

ASPIRE PUBLIC SCHOOLS
(A CALIFORNIA NON-PROFIT
PUBLIC BENEFIT CORPORATION)

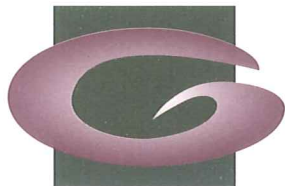
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED
JUNE 30, 2012 AND 2011

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

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JUNE 30, 2012 AND 2011

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Aspire Public Schools
Oakland, California**

We have audited the accompanying consolidated statements of financial position of Aspire Public Schools, a California non-profit public benefit corporation (the Organization), as of June 30, 2012 and 2011, and the related consolidated statements of activities and changes in net assets and statements of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Information section, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gilbert Associates, Inc.
GILBERT ASSOCIATES, INC.
Sacramento, California

October 30, 2012

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

| ASSETS | 2012 | 2011 |
|---|-----------------------|-----------------------|
| CURRENT ASSETS | | |
| Cash and equivalents | \$ 12,216,969 | \$ 8,767,351 |
| Restricted cash | 7,390,325 | 17,570,815 |
| Accounts receivable | 31,504,585 | 23,020,965 |
| Foundation grants receivable, current | 7,556,107 | 2,042,750 |
| Cash held at county or district | 750,000 | 950,000 |
| Prepaid expenses and deposits | 227,099 | 287,350 |
| Deferred loss, current | 13,749 | 13,749 |
| Deferred charges, current | 219,293 | 106,851 |
| Total current assets | 59,878,127 | 52,759,831 |
| NON-CURRENT ASSETS | | |
| Restricted cash | 6,623,180 | 6,622,518 |
| Foundation grants receivable, net | 6,407,771 | 432,861 |
| Property and equipment, net | 123,919,724 | 118,163,480 |
| Deferred loss, net | 257,794 | 271,543 |
| Deferred charges, net | 3,552,336 | 3,659,187 |
| TOTAL ASSETS | \$ 200,638,932 | \$ 181,909,420 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 6,234,053 | \$ 7,843,924 |
| Accrued expenses | 11,251,438 | 7,786,081 |
| Capital lease, current | 590,000 | 597,491 |
| Debt, current | 10,354,034 | 8,990,709 |
| Total current liabilities | 28,429,525 | 25,218,205 |
| LONG-TERM LIABILITIES | | |
| Capital lease, net | 17,235,000 | 17,824,999 |
| Debt, net | 109,427,620 | 110,111,654 |
| Total liabilities | 126,662,620 | 128,936,653 |
| NET ASSETS | | |
| Unrestricted | 19,696,685 | 12,986,144 |
| Temporarily restricted | 25,850,102 | 15,768,418 |
| Total net assets | 45,546,787 | 28,754,562 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 200,638,932 | \$ 181,909,420 |

The accompanying notes are an integral part of these financial statements.

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2012 AND 2011

| | 2012 | 2011 |
|--|---------------|---------------|
| UNRESTRICTED NET ASSETS: | | |
| SUPPORT AND REVENUE: | | |
| Private grants and contributions | \$ 2,693,150 | \$ 3,478,777 |
| Donated equipment, materials, and services | 267,949 | 144,076 |
| Federal revenue | 13,096,617 | 13,889,595 |
| Revenue limit sources: | | |
| State aid portion of general purpose block grant | 48,687,301 | 39,812,829 |
| State revenue: | | |
| Categorical block grant | 8,388,677 | 6,760,725 |
| All other state revenue | 8,353,358 | 8,062,973 |
| Local revenue: | | |
| Cash in-lieu of property taxes | 12,609,137 | 10,157,746 |
| Interest income | 14,943 | 6,554 |
| All other local revenue | 2,417,966 | 2,132,972 |
| Subtotal | 96,529,098 | 84,446,247 |
| Net assets released from restrictions | 20,482,724 | 14,122,156 |
| Total support and revenue | 117,011,822 | 98,568,403 |
| EXPENSES: | | |
| PROGRAM EXPENSES: | | |
| Educational programs | 92,874,269 | 79,622,454 |
| SUPPORTING SERVICES: | | |
| Site support | 9,578,818 | 8,304,227 |
| Development and expansion | 3,792,886 | 3,246,446 |
| Administration and general | 4,055,308 | 3,365,869 |
| Total supporting services | 17,427,012 | 14,916,542 |
| Total expenses | 110,301,281 | 94,538,996 |
| Increase in Unrestricted Net Assets | 6,710,541 | 4,029,407 |
| TEMPORARILY RESTRICTED NET ASSETS: | | |
| Private grants and contributions | 20,559,179 | 5,195,976 |
| Federal and state revenue | 10,005,229 | 12,015,389 |
| Net assets released from restrictions | (20,482,724) | (14,122,156) |
| Increase in Temporarily Restricted Net Assets | 10,081,684 | 3,089,209 |
| INCREASE IN NET ASSETS | 16,792,225 | 7,118,616 |
| NET ASSETS - Beginning of Year | 28,754,562 | 21,635,946 |
| NET ASSETS - End of Year | \$ 45,546,787 | \$ 28,754,562 |

The accompanying notes are an integral part of these financial statements.

