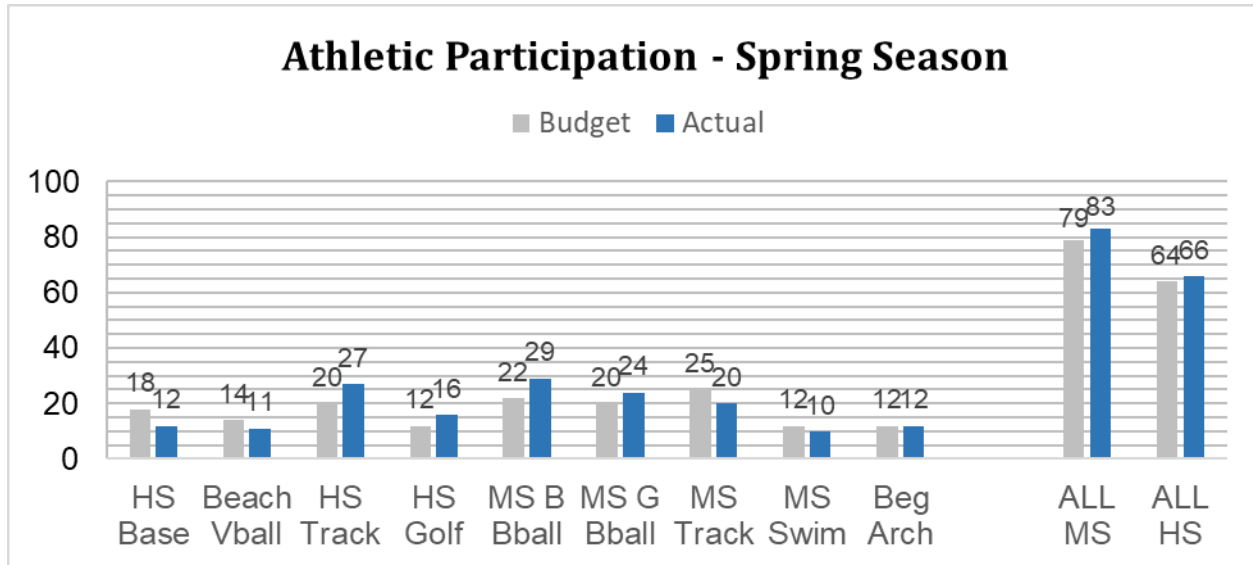
Next year as a school our Thematic Goal will be *cultivating positive student character*. In addition to this school wide goal, the operations team has chosen to work on ensuring proactive and streamlined communication.

## TLC Report—Athletics

### Spring Season Participation

Middle School Total: Projected 79, Actual 83

High School Total: Projected 64, Actual 66



### Recent Activity

- The spring sports award banquet on May 11<sup>th</sup> was a success. We celebrated middle school teams first following by a 30 minute intermission for appetizers and desserts, and then celebrated the high school teams. This format will be continued into next year according to the positive feedback we received.
- End of Year Awards: 28 high school athletes received post-season recognition; 14 archers were awarded Academic Archer awards (3.0 or higher); three graduates will compete in college (Isaac Iniguez, Jake Zajdzinski, and Alex Inghram); 19 middle school iron athletes, and 14 high school iron athletes.
- Chargers of the Year: Matthew McClelland, Alissa Kassebaum, Adam Whitehead, Lauren Janda, and Caroline Tibbitts.
- The 2<sup>nd</sup> Annual Golf Tournament fell short of projected revenue but still exceeded the previous year. The first tournament yielded \$3300, this year's revenue was \$5800. We increased participants from 21 to 32, and sponsorships from three to six.
- Enrollment for the Summer Camps has started: Basketball in June, and Soccer and Volleyball in late July.
- We started renting our gym and athletic field in February. A youth soccer league on Thursdays for the field, and an adult basketball league on Sundays along with a youth club basketball team during the week.

### Support Needed or Desired (if any)

- A brief but detailed video explaining how the tax credit program works. There are too many people who are still uneducated about how the tax credit program works.