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2012 AND 2011

| | 2012 | 2011 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase in net assets | \$ 16,792,225 | \$ 7,118,616 |
| Adjustments to reconcile to net cash provided by operating activities: | | |
| Depreciation | 4,283,987 | 4,096,363 |
| Amortization | 8,158 | 28,618 |
| Loss on sale of property and equipment | 12,693 | - |
| Forgiveness of debt | (250,000) | (250,000) |
| Donated equipment | - | (74,075) |
| (Increase) decrease in assets: | | |
| Accounts receivable | (8,483,620) | (6,762,656) |
| Foundation grants receivable | (11,488,267) | 2,134,469 |
| Cash held at county or district | 200,000 | (950,000) |
| Prepaid expenses and deposits | 60,251 | (42,562) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (2,744,433) | (5,549,468) |
| Accrued expenses | 3,465,357 | 2,711,389 |
| Deferred revenue | - | (226,077) |
| Net cash provided by operating activities | 1,856,351 | 2,234,617 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds on sale of property and equipment | 10,530 | - |
| Purchase of property and equipment | (8,928,892) | (27,357,518) |
| Net cash used in investing activities | (8,918,362) | (27,357,518) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from debt | 9,920,000 | 14,977,233 |
| Payments on lines of credit | - | (2,364,832) |
| Principal payments on capital lease | (597,490) | (589,759) |
| Principal payments on debt | (8,990,709) | (4,064,359) |
| Net cash provided by financing activities | 331,801 | 7,958,283 |
| Net decrease in cash | (6,730,210) | (17,164,618) |
| Cash and cash equivalents, beginning of year | 32,960,684 | 50,125,302 |
| Cash and cash equivalents, end of year | \$ 26,230,474 | \$ 32,960,684 |
| Cash and cash equivalents | \$ 12,216,969 | \$ 8,767,351 |
| Restricted cash | 14,013,505 | 24,193,333 |
| Total | \$ 26,230,474 | \$ 32,960,684 |
| NON-CASH INVESTING ACTIVITIES: | | |
| Property and equipment financed through accounts payable | \$ 1,134,562 | \$ 2,138,796 |
| Donated equipment | \$ - | \$ 74,075 |
| CASH PAID FOR INTEREST (net of capitalized amount) | \$ 6,179,903 | \$ 3,915,543 |

The accompanying notes are an integral part of these financial statements.

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Aspire Public Schools (the Organization) was formed to manage, guide, direct, and promote charter schools that provide quality education to California youth in primary and secondary grades. The Organization was founded in California in 1998. The Organization's support is derived primarily from State of California public education monies received through the California Department of Education and sponsoring districts, individual and foundation contributions, and various government agency grants.

In addition to managing school operations, the Organization has two wholly-owned organizations created to facilitate ownership of certain school facilities and support development of charter schools. The facilities are owned and managed by a single-member limited liability company, College for Certain, LLC (LLC). The sole member of the LLC is College for Certain, Inc. (INC) which was created as a supporting organization of Aspire Public Schools to facilitate and support the development of charter schools. The INC is controlled by, and for the benefit of, Aspire Public Schools. For financial reporting purposes, the LLC and INC are consolidated with Aspire Public Schools for the years ended June 30, 2012 and 2011.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of Aspire Public Schools and its wholly-owned entities, collectively the “Organization”. All significant intercompany accounts and transactions have been eliminated in consolidation. Listed below are the affiliated organizations included in these financial statements:

- **Aspire Public Schools**

As of June 30, 2012 the Organization operated thirty four schools chartered by eleven charter authorizers in six counties. Charters are granted for each school for up to five years, with an opportunity for renewal. Charters may be revoked by the sponsoring district for material violations of the charter, failure to meet or make progress toward student outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law. As of June 30, 2012, the charter schools operated by the Organization were as follows:

| <u>Charter School Name</u> | <u>Charter School Number</u> | <u>Sponsoring District</u> | <u>**Charter Granted/ Renewed</u> | <u>Charter Expiration</u> |
|---|------------------------------|----------------------------|-----------------------------------|---------------------------|
| Aspire Alexander Twilight College Preparatory Academy | 854 | CA Dept of Education* | Jan 2012 | 6/30/17 |
| Aspire Alexander Twilight Secondary Academy | 854 | CA Dept of Education* | Jan 2012 | 6/30/17 |
| Aspire Antonio Maria Lugo Academy | 694 | Los Angeles Unified | Nov 2008 | 6/30/14 |
| Aspire APEX Academy | 854 | CA Dept of Education* | Jan 2012 | 6/30/17 |
| Aspire Benjamin Holt College Preparatory Academy | 565 | Lodi Unified | March 2008 | 6/30/13 |
| Aspire Berkley Maynard Academy | 726 | Oakland Unified | July 2010 | 6/30/15 |

ASPIRE PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

| | | | | |
|---|------|------------------------------------|------------|---------|
| Aspire California College Preparatory Academy | 1049 | Alameda County Office of Education | April 2008 | 6/30/13 |
| Aspire Capitol Heights Academy | 598 | Sacramento City | March 2008 | 6/28/13 |
| Aspire Centennial College Preparatory Academy | 693 | Los Angeles Unified | Dec 2008 | 6/30/14 |
| Aspire College Academy | 1049 | Alameda County Office of Education | April 2008 | 6/30/13 |
| Aspire East Palo Alto Charter School | 125 | Ravenswood City | Jan 2009 | 6/30/14 |
| Aspire East Palo Alto Phoenix | 1022 | Sequoia Union HS Dist | June 2011 | 6/30/16 |
| Aspire ERES Academy | 1115 | Oakland Unified | May 2009 | 6/30/14 |
| Aspire Firestone Academy | 1214 | Los Angeles Unified | April 2010 | 6/30/15 |
| Aspire Gateway Academy | 1213 | Los Angeles Unified | April 2010 | 6/30/15 |
| Aspire Golden State College Preparatory Academy | 1023 | Oakland Unified | May 2008 | 6/30/13 |
| Aspire Huntington Park Charter School | 1035 | Los Angeles Unified | July 2008 | 6/30/13 |
| Aspire Inskip Academy | 1332 | Los Angeles Unified | April 2011 | 6/30/16 |
| Aspire Junior Collegiate Academy | 854 | CA Dept of Education* | Jan 2012 | 6/30/17 |
| Aspire Langston Hughes Academy | 1048 | Stockton Unified | April 2008 | 6/30/13 |
| Aspire Lionel Wilson College Preparatory | 465 | Oakland Unified | Jan 2012 | 6/30/17 |
| Aspire Millsmont Academy | 689 | Oakland Unified | Dec 2008 | 6/30/14 |
| Aspire Monarch Academy | 252 | Oakland Unified | Jan 2009 | 6/30/14 |
| Aspire Pacific Academy | 1230 | Los Angeles Unified | May 2010 | 6/30/15 |
| Aspire Port City Academy | 854 | CA Dept of Education* | Jan 2012 | 6/30/17 |
| Aspire River Oaks Charter School | 364 | Lodi Unified | July 2006 | 6/30/16 |
| Aspire Rosa Parks Academy | 554 | Stockton Unified | July 2010 | 6/30/15 |
| Aspire Slauson Academy | 1330 | Los Angeles Unified | April 2011 | 6/30/16 |
| Aspire Summit Charter Academy | 812 | Ceres Unified | April 2011 | 6/30/16 |
| Aspire Tate Academy | 1331 | Los Angeles Unified | April 2011 | 6/30/16 |
| Aspire Titan Academy | 854 | CA Dept of Education* | Jan 2012 | 6/30/17 |
| Aspire University Charter School | 1026 | Sylvan Union Elem | Jan 2008 | 6/30/13 |
| Aspire Vanguard College Preparatory Academy | 1125 | CA Dept of Education | July 2009 | 6/30/14 |
| Aspire Vincent Shalvey Academy | 178 | Lodi Unified | June 2009 | 6/30/14 |