## Front Office Report

**Team Members:** Nancy Harris, (Office Manager) Melody Pati, (Registrar), Julie Tufte (new Registrar), Leslie Martinez (Front Office Coordinator) and Beth Melvin (Front Office Coordinator)

### Area of Focus for the team:

- Enrollment as of 6-4-18 for 2018-2019
  - 6<sup>th</sup>- 108 / waitlist - 27
  - 7<sup>th</sup>- 109 / waitlist - 15
  - 8<sup>th</sup>- 104 / waitlist - 28
  - 9<sup>th</sup>- 97 / waitlist - 12
  - 10<sup>th</sup>- 74 / waitlist -15
  - 11<sup>th</sup>- 55 / waitlist - 7
  - 12<sup>th</sup>- 59 / waitlist - 5
  
- Onboard new Registrar
- End of Year duties



# College Counseling Report

## Arete Preparatory Academy College Counseling Information – Fourth Quarter 2017-18 (Recent Activity and Progress)

### College acceptances and where students are matriculating

|  |   |  |
|--|---|--|
| Adelphi University                       | GCU Honors Program*                         | Seattle Pacific University                 |
| Arcadia University                       | Hendrix College                             | Seattle Pacific Honors College*            |
| Arizona Christian University*            | Illinois Wesleyan University*               | Seattle University * (2)                   |
| Arizona State University* (9)            | Kalamazoo College*                          | Soka University                            |
| Ave Maria University*                    | Lake Forest College                         | Southern Methodist U*                      |
| Barrett, the Honors College at ASU* (11) | Lawrence University                         | St. Edward's University                    |
| Belmont University Honors Program*       | Lehigh University*                          | St. Francis College                        |
| Benedictine University at Mesa (AZ)      | Lewis & Clark College                       | St. John's College*                        |
| Brigham Young University*                | Loyola U Chicago*                           | Texas Christian University                 |
| California Lutheran U *                  | Loyola University New Orleans               | The University of Arizona*                 |
| Central College                          | Mesa Community College*(3)                  | University of Arizona, Honors College* (2) |
| Colorado School of Mines*                | Mesa Community College, Honors Program (1)* | University of Minnesota, Twin Cities       |
| Creighton University                     | Northern Arizona University*                | University of Dallas                       |
| Doane College                            | Northern Arizona University Honors (2)*     | University of Oregon                       |
| Dominican University                     | Northwestern Michigan College               | University of Portland                     |
| Drexel University                        | Ohio Wesleyan                               | University of Redlands*                    |
| Drew University*                         | Oklahoma City University                    | University of Rochester                    |
| Emmanuel College                         | Olivet College                              | Washington State U                         |
| Emory University                         | Oregon State University                     | Westmont College                           |
| Five Towns College                       | Pace University                             | Whittier College                           |
| Fort Lewis College                       | Pepperdine University                       | Whitworth University                       |
| Franciscan University of Steubenville*   | Regis University *                          | Willamette University                      |
| GCU*(3)                                  | Rhodes College *                            |  |
|  | Samford University                          |  |
|  | Santa Clara University                      |  |

\*Denotes Matriculation

## College Counseling report continued

### Application Statistics:

|   |     |
|---|-----|
| • % of students who applied to a 4 year college/<br>university  | 95% |
| • % of students planning on a 2 year college  | 7%  |
| • % of students who have applied out of state<br>• % of students attending out of state colleges                          | 60% |
|   | 31% |
| • % of students who have applied to at least one<br>school EA/Priority/REA/Single Choice                                  | 67% |
| • % of students who have applied Early Decision   | 2%  |
| • % of students who have applied to an Honors<br>Program or Honors College<br>% of students accepted to an Honors College | 64% |
|   | 38% |
| • Average number of applications per student  | 5   |
| • Highest number of applications by a student   | 8   |
| • Number of college visits to Arete Prep  | 77  |
| • Percentage of seniors receiving scholarship<br>(as of 5/15/18)  | 93% |

### Noteworthy Statistics

Scholarship Total \$7,750,524 (49/55 reporting)

Total Value of Merit Scholarships ACCEPTED –\$2,028,804

Average per student \$138,402 (Four Year Total)

Average per Year \$34,600

93% of Arete Seniors receiving scholarship (As of 5.15.18)

25% of the Class of 2018 earned Presidential Scholarships at the state universities

ASU = 10k

U of A= 11k

NAU= Full Tuition

### Final Statistics for Class of 2018

Graduating Class of 56 Students

50 attending 4 Year University

4 attending 2 Year University

1 enlisted in Army

1 Gap Year

34% of Arete 2018 Graduates are attending an Honors College, either in state or at their private college.

34% of Arete 2018 Graduates attending a highly selective college/university

### Obstacles and challenges

Nothing not already previously noted.

**Arete Preparatory Academy**  
**Summary Statements of Activities**  
**June 2018 School Board Package**

|   | YTD as of<br>Apr-2018<br>Actuals | YTD as of<br>Apr-2018<br>Budget | A v B<br>\$ Variance | A v B<br>% Variance | YTD as of<br>Apr-2017<br>Actuals |
|---|----------------------------------|---------------------------------|----------------------|---------------------|----------------------------------|
| Enrollment (ADM)                            | 555                              | 559                             | (4)                  | (1%)                | 528                              |
| <b>Revenue</b>                              |                                  |                                 |                      |                     |                                  |
| Federal and State                           | \$ 3,062,601                     | \$ 3,123,061                    | \$ (60,460)          | (2%)                | \$ 2,996,137                     |
| Student Fees                                | 216,473                          | 259,867                         | (43,394)             | (17%)               | 125,337                          |
| Comm Investment, Tax Credits & Philanthropy | 362,428                          | 376,305                         | (13,877)             | (4%)                | 336,592                          |
| Rental Income                               | 1,260                            | -                               | 1,260                | 0%                  | -                                |
| Total Revenue                               | 3,642,762                        | 3,759,233                       | (116,471)            | (3%)                | 3,458,066                        |
| <b>Expense</b>                              |                                  |                                 |                      |                     |                                  |
| Instructional                               | 1,891,348                        | 1,774,732                       | (116,616)            | (7%)                | 1,643,243                        |
| Special Education                           | 167,465                          | 170,102                         | 2,637                | 2%                  | 132,775                          |
| Extra Curricular: Athletics                 | 254,490                          | 222,911                         | (31,579)             | (14%)               | 213,317                          |
| Extra Curricular: Non-Athletics             | 23,350                           | 6,990                           | (16,360)             | (234%)              | 11,820                           |
| Support Services: Facilities                | 654,701                          | 665,320                         | 10,619               | 2%                  | 659,269                          |
| Support Services: Other Non-Instructional   | 98,805                           | 126,451                         | 27,646               | 22%                 | 81,677                           |
| Support Services: Administration            | 903,574                          | 844,147                         | (59,427)             | (7%)                | 788,916                          |
| Depreciation & Amortization                 | 37,765                           | 38,873                          | 1,108                | 3%                  | 36,080                           |
| Total Operating Expense                     | 4,031,498                        | 3,849,526                       | (181,972)            | (5%)                | 3,567,097                        |
| Net Operating Income (Loss)                 | (388,736)                        | (90,293)                        | (298,443)            | (331%)              | (109,031)                        |
|   | (11%)                            |                                 |                      |                     | (3%)                             |
| <b>Other Income</b>                         |                                  |                                 |                      |                     |                                  |
| Other Income                                | 10,209                           | 16,790                          | (6,581)              | (39%)               | 50,679                           |
| Total Other Income                          | 10,209                           | 16,790                          | (6,581)              | (39%)               | 50,679                           |
| <b>Other Expense</b>                        |                                  |                                 |                      |                     |                                  |
| Other Expense                               | -                                | -                               | -                    | 0%                  | -                                |
| Total Other Expense                         | -                                | -                               | -                    | 0%                  | -                                |
| Change in Net Assets                        | \$ (378,527)                     | \$ (73,503)                     | \$ (305,024)         | (415%)              | \$ (58,352)                      |
|   | (10%)                            |                                 |                      |                     | (2%)                             |
| <b>Cash Adjustments:</b>                    |                                  |                                 |                      |                     |                                  |
| Depreciation & Amortization                 | 37,765                           | 38,873                          | (1,108)              | (3%)                | 36,080                           |
| Leasehold Improvements                      | (36,700)                         | (52,000)                        | 15,300               | 29%                 | (9,381)                          |
| Furniture, Fixtures and Equipment           | (16,236)                         | -                               | (16,236)             | (100%)              | (123,671)                        |
| Technology (Hardware/Software)              | -                                | -                               | -                    | 0%                  | (55,980)                         |
| Change in Net Cash                          | \$ (393,698)                     | \$ (86,630)                     | \$ (307,068)         | (354%)              | \$ (211,304)                     |
|   | (11%)                            |                                 |                      |                     | (6%)                             |
| Per Student Revenue                         | \$ 6,564                         | \$ 6,725                        | \$ (161)             | (2%)                | \$ 6,549                         |
| Per Student Operating Expense               | 7,264                            | 6,886                           | (378)                | (5%)                | 6,756                            |
| Per Student Instructional Expense           | 3,408                            | 3,175                           | (233)                | (7%)                | 3,112                            |