* Statewide benefit charter school; see note 15.

** Charter issuance date or the most recent renewal date.

All sponsoring districts receive up to 1% of the annual charter revenue for supervisory oversight. Ravenswood City School District, the sponsoring district for Aspire East Palo Alto Charter School, receives up to 3% for supervisory oversight because the district provides facilities substantially rent-free.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Through June 30, 2012, the Organization had separately negotiated for sponsoring district administrative and other services. Additionally, for some schools, transportation expenses and/or special education encroachment are paid by the Organization to the sponsoring districts.

- **College for Certain, LLC** – The LLC holds title to properties where Aspire Public Schools operates ten charter schools (seven locations) and manages, operates, and leases the properties.
- **College for Certain, Inc.** – The INC is a supporting organization of Aspire Public Schools in that it facilitates and supports the development of charter schools for Aspire Public Schools. As of and for the year ending June 30, 2012, there was no activity in this entity.

Basis of presentation – The financial statements are presented in conformity with accounting standards for not-for profit entities. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The Organization has no permanently restricted net assets.

Revenue recognition – Contributions and grants are recognized when the donor/grantor makes an unconditional promise to give to the Organization or when received, in accordance with accounting standards. Donor-restricted amounts are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “Net Assets Released from Restrictions.” Government grants are recognized as revenue in accordance with the terms of the applicable grant agreement, which is generally upon the incurrence of expenditures related to the required services. Deferred revenue is recorded to the extent cash received on specific grants exceeds qualified expenses. Conditional promises to give, which depend on the occurrence of specified future and uncertain events are not recorded until the conditions are met.

Cash and cash equivalents – For financial statement purposes, the Organization considers investments with maturity at purchase of three months or less to be cash equivalents.

Property and equipment with a value greater than \$5,000 are capitalized at cost, or fair market value on the date of receipt in the case of donated property, and depreciated using the straight-line method over their estimated useful lives, which range from two to thirty years. Leasehold improvements are depreciated over the lease term (including options) or the useful life. Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts, with the resulting gain or loss reflected in the statement of activities.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

Donated equipment, materials, services, and facilities – In-kind contributions of equipment, materials, and services are recorded at their estimated fair values at the date of donation. Donated services are recorded when they create or enhance non-financial assets or require a specialized skill that the Organization would otherwise need to purchase. During the year ended June 30, 2012 and 2011, in-kind contributions of equipment, materials, and services valued at \$267,949 and 144,076 were received, respectively.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements are the collectability of the receivables and foundation grants receivables, estimate of net present value of the foundation grants receivable, and the estimated useful lives of property and equipment.

Income taxes – The Organization has been granted tax-exempt status as provided by Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. In addition, the Internal Revenue Service has determined the Organization is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

The Organization adopted the accounting principles related to accounting for uncertainty in income taxes as of July 1, 2009, and has determined that there is no material impact on the financial statements for June 30, 2012 and 2011.

Functional allocation of expenses – The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Program development and expansion – The Organization continually explores potential opportunities for expansion and growth; thus costs are incurred to research the possibility of establishing new sites. The Organization capitalizes these preacquisition costs into Schools Under Construction (Note 6) at the time incurred. If it is determined that a formal contractual commitment will not be entered into, the expenses are included in program development and expansion in the period that the determination is made.

Subsequent events have been reviewed through October 30, 2012, the date the financial statements were available to be issued.

Reclassifications – Certain 2011 amounts have been reclassified to conform to the 2012 financial statement presentation. These reclassifications had no effect on the Organization's total net assets.

2. CONCENTRATIONS OF CASH

The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash.

ASPIRE PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

3. RESTRICTED CASH

Restricted cash represents bond proceeds that are required to be used for construction projects, debt service reserve, as well as cash accumulated for principal and interest payments. The balance in the debt service accounts at June 30, 2012 and 2011, was \$14,013,505 and \$24,193,333, respectively. The current portion is \$7,390,325 and \$17,570,815 at June 30, 2012 and 2011, respectively.

4. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2012 and 2011 were \$31,504,585 and \$23,020,965, respectively. The balances were due entirely from grantor governments. Management deems all receivables to be collectible as of June 30, 2012.