**Arete Preparatory Academy**  
**Statement of Financial Position**  
**For the Period Ended,**

|                                   | <u>Apr-2018</u>     | <u>Apr-2017</u>     | <u>Jun-2017</u>     |
|-----------------------------------|---------------------|---------------------|---------------------|
| Current assets:                   |                     |                     |                     |
| Cash                              | 1,008,124           | 1,078,031           | 1,159,812           |
| Due from government               | -                   | -                   | 14,058              |
| Other receivables                 | -                   | 806                 | 667                 |
| Due from related party            | 11,191              | 15,244              | 1,179               |
| Prepaid Expenses                  | 8,370               | 12,346              | 62,849              |
| Total current assets              | <u>1,027,685</u>    | <u>1,106,427</u>    | <u>1,238,565</u>    |
| Property and equipment:           |                     |                     |                     |
| Leasehold improvements            | 77,676              | 50,357              | 40,975              |
| Furniture, fixtures and equipment | 288,846             | 280,085             | 272,609             |
| Construction in progress          | -                   | -                   | 8,118               |
| Less accumulated depreciation     | <u>(132,673)</u>    | <u>(90,149)</u>     | <u>(94,907)</u>     |
|                                   | 233,849             | 240,293             | 226,795             |
| Deposits                          | <u>27,700</u>       | <u>27,700</u>       | <u>27,700</u>       |
| Total assets                      | <u>\$ 1,289,234</u> | <u>\$ 1,374,420</u> | <u>\$ 1,493,060</u> |
| Current liabilities:              |                     |                     |                     |
| Accounts payable                  | 9,960               | 18,692              | 14,351              |
| Accrued payroll and related       | 127,640             | 6,446               | 8,240               |
| Deferred revenue                  | 86,479              | 98,248              | 98,395              |
| Due to related party              | 75,138              | 63,552              | 18,742              |
| Deposits held for others          | 184,530             | 180,166             | 169,316             |
| Total current liabilities         | <u>483,747</u>      | <u>367,104</u>      | <u>309,044</u>      |
| Net assets                        | <u>805,487</u>      | <u>1,007,316</u>    | <u>1,184,016</u>    |
| Total liabilities and net assets  | <u>\$ 1,289,234</u> | <u>\$ 1,374,420</u> | <u>\$ 1,493,060</u> |

## Arete Preparatory Academy

### Statement of Cash Flows

For the Period Ended,

|   | <u>Apr-2018</u>     | <u>Apr-2017</u>     |
|---|---------------------|---------------------|
| Cash flows from operating activities:   |                     |                     |
| Changes in net assets   | \$ (378,529)        | \$ (48,955)         |
| Adjustment to reconcile change in net assets to net cash<br>(used in) provided by operating activities: |                     |                     |
| Depreciation and amortization   | 37,765              | 36,080              |
| Changes in:   |                     |                     |
| Due from government   | 14,058              | 24,879              |
| Other receivables   | 667                 | 43,272              |
| Due from related party  | 46,382              | 1,510               |
| Prepaid expenses  | 54,478              | 65,100              |
| Deposits  | -                   | 1,264               |
| Accounts payable  | (4,388)             | (80,570)            |
| Accrued payroll and related   | 119,400             | (33,993)            |
| Deferred revenue  | (11,916)            | (820)               |
| Deposits held for others  | 15,214              | 20,970              |
| Net cash (used in) provided by operating activities   | <u>(106,869)</u>    | <u>28,737</u>       |
| Cash flows from investing activities:   |                     |                     |
| Payments for property and equipment   | <u>(44,819)</u>     | <u>(137,940)</u>    |
| Net cash used in investing activities   | <u>(44,819)</u>     | <u>(137,940)</u>    |
| Net decrease in cash  | (151,688)           | (109,203)           |
| Cash, beginning of the period   | 1,159,812           | 1,187,234           |
| Cash, end of the period   | <u>\$ 1,008,124</u> | <u>\$ 1,078,031</u> |
|   | <b>Cash</b>         | <b>Days Cash</b>    |
|   | <b>Balance</b>      | <b>on Hand</b>      |
| <b>77 Day Target</b>  | <b>\$ 1,037,949</b> | <b>77</b>           |
| <b>True Operating Cash for the Month Ended:</b>   |                     |                     |
| Apr-2018  | 980,168             | 73                  |
| Mar-2018  | 1,013,687           | 75                  |
| Feb-2018  | 1,010,385           | 75                  |
| Jan-2018  | 930,161             | 69                  |
| Dec-2017  | 933,334             | 69                  |
| Nov-2017  | 890,626             | 66                  |
| Oct-2017  | 712,785             | 53                  |
| Sep-2017  | 896,814             | 67                  |
| Aug-2017  | 916,946             | 68                  |
| Jul-2017  | 962,451             | 71                  |
| Jun-2017  | 1,131,856           | 90                  |
| May-2017  | 1,036,988           | 82                  |
| Apr-2017  | 1,042,715           | 83                  |

## Arete Preparatory Academy Athletics Budget vs. Actuals

|                              | YTD as of<br>Apr-2018<br>Actual | YTD as of<br>Apr-2018<br>Budget | A v B<br>Variance \$ | A v B<br>Variance % |
|------------------------------|---------------------------------|---------------------------------|----------------------|---------------------|
| <b>Revenue</b>               |                                 |                                 |                      |                     |
| Athletic Fees                | 115,492                         | 128,460                         | (12,968)             | (10%)               |
| Tax Credits                  | 95,022                          | 97,127                          | (2,105)              | (2%)                |
| Contributions & Gifts        | 35,238                          | 22,675                          | 12,563               | 55%                 |
| Rental Income                | 1,260                           | -                               | 1,260                | 0%                  |
| <b>Total Revenue</b>         | <b>247,012</b>                  | <b>248,262</b>                  | <b>(1,250)</b>       | <b>(1%)</b>         |
| <b>Expenses</b>              |                                 |                                 |                      |                     |
| Salaries & Wages             | 48,816                          | 44,521                          | (4,295)              | (10%)               |
| Stipends                     | 66,725                          | 73,620                          | 6,895                | 9%                  |
| Employee Insurance           | 9,204                           | 7,425                           | (1,779)              | (24%)               |
| FICA Tax                     | 8,763                           | 8,779                           | 16                   | 0%                  |
| Retirement Plan              | 1,218                           | 801                             | (417)                | (52%)               |
| Unemployment Tax             | 429                             | 145                             | (284)                | (196%)              |
| Workers' Compensation        | 241                             | 111                             | (130)                | (117%)              |
| Professional Development     | -                               | 400                             | 400                  | 100%                |
| Athletic Equipment           | 3,636                           | 7,752                           | 4,116                | 53%                 |
| Athletic Uniforms            | 18,848                          | 21,363                          | 2,515                | 12%                 |
| Athletic Official Fees       | 13,352                          | 10,194                          | (3,158)              | (31%)               |
| Athletic Participation Fees  | 15,867                          | 14,625                          | (1,242)              | (8%)                |
| Athletic Transportation Fees | 11,719                          | 6,300                           | (5,419)              | (86%)               |
| Athletic Gym/Field Rental    | 13,754                          | 8,075                           | (5,679)              | (70%)               |
| GHMSL Participation Fees     | 2,405                           | 8,600                           | 6,195                | 72%                 |
| General Athletics            | 39,513                          | 10,200                          | (29,313)             | (287%)              |
| <b>Total Expenses</b>        | <b>254,490</b>                  | <b>222,911</b>                  | <b>(31,579)</b>      | <b>(14%)</b>        |
| <b>Net Operating Loss</b>    | <b>\$ (7,478)</b>               | <b>\$ 25,351</b>                | <b>\$ (32,829)</b>   | <b>(129%)</b>       |