5. FOUNDATION GRANTS RECEIVABLE

Unconditional promises to give for development of new school sites are recognized as foundation grants receivable and are discounted to fair value using estimated prevailing interest rates. The discount rate used in determining the net present value of new pledges receivable was 3.33% and 3.96% at June 30, 2012 and 2011, respectively. All foundation grants receivable are judged by management to be collectible, and were as follows as of June 30:

| | <u>2012</u> | <u>2011</u> |
|------------------------------------|----------------------|---------------------|
| Gross foundation grants receivable | \$ 14,492,497 | \$ 2,492,750 |
| Less: Unamortized discount | (528,619) | (17,139) |
| Foundation grants receivable, net | <u>\$ 13,963,878</u> | <u>\$ 2,475,611</u> |

Foundation grants receivable are due to be collected as follows:

| | <u>2012</u> | <u>2011</u> |
|-----------------------------------|----------------------|---------------------|
| Within one year | \$ 7,556,107 | \$ 2,042,750 |
| One to five years | <u>6,407,771</u> | <u>432,861</u> |
| Foundation grants receivable, net | <u>\$ 13,963,878</u> | <u>\$ 2,475,611</u> |

Conditional promises to give, which depend on the occurrence of specified future and uncertain events, are not recorded until the conditions are met. Outstanding conditional promises to give for the purpose of opening new schools in specific locations were approximately \$22,500,000 at June 30, 2012, and \$2,500,000 at June 30, 2011.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

| | <u>2012</u> | <u>2011</u> |
|-------------------------------|-----------------------|-----------------------|
| Land | \$ 25,328,678 | \$ 11,605,700 |
| Buildings | 79,016,594 | 57,007,840 |
| Schools under construction | 3,620,214 | 30,211,846 |
| Leasehold improvements | 7,662,361 | 8,422,994 |
| Property under capital lease | 21,845,473 | 21,845,473 |
| Equipment | 5,562,570 | 6,982,989 |
| Automobiles | 2,140 | 5,815 |
| Subtotal | <u>143,038,030</u> | <u>136,082,657</u> |
| Less accumulated depreciation | <u>(19,118,306)</u> | <u>(17,919,177)</u> |
| Property and equipment, net | <u>\$ 123,919,724</u> | <u>\$ 118,163,480</u> |

Depreciation expense was \$4,283,987 and \$4,096,363 for the years ended June 30, 2012 and 2011, respectively. Various components of the land, buildings, and schools under construction shown above are pledged as collateral for the debt disclosed in Note 9, and the capital lease disclosed in Note 11.

7. DEFERRED LOSS

In January of 2005, Lodi Unified School District (the District) purchased the Aspire River Oaks Charter School and Aspire Benjamin Holt College Preparatory Academy facilities from the Organization. The Organization concurrently entered into a capital lease obligation with the District effective January 1, 2005 through August 1, 2032. The Organization has the option to purchase the properties for one dollar at the termination of the lease. This transaction was considered a sale-leaseback transaction under accounting standards generally accepted in the United States of America. The Organization's obligation under this capital lease is detailed in Note 11.

In accordance with the accounting standards, a loss on this transaction of \$360,911 was deferred and is being amortized over the term of the capital lease. As of June 30, 2012 and 2011, accumulated amortization was \$103,117 and \$89,368, respectively. Amortization expense of the deferred loss for the years ended June 30, 2012 and 2011 was \$13,749.

ASPIRE PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

8. LINES OF CREDIT

The Organization had a line of credit with Raza Development Fund, Inc. (up to \$250,000) dated December 30, 2005. Interest on the line of credit was 6% per annum through January 2010 and increased to 6.5% per annum in February 2010. Interest on the outstanding advances were payable monthly in arrears on the first business day of each month commencing on the first day following the advance. In December 2010, the line of credit expired and was paid in full.

The Organization had a second line of credit with Raza Development Fund, Inc. (up to \$500,000) dated December 30, 2005. The line of credit was increased to \$2,000,000 in July 2010. Interest on the line of credit was 5% per annum through January 2010, increased to 6% per annum in February 2010, and increased to 7.65% in July 2010. Interest on the outstanding advances were payable monthly in arrears on the first business day of each month commencing on the first day following the advance. In December 2010, the line of credit expired and was paid in full.

The Organization had a line of credit with Wells Fargo Bank (up to \$4,500,000) dated September 16, 2009 bearing an interest rate of 2.5% above the Prime Rate in effect. The line of credit required the Organization to maintain a current ratio of not less than 1.00 to 1.00. The outstanding balance as of June 30, 2010 was \$1,614,832. In September 2010, the line of credit expired and was paid in full.

9. DEBT

| | 2012 | 2011 |
|--|---------------|---------------|
| College for Certain Series 2010 School Facility Revenue Bonds in the amount of \$93,295,000 were issued effective April 1, 2010; with 7 bonds and ranging interest rate of 5.00% - 6.375%. The bond proceeds are to be used for the construction of new campuses. Principal and interest payments are due yearly beginning July 1, 2014. Final maturity is in 2046. | \$ 93,295,000 | \$ 93,295,000 |
| California School Finance Authority, Revenue Anticipation Notes, Series 2012. Up to \$11 Million of short-term debt secured by the revenues of 19 schools was executed April 1, 2012. Variable interest rate at LIBOR plus 450 basis points, with a floor of 5.25% (approximately 5.25% at June 30, 2012). All amounts outstanding scheduled to be repaid on or before March 1, 2013 were paid in full on August 31, 2012. | 9,170,000 | |
| California School Finance Authority \$4,758,509 loan, effective June 27, 2007, bearing interest at 2.20%, for the construction of Rosa Parks Academy in Stockton under Proposition 47. Principal and interest payments in the amount of \$328,275 are due semi-annually. Final maturity is in 2037. | 4,419,939 | 4,551,510 |