# Arete Preparatory Academy

## Forecasted Statements of Activities

### June 2018 School Board Package

|   | FY18         |      | FY18         |      | Forecast vs | FY19         |      | 19 Budget vs |  |  |
|---|--------------|------|--------------|------|-------------|--------------|------|--------------|--|--|
|   | Forecast     |      | Budget       |      | Budget      | Budget       |      | 18 Forecast  |  |  |
|   |              |      |              |      | Variance    |              |      | Variance     |  |  |
| Enrollment (ADM)                            | 555          |      | 559          |      | (4)         | 552          |      | (3)          |  |  |
| <b>Revenue</b>                              |              |      |              |      |             |              |      |              |  |  |
| Federal and State                           | \$ 4,065,510 | 85%  | \$ 4,146,569 | 85%  | \$ (81,059) | \$ 4,222,755 | 85%  | \$ 157,245   |  |  |
| Student Fees                                | 254,139      | 5%   | 289,534      | 6%   | (35,395)    | 279,210      | 6%   | 25,071       |  |  |
| Comm Investment, Tax Credits & Philanthropy | 457,240      | 10%  | 427,752      | 9%   | 29,488      | 424,300      | 9%   | (32,940)     |  |  |
| Rental Income                               | 1,260        | 0%   | -            | 0%   | 1,260       | 18,700       | 0%   | 17,440       |  |  |
| Total Revenue                               | 4,778,149    | 100% | 4,863,855    | 100% | (85,706)    | 4,944,965    | 100% | 166,816      |  |  |
| <b>Expense</b>                              |              |      |              |      |             |              |      |              |  |  |
| Instructional                               | 2,353,013    |      | 2,256,149    |      | (96,864)    | 2,361,899    |      | (8,886)      |  |  |
| Special Education                           | 197,824      |      | 200,664      |      | 2,840       | 205,158      |      | (7,334)      |  |  |
| Extra Curricular: Athletics                 | 279,782      |      | 250,167      |      | (29,615)    | 277,193      |      | 2,589        |  |  |
| Extra Curricular: Non-Athletics             | 24,748       |      | 8,389        |      | (16,359)    | 23,389       |      | 1,359        |  |  |
| Support Services: Facilities                | 785,040      |      | 798,180      |      | 13,140      | 809,608      |      | (24,568)     |  |  |
| Support services: Other Non-Instructional   | 115,386      |      | 151,801      |      | 36,415      | 149,441      |      | (34,055)     |  |  |
| Support services: Administration            | 1,118,868    |      | 1,071,115    |      | (47,753)    | 1,072,001    |      | 46,867       |  |  |
| Depreciation & Amortization                 | 45,487       |      | 46,626       |      | 1,139       | 50,162       |      | (4,675)      |  |  |
| Total Operating Expense                     | 4,920,148    | 103% | 4,783,091    | 98%  | (137,057)   | 4,948,851    | 100% | (28,703)     |  |  |
| Net Operating Income (Loss)                 | (141,999)    | (3%) | 80,764       | 2%   | (222,763)   | (3,886)      | 0%   | 138,113      |  |  |
| <b>Other Income</b>                         |              |      |              |      |             |              |      |              |  |  |
| Other Income                                | 160,209      |      | 20,148       |      | 140,061     | 28,399       |      | (131,810)    |  |  |
| Total Other Income                          | 160,209      |      | 20,148       |      | 140,061     | 28,399       |      | (131,810)    |  |  |
| <b>Other Expense</b>                        |              |      |              |      |             |              |      |              |  |  |
| Other Expense                               | -            |      | -            |      | -           | -            |      | -            |  |  |
| Total Other Expense                         | -            |      | -            |      | -           | -            |      | -            |  |  |
| Change in Net Assets                        | \$ 18,210    | 0%   | \$ 100,912   | 2%   | \$ (82,702) | \$ 24,513    | 0%   | \$ 6,303     |  |  |
| <b>Cash Adjustments:</b>                    |              |      |              |      |             |              |      |              |  |  |
| Depreciation & Amortization                 | 45,487       |      | 46,626       |      | 1,139       | 50,162       |      | (4,675)      |  |  |
| Leasehold Improvements                      | (36,700)     |      | (52,000)     |      | 15,300      | (20,052)     |      | 16,648       |  |  |
| Furniture, Fixtures and Equipment           | (16,236)     |      | -            |      | (16,236)    | (17,554)     |      | (1,318)      |  |  |
| Change in Net Cash                          | \$ 10,761    | 0%   | \$ 95,538    | 2%   | \$ (82,499) | \$ 37,069    | 1%   | \$ 16,958    |  |  |
| Per Student Revenue                         | 8,609        |      | 8,701        |      | (92)        | 8,958        |      | 349          |  |  |
| Per Student Operating Expense               | 8,865        |      | 8,557        |      | (309)       | 8,965        |      | (100)        |  |  |
| Per Student Instructional Expense           | 4,240        |      | 4,036        |      | (204)       | 4,279        |      | (39)         |  |  |
| Per Student Facilities Expense              | 1,414        |      | 1,428        |      | 13          | 1,467        |      | (52)         |  |  |
| Per Student Administrative Expense          | 2,016        |      | 1,916        |      | (100)       | 1,942        |      | 74           |  |  |

## Arete Preparatory Academy

### Bond Covenant Calculation

#### June 2018 School Board Package

|   | FY 19<br>Budget         | FY 18<br>Forecast       | FY 17<br>Actuals        |
|---|-------------------------|-------------------------|-------------------------|
| <b>Fund Balance/Net Asset Covenant</b> (Unrestricted Fund Balance not less than 5% of Operating Expense + Base Rent): |                         |                         |                         |
| (A) General Fund Unrestricted Balance   | \$ 1,226,739            | \$ 1,202,226            | \$ 1,184,016            |
| Total Expense   | 4,948,853               | 4,920,153               | 4,598,948               |
| Less:   |                         |                         |                         |
| Depreciation  | (50,163)                | (45,487)                | (40,838)                |
| Base Rent   | (625,260)               | (602,147)               | (587,340)               |
| (B) Fiscal Year Operating Expenses  | <u>4,273,430</u>        | <u>4,272,519</u>        | <u>3,970,770</u>        |
| (C) Base Rent Payment Obligation  | 625,260                 | 602,147                 | 587,340                 |
| Sum of (B) and (C)  | <u><u>4,898,690</u></u> | <u><u>4,874,666</u></u> | <u><u>4,558,110</u></u> |
| (D) 5% of the sum of above lines (B) and (C)  | 244,935                 | 243,733                 | 227,906                 |
| In Compliance?  | Yes                     | Yes                     | Yes                     |
| Effective Date  | 06/30/16                | 06/30/16                | 06/30/16                |
| <b>Liquidity Covenant</b> (Days Cash on Hand equal to at least 45 days):  |                         |                         |                         |
| (A) Unrestricted Cash & Investments   | \$ 1,207,642            | \$ 1,170,573            | \$ 1,159,812            |
| (B) Fiscal Year Operating Expenses  | 4,273,430               | 4,272,519               | 3,970,770               |
| (C) Line (A) divided by line (B)  | 0.28                    | 0.27                    | 0.29                    |
| (D) Days Cash on Hand [line (C) multiplied by 365]  | <u>103</u>              | <u>100</u>              | <u>107</u>              |
| In Compliance?  | Yes                     | Yes                     | Yes                     |
| Effective Date  | 06/30/16                | 06/30/16                | 06/30/16                |
| <b>Coverage Ratio</b> (Coverage Ratio of not less than 1.10):   |                         |                         |                         |
| (A) Gross Revenues  | \$ 4,973,364            | \$ 4,938,358            | \$ 4,717,293            |
| (B) Fiscal Year Operating Expenses  | <u>4,273,430</u>        | <u>4,272,519</u>        | <u>3,970,770</u>        |
| (C) Net Income Available for Debt Service [line (A) minus by line (B)]  | 699,934                 | 665,839                 | 746,523                 |
| (D) Base Rent   | 625,260                 | 602,147                 | 587,340                 |
| (E) Coverage Ratio [line (C) divided by line (D)]   | <u>1.12</u>             | <u>1.11</u>             | <u>1.27</u>             |
| In Compliance?  | Yes                     | Yes                     | Yes                     |
| Effective Date  | 06/30/16                | 06/30/16                | 06/30/16                |



## Community Investment Campaign Report

|                       | CI 17-18 as of 5.31.18 | CI 16-17 as of 5.31.17 |
|-----------------------|------------------------|------------------------|
| Goal:                 | \$264,307              | \$282,717              |
| Pledged:              | \$276,553              | \$271,867              |
| % of Goal Pledged:    | 105%                   | 96%                    |
| Amount Received:      | \$247,030              | \$230,393              |
| Number of Donors:     | 226                    | 223                    |
| Per Student Amount:   | \$495                  | \$523                  |
| Family Participation: | 50%                    | 55%                    |

## Community Investment Campaign Report

CI 17-18 as of 5.31.18



CI 16-17 as of 5.31.17



## 2017-18 Community Investment Campaign Report as of 5.31.18

| Academy               | CI 17-18 Goal      | CI 17-18 Pledges and One-time Gifts | CI 17-18 % of Goal (Pledges/One-time Gifts) | CI 17-18 Received  | CI 17-18 Non-Corporate Donor Participation % (i.e. 'Family Participation') | CI 17-18 Per Student Amount (Based on Pledges/One-time Gifts and Budgeted # of Students) |
|-----------------------|--------------------|-------------------------------------|---|--------------------|--|--|
| Veritas Prep          | 454,204            | 486,927                             | 107%  | 441,981            | 57%  | 684  |
| Archway Veritas       | 450,444            | 467,939                             | 104%  | 436,428            | 64%  | 896  |
| Chandler Prep         | 401,367            | 423,165                             | 105%  | 384,041            | 60%  | 605  |
| Archway Chandler      | 357,167            | 353,475                             | 99%   | 327,292            | 60%  | 682  |
| Arete Prep            | 264,307            | 276,553                             | 105%  | 247,030            | 53%  | 495  |
| Archway Arete         | 215,000            | 217,575                             | 101%  | 190,890            | 44%  | 422  |
| Scottsdale Prep       | 661,635            | 751,015                             | 114%  | 668,210            | 72%  | 879  |
| Archway Scottsdale    | 406,622            | 425,059                             | 105%  | 396,301            | 67%  | 1,052  |
| Glendale Prep         | 274,757            | 306,096                             | 111%  | 248,821            | 66%  | 565  |
| Archway Glendale      | 290,000            | 302,694                             | 104%  | 256,408            | 57%  | 582  |
| Anthem Prep           | 407,000            | 426,532                             | 105%  | 388,906            | 64%  | 551  |
| Trivium Prep          | 308,802            | 343,750                             | 111%  | 296,381            | 47%  | 472  |
| Archway Trivium West  | 217,584            | 221,090                             | 102%  | 187,612            | 44%  | 426  |
| North Phoenix Prep    | 197,160            | 167,284                             | 85%   | 148,916            | 37%  | 450  |
| Archway North Phoenix | 409,200            | 390,549                             | 95%   | 330,737            | 48%  | 498  |
| Cicero Prep           | 334,630            | 304,143                             | 91%   | 254,451            | 54%  | 680  |
| Archway Cicero        | 392,941            | 399,538                             | 102%  | 336,910            | 59%  | 765  |
| Archway Trivium East  | 185,279            | 184,394                             | 100%  | 154,772            | 44%  | 385  |
| Lincoln Prep          | 147,013            | 156,103                             | 106%  | 133,585            | 40%  | 427  |
| Archway Lincoln       | 393,024            | 315,715                             | 80%   | 266,990            | 45%  | 470  |
| <b>TOTAL:</b>         | <b>\$6,768,136</b> | <b>\$6,919,596</b>                  | <b>102%</b>                                 | <b>\$6,096,662</b> | <b>55%</b>   | <b>\$601</b>   |