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NOTES TO FINANCIAL STATEMENTS
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| | | |
|--|-----------|-----------|
| <p>Pacific Charter School Development, Inc. \$4,000,000 promissory note, effective April 1, 2010, bearing interest rate of 0%. Principal payments (of ranging amounts) are due twice a year in accordance with the provisions of the note. Final maturity is in 2019.</p> | 3,462,067 | 3,775,321 |
| <p>Charter Fund, Inc. \$1,000,000 loan, effective February 8, 2008, bearing interest at 4.1%, to provide general support for the management of the organization. Beginning in 2009 through 2016, interest only payments of \$41,000 are due annually. Principal payments of \$500,000 are due in both 2015 and 2016. Final maturity is in 2016. In both 2012 and 2011, \$250,000 of principle was forgiven based on schools' performances.</p> | 500,000 | 750,000 |
| <p>Charter Fund, Inc. \$1,000,000 loan, effective January 25, 2009, bearing interest at 4.1%, to provide general support for the management of the organization. Beginning in 2010 through 2017, interest only payments of \$41,000 are due annually. Principal payments of \$500,000 are due in both 2016 and 2017. Final maturity is in 2017.</p> | 1,000,000 | 1,000,000 |
| <p>California Department of Education \$250,000 loan, effective October 2007, bearing interest at a rate of 2.69%. Principal is payable in five annual installments of \$50,000. Final maturity is in 2014.</p> | 100,000 | 150,000 |
| <p>California Department of Education \$1,050,000 loans, effective March 2010, are bearing interest at a rate of 0.53%. Principal is payable in five annual installments of \$210,000. Final maturity is in 2015.</p> | 630,000 | 840,000 |
| <p>California Department of Education \$950,000 loans, effective June 2011, are bearing interest at a rate of 0.38%. Principal is payable in five annual installments of \$215,000. Final maturity is in 2016.</p> | 734,997 | 949,997 |
| <p>California Department of Education \$750,000 loans, effective June 2012, are bearing interest at a rate of 0.35%. Principal is payable in four annual installments of \$187,500. Final maturity is in 2016.</p> | 750,000 | |

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| | | |
|--|-----------------------|-----------------------|
| California School Finance Authority \$5,719,652 loan (\$457,251 issued in 2009/10, with an additional \$5,262,400 issued in 2010/11), effective date and payment terms to be determined upon conversion to final apportionment for a new secondary school to be built in Los Angeles under Proposition 55. The interest rate will be approximately the state's borrowing rate and repayment will commence starting one-year after the school is opened. The principal will then be amortized over 30 years. Interest is not charged until the repayment period begins. | 5,719,651 | 5,719,651 |
| California School Finance Authority, Revenue Anticipation Notes, Series 2011, issued on August 1, 2010 for up to \$8 Million and secured by the receivables of 13 schools. Interest is incurred at a variable interest rate of LIBOR plus 4%. (Approximately 4.2% at June 30, 2011). Outstanding balance was due in full at November 1, 2011 and was paid in full by this date. | | 7,830,000 |
| El Dorado County Office of Education (EDCOE) short term notes payable of \$240,884. This was for advanced funding for special education apportionment for schools new to the EDCOE SELPA. Interest rate was 2%. Final maturity was in 2012, and was paid in full. | | <u>240,884</u> |
| Subtotal | 119,781,654 | 119,102,363 |
| Less current portions | <u>(10,354,034)</u> | <u>(8,990,709)</u> |
| Total Long-Term Debt | <u>\$ 109,427,620</u> | <u>\$ 110,111,654</u> |

Future payments relating to debt are as follows as of June 30, 2012:

| Year Ending June 30, | Principal | Interest | Total |
|---------------------------------|-----------------------|-----------------------|-----------------------|
| 2013 | \$ 10,354,034 | \$ 5,821,722 | \$ 16,175,756 |
| 2014 | 2,024,728 | 5,885,103 | 7,909,831 |
| 2015 | 1,961,763 | 5,823,337 | 7,785,100 |
| 2016 | 3,123,304 | 5,760,256 | 8,883,560 |
| 2017 | 2,562,245 | 5,694,263 | 8,256,508 |
| Thereafter | <u>99,755,580</u> | <u>112,317,580</u> | <u>212,073,160</u> |
| Total | <u>\$ 119,781,654</u> | <u>\$ 141,302,261</u> | <u>\$ 261,083,915</u> |

Aspire Public Schools (lessee to College for Certain, LLC) must meet several financial covenants as a requirement of the College for Certain Series 2010 School Facility Revenue Bonds. These requirements are as follows: 1) maintain a minimum cash balance of 3% of gross revenue as of December 31 and June 30 of each year, 2) maintain a ratio of current assets to current liabilities of

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1:10 to 1, 3) working capital must not be less than 7.5% of total operating expenses, 4) operations must allow Aspire to pay all its expenses during such fiscal year for the operation, maintenance and repair of the Schools operated by it, 5) produce net available corporate income of Aspire equal to at least 1.05 times maximum aggregate annual debt service on all outstanding indebtedness of Aspire for the fiscal year, and 6) produce gross revenues of the financed schools equal to at least 2 times maximum annual debt service on the outstanding bonds. Aspire Public Schools was in compliance with these covenants for the year ended June 30, 2012.

10. CAPITALIZATION OF CONSTRUCTION DEBT INTEREST

While a facility is under construction, a portion of interest is capitalized into its cost in accordance with accounting standards. In summary, the capitalization of interest is applicable to the amount of interest that could have been avoided had the Organization not undertaken the building of a capital asset. The Organization evaluates capitalization of interest at the individual site level since the cash from one site would not be used to pay down the debt on another site.

The amount of capitalizable interest is determined by applying the debt interest rate to the average amount of accumulated expenditures for the building during the year. Interest costs of \$6,833,649 and \$7,093,616 were incurred related to debt during the years ended June 30, 2012 and 2011, respectively. During the years ended June 30, 2012 and 2011, \$715,943 and \$1,733,511 of interest was capitalized, respectively.

11. LEASE COMMITMENTS

Operating leases

The Organization leases buildings for administrative offices in Oakland and Stockton and leases land and buildings for school sites in Berkeley, East Palo Alto, Empire, Los Angeles, Modesto, Oakland, Sacramento, and Stockton under various operating leases. The Organization also leases copiers at various school sites. It is unlikely that the Organization will cancel any of these leases before they expire. The aggregate minimum rental payments required under the terms of all operating leases as of June 30, 2012 are as follows:

| <u>Year Ending June 30,</u> | <u>Minimum Payments</u> |
|---------------------------------|-----------------------------|
| 2013 | \$ 2,838,049 |
| 2014 | 2,349,993 |
| 2015 | 1,264,876 |
| 2016 | 681,087 |
| 2017 and thereafter | <u>1,602,051</u> |
| Total | <u>\$ 8,736,056</u> |

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Rental expense under operating leases was \$3,618,853 and \$3,487,944 for the years ended June 30, 2012 and 2011, respectively.

Capital leases

As discussed in Note 7, the Organization entered into a capital lease with Lodi Unified School District from January 1, 2005 through August 1, 2032. The property under capital lease is separately disclosed in Note 6 and consists of the Aspire River Oaks Charter School and the Aspire Benjamin Holt College Preparatory Academy school facilities in Lodi, California. The leased property is being depreciated over the term of the lease in accordance with accounting standards, and depreciation expense for the leased property is included in the total depreciation expense.

Future payments relating to this capital lease are as follows as of June 30, 2012:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------|---------------------|----------------------|
| 2013 | \$ 590,000 | \$ 788,413 | \$ 1,378,413 |
| 2014 | 610,000 | 765,938 | 1,375,938 |
| 2015 | 635,000 | 743,753 | 1,378,753 |
| 2016 | 655,000 | 719,963 | 1,374,963 |
| 2017 | 680,000 | 693,231 | 1,373,231 |
| Thereafter | <u>14,655,000</u> | <u>5,836,113</u> | <u>20,491,113</u> |
| Total | <u>\$ 17,825,000</u> | <u>\$ 9,547,411</u> | <u>\$ 27,372,411</u> |

12. EMPLOYEE BENEFIT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). All employees who are not members of CalSTRS or CalPERS must contribute to the federal Social Security system.

California Public Employees' Retirement System (CalPERS):

Plan Description

The Organization contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

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Funding Policy

Active plan members are required to contribute 7% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security), and the Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS board of Administration. The required employer contribution rate for fiscal year ending June 30, 2012 and 2011 was 10.923% and 10.707% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. The Organization's contributions to CalPERS for the fiscal years ending June 30, 2012, 2011, and 2010 were \$1,240,463, \$1,172,738, and \$907,453 respectively, and equal 100% of the required contributions for each year.

California State Teachers' Retirement Systems (CalSTRS):

Plan Description

The Organization contributes to the California State Teachers' Retirement Systems (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, CA 95605.

Funding Policy

Active plan members are required to contribute 8% of their salary and the Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for the fiscal years ending June 30, 2012 and 2011 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The Organization's contributions to CalSTRS for the fiscal years ending June 30, 2012, 2011, and 2010 were \$3,098,370, \$2,744,186, and \$2,273,164 respectively, and equal 100% of the required contributions for each year.

13. RESTRICTED NET ASSETS

At June 30, 2012 and 2011, temporarily restricted net assets consisted of unexpended grants restricted for the following purposes: curriculum development, implementation of literacy programs, purchase of classroom and library materials, staff training and development, personnel costs, construction projects, and expansion.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

14. JOINT VENTURES

The Organization participates in two joint ventures under joint powers agreements (JPAs), the California Charter School Association Joint Powers Authority (CCSA-JPA) and the Schools Excess Liability Fund (SELF).

CCSA and SELF arrange for and provide workers' compensation, property, and liability insurance coverage for their members, respectively. The JPAs are governed by boards consisting of a representative from each member. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs. As of March 7, 2012, CCSA-JPA amended their agreement with its members in order to separate themselves from the California Charter School Association, becoming its own independent entity. The JPA is now known as the California Charter School Joint Powers Authority, doing business as charterSAFE (SAFE). Aspire's coverage did not change as a result of the separation.

SUMMARY OF JPA COVERAGES

1. Workers' Compensation (SAFE)

| | |
|-------------------|---------------------|
| JPA's SIR: | \$1,000,000 |
| Excess Insurance: | To statutory limits |

2. Property (SAFE)

| | |
|-------------------|----------------------------|
| Organization | |
| Deductible: | \$1,000 |
| Coverage: | \$2,500,000 per occurrence |
| Excess Insurance: | None |

3. Liability

| | |
|--|-----------------------------|
| Organization | |
| Deductible: | \$0 - \$5,000 |
| Coverage | |
| (SAFE- SIR) | \$1,000,000 |
| (Insurance Company of the State of PA) | \$1,000,001 to \$5,000,000 |
| (SELF) | \$5,000,001 to \$25,000,000 |

Complete separate financial statements for the JPAs may be obtained from:

| | |
|------|--|
| SELF | 1531 I Street, Suite 300, Sacramento, California 95814 |
| SAFE | 250 E. 1 st Street, Suite 1000, Los Angeles, California 90012 |

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The latest condensed financial information available for the JPAs were as follows:

| | SELF June 30, 2012 (Unaudited) | SAFE June 30, 2012 (Unaudited) |
|------------------------------|---|---|
| Total Assets | \$ 171,509,617 | \$ 11,636,042 |
| Total Liabilities | \$ 132,653,716 | \$ 13,126,681 |
| Net Assets | <u>38,855,901</u> | <u>(1,490,639)</u> |
| Total Liabilities and Equity | <u>\$ 171,509,617</u> | <u>\$ 11,636,042</u> |
| Total Revenues | \$ 17,346,751 | \$ 15,134,974 |
| Total Expenses | <u>11,742,911</u> | <u>14,625,996</u> |
| Net Increase in Net Assets | <u>\$ 5,603,840</u> | <u>\$ 508,978</u> |

15. CONTINGENCIES

The Organization has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

The Organization has various outstanding claims and litigation. However, based on consultation with legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Organization's financial position or results of operations.

In June 2012, the Superior Court of Alameda County ordered the State Board of Education to set aside its 2007 approval and the May 2011 amendment approval of the statewide benefit charter, which includes six Aspire schools, and adopt regulations in compliance with Education Code Section 47605.8(a) before the 2013/14 school year. The Organization believes that this decision may require it to seek local charters for these six schools for the 2013/14 school year, if an appeal of this decision does not successfully overturn the Court's ruling. The six schools included in the State Board of Education's statewide benefit charter are Aspire Alexander Twilight College Preparatory Academy, Aspire Alexander Twilight Secondary Academy, Aspire APEX Academy, Aspire Junior Collegiate Academy, Aspire Port City Academy, and Aspire Titan Academy. Although a failed appeal of this ruling would effectively cancel the current statewide benefit charter, the Organization's management is confident the affected schools would be able to obtain local charters, if required, in time for the 2013/14 school year.

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NOTES TO FINANCIAL STATEMENTS
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16. RELATED PARTY

The Organization is member of a coalition of Charter Management Organizations (CMO's) called The College Ready Promise (TCRP) designed to pool resources of schools that share the same objective of graduating all students college ready. TCRP is made up of four partnering CMO's: Aspire Public Schools, Alliance College-Ready Public Schools, Green Dot Public Schools, and Partnerships to Uplift Communities. TCRP's board of directors is made up of the top executives from each CMO, including the Organization's CEO.

TCRP's goal is to gain funding from foundations across the country, and disburse it to its members in order to assist them in carrying out their common goals. In 2011/12, TCRP passed through \$265,923 in federal funding to the Organization. This amount is reflected on the Schedule of Expenditures of Federal Awards.

17. SUBSEQUENT EVENT

On September 27, 2012, the Organization was awarded \$27,851,000 over five years, as part of the Department of Education's Teacher Incentive Fund (TIF). The award will be used to improve pay structures, reward great teachers and principals, and provide greater professional opportunities to teachers in high poverty schools. The Organization will begin to receive this funding in the fiscal year 2012/13.

SUPPLEMENTARY INFORMATION

ASPIRE PUBLIC SCHOOLS
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| | Aspire Monarch Academy | Aspire Lionel Wilson College Prep Academy | Aspire East Palo Alto Charter School | Aspire Millsmont Academy | Aspire Berkley Maynard Academy | Aspire California College Prep Academy | Aspire East Palo Alto Phoenix Academy | Aspire Golden State College Prep Academy | Aspire ERES Academy |
|---|------------------------------|--|---|--------------------------------|---|---|--|---|---------------------------|
| CURRENT ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 260,149 | \$ (573,960) | \$ 501,523 | \$ 7,346 | \$ 503,974 | \$ (258,304) | \$ 32,008 | \$ (507,867) | \$ (104,596) |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Accounts receivable | 1,027,392 | 1,144,748 | 1,622,678 | 616,127 | 1,262,627 | 1,357,985 | 309,844 | 1,043,475 | 572,454 |
| Pledges receivable | - | - | - | - | - | - | - | 93,811 | 100,000 |
| Cash held at county or district | - | - | - | - | - | - | - | - | - |
| Prepaid expenses and deposits | 15,000 | - | - | 10,000 | - | 11,000 | 11,300 | - | - |
| Deferred loss | - | - | - | - | - | - | - | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| Intercompany receivable | - | - | - | - | - | - | - | - | - |
| Total current assets | <u>1,302,541</u> | <u>570,788</u> | <u>2,124,201</u> | <u>633,473</u> | <u>1,766,601</u> | <u>1,110,681</u> | <u>353,152</u> | <u>629,419</u> | <u>567,858</u> |
| NONCURRENT ASSETS | | | | | | | | | |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Pledges receivable | - | - | - | - | - | - | - | - | - |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Property and equipment, net | 226,239 | 2,586 | 7,236 | 60,782 | 49,907 | 162,270 | 50,670 | 100,236 | 90,719 |
| Deferred loss | - | - | - | - | - | - | - | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| Total noncurrent assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 1,528,780</u> | <u>\$ 573,374</u> | <u>\$ 2,131,437</u> | <u>\$ 694,255</u> | <u>\$ 1,816,508</u> | <u>\$ 1,272,951</u> | <u>\$ 403,822</u> | <u>\$ 729,655</u> | <u>\$ 658,577</u> |
| CURRENT LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 123,787 | \$ 140,603 | \$ 286,108 | \$ 110,888 | \$ 191,034 | \$ 65,575 | \$ 98,794 | \$ 143,463 | \$ 95,822 |
| Accrued expenses | 245,859 | 322,050 | 244,425 | 123,588 | 273,368 | 161,991 | 221,889 | 189,024 | 133,102 |
| Deferred revenue | - | - | - | - | - | - | - | - | - |
| Capital leases, current portion | - | - | - | - | - | - | - | - | - |
| Debt, current portion | 450,000 | - | 1,030,000 | 300,000 | 630,000 | 760,000 | 20,000 | - | 320,000 |
| Intercompany payable | - | - | - | - | - | - | - | 79,033 | - |
| Total current liabilities | <u>819,646</u> | <u>462,653</u> | <u>1,560,533</u> | <u>534,476</u> | <u>1,094,402</u> | <u>987,566</u> | <u>340,683</u> | <u>411,520</u> | <u>548,924</u> |
| LONG-TERM DEBT | | | | | | | | | |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | - | - | - | - |
| Debt | - | - | - | - | - | - | 40,000 | - | 100,000 |
| Total liabilities | <u>819,646</u> | <u>462,653</u> | <u>1,560,533</u> | <u>534,476</u> | <u>1,094,402</u> | <u>987,566</u> | <u>380,683</u> | <u>411,520</u> | <u>648,924</u> |
| NET ASSETS | | | | | | | | | |
| Unrestricted | 709,134 | 108,431 | 360,556 | 146,684 | 722,106 | 263,551 | 15,173 | 317,952 | (100,496) |
| Temporarily restricted | - | 2,290 | 210,348 | 13,095 | - | 21,834 | 7,966 | 183 | 110,149 |
| Total net assets | <u>709,134</u> | <u>110,721</u> | <u>570,904</u> | <u>159,779</u> | <u>722,106</u> | <u>285,385</u> | <u>23,139</u> | <u>318,135</u> | <u>9,653</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,528,780</u> | <u>\$ 573,374</u> | <u>\$ 2,131,437</u> | <u>\$ 694,255</u> | <u>\$ 1,816,508</u> | <u>\$ 1,272,951</u> | <u>\$ 403,822</u> | <u>\$ 729,655</u> | <u>\$ 658,577</u> |

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| | Aspire College Academy | Total Bay Area Region | Aspire Vincent Shalvey Academy | Aspire University Charter School | Aspire Summit Charter Academy | Aspire River Oaks Charter School | Aspire Benjamin Holt College Prep Academy | Aspire Capitol Heights Academy | Aspire Rosa Parks Academy |
|---|------------------------------|--------------------------|---|---|--|--|---|---|---------------------------------|
| CURRENT ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 75,514 | \$ (64,213) | \$ 134,710 | \$ 676,010 | \$ 415,822 | \$ 269,417 | \$ 344,972 | \$ 80,042 | \$ 417,633 |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Accounts receivable | 2,370 | 8,959,700 | 945,064 | 638,203 | 1,028,315 | 1,017,739 | 1,503,296 | 761,890 | 1,019,100 |
| Pledges receivable | - | 193,811 | - | - | - | - | - | - | - |
| Cash held at county or district | - | - | - | - | - | - | - | - | - |
| Prepaid expenses and deposits | - | 47,300 | 345 | - | 13,750 | - | - | 6,667 | - |
| Deferred loss | - | - | - | - | - | (5,669) | 19,418 | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| Intercompany receivable | - | - | - | - | - | - | - | - | - |
| Total current assets | <u>77,884</u> | <u>9,136,598</u> | <u>1,080,119</u> | <u>1,314,213</u> | <u>1,457,887</u> | <u>1,281,487</u> | <u>1,867,686</u> | <u>848,599</u> | <u>1,436,733</u> |
| NONCURRENT ASSETS | | | | | | | | | |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Pledges receivable | - | - | - | - | - | - | - | - | - |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Property and equipment, net | 207,814 | 958,459 | 684,787 | 3,553 | 99,071 | 6,673,030 | 8,608,239 | 80,643 | 8,592,720 |
| Deferred loss | - | - | - | - | - | (106,286) | 364,080 | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| Total noncurrent assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 285,698</u> | <u>\$ 10,095,057</u> | <u>\$ 1,764,906</u> | <u>\$ 1,317,766</u> | <u>\$ 1,556,958</u> | <u>\$ 7,848,231</u> | <u>\$ 10,840,005</u> | <u>\$ 929,242</u> | <u>\$ 10,029,453</u> |
| CURRENT LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 50,464 | \$ 1,306,538 | \$ 98,560 | \$ 62,148 | \$ 95,163 | \$ 107,139 | \$ 185,661 | \$ 86,660 | \$ 132,749 |
| Accrued expenses | 57,819 | 1,973,115 | 295,381 | 195,524 | 279,946 | 246,422 | 335,590 | 181,457 | 280,242 |
| Deferred revenue | - | - | - | - | - | - | - | - | - |
| Capital leases, current portion | - | - | - | - | - | 240,956 | 277,198 | - | - |
| Debt, current portion | - | 3,510,000 | - | 340,000 | 580,000 | - | - | 400,000 | 744,468 |
| Intercompany payable | - | 79,033 | - | - | - | - | - | - | - |
| Total current liabilities | <u>108,283</u> | <u>6,868,686</u> | <u>393,941</u> | <u>597,672</u> | <u>955,109</u> | <u>594,517</u> | <u>798,449</u> | <u>668,117</u> | <u>1,157,459</u> |
| LONG-TERM DEBT | | | | | | | | | |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | 7,038,774 | 8,097,461 | - | - |
| Debt | - | 140,000 | - | - | - | - | - | - | 4,335,471 |
| Total liabilities | <u>108,283</u> | <u>7,008,686</u> | <u>393,941</u> | <u>597,672</u> | <u>955,109</u> | <u>7,633,291</u> | <u>8,895,910</u> | <u>668,117</u> | <u>5,492,930</u> |
| NET ASSETS | | | | | | | | | |
| Unrestricted | 140,403 | 2,683,494 | 1,370,965 | 720,094 | 537,107 | 214,940 | 1,934,390 | 253,763 | 4,536,523 |
| Temporarily restricted | 37,012 | 402,877 | - | - | 64,742 | - | 9,705 | 7,362 | - |
| Total net assets | <u>177,415</u> | <u>3,086,371</u> | <u>1,370,965</u> | <u>720,094</u> | <u>601,849</u> | <u>214,940</u> | <u>1,944,095</u> | <u>261,125</u> | <u>4,536,523</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 285,698</u> | <u>\$ 10,095,057</u> | <u>\$ 1,764,906</u> | <u>\$ 1,317,766</u> | <u>\$ 1,556,958</u> | <u>\$ 7,848,231</u> | <u>\$ 10,840,005</u> | <u>\$ 929,242</u> | <u>\$ 10,029,453</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

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| | Aspire Langston Hughes Academy | Aspire Port City Academy | Aspire Vanguard College Prep Academy | Aspire Alexander Twilight College Prep Academy | Aspire Alexander Twilight Secondary Academy | Aspire APEX Academy | Total Central Valley Region | Aspire Antonio Maria Lugo Academy | Aspire Centennial College Prep Academy |
|---|---|-----------------------------|---|--|---|------------------------|--------------------------------|--|---|
| CURRENT ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ (1,456,181) | \$ (329,460) | \$ 351,350 | \$ (668,357) | \$ (136,695) | \$ (642,476) | \$ (543,213) | \$ 232,579 | \$ 948,620 |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Accounts receivable | 