## Tax Credit Drive

|                     | TC 2017 FINAL | TC 2016 FINAL |
|---------------------|---------------|---------------|
| Goal:               | \$100,045     | \$102,375     |
| Received:           | \$96,638      | \$93,423      |
| % of Goal Received: | 97%           | 91%           |
| Number of Donors:   | 304           | 295           |
| Per Student Amount: | \$173         | \$177         |

## 2017 Tax Credit Drive Report FINAL

| Academy               | Tax Credit 2017 Goal | Tax Credit 2017 Received FINAL | Tax Credit 2017 % Goal Received (FINAL) | Tax Credit 2017 # of Donors FINAL | Tax Credit 2017 Per Student FINAL |
|-----------------------|----------------------|--------------------------------|---|-----------------------------------|-----------------------------------|
| Veritas Prep          | 144,502              | 144,618                        | 100%                                    | 435                               | 200                               |
| Archway Veritas       | 115,944              | 100,231                        | 86%                                     | 305                               | 186                               |
| Chandler Prep         | 181,776              | 180,036                        | 99%                                     | 561                               | 248                               |
| Archway Chandler      | 100,000              | 104,975                        | 105%                                    | 325                               | 196                               |
| Arete Prep            | 100,045              | 96,638                         | 97%                                     | 304                               | 173                               |
| Archway Arete         | 75,000               | 72,693                         | 97%                                     | 227                               | 135                               |
| Scottsdale Prep       | 210,000              | 226,934                        | 108%                                    | 685                               | 261                               |
| Archway Scottsdale    | 89,250               | 104,784                        | 117%                                    | 318                               | 257                               |
| Glendale Prep         | 124,922              | 125,013                        | 100%                                    | 388                               | 226                               |
| Archway Glendale      | 93,105               | 95,803                         | 103%                                    | 294                               | 177                               |
| Anthem Prep           | 132,100              | 132,053                        | 100%                                    | 385                               | 165                               |
| Trivium Prep          | 105,539              | 109,021                        | 103%                                    | 338                               | 147                               |
| Archway Trivium West  | 70,327               | 68,412                         | 97%                                     | 223                               | 126                               |
| North Phoenix Prep    | 69,831               | 69,026                         | 99%                                     | 218                               | 170                               |
| Archway North Phoenix | 136,370              | 107,338                        | 79%                                     | 341                               | 128                               |
| Cicero Prep           | 81,695               | 79,278                         | 97%                                     | 255                               | 180                               |
| Archway Cicero        | 80,865               | 82,735                         | 102%                                    | 253                               | 157                               |
| Archway Trivium East  | 48,100               | 49,013                         | 102%                                    | 156                               | 98                                |
| Lincoln Prep          | 51,623               | 47,485                         | 92%                                     | 155                               | 127                               |
| Archway Lincoln       | 102,748              | 94,811                         | 92%                                     | 278                               | 141                               |
| Maryvale Prep         | 39,600               | 37,812                         | 95%                                     | 166                               | 76                                |
| Teleos Prep           | 43,931               | 33,587                         | 76%                                     | 123                               | 148                               |
| <b>TOTAL:</b>         | <b>\$2,197,273</b>   | <b>\$2,162,345</b>             | <b>98.41%</b>                           | <b>6,733</b>                      | <b>\$172</b>                      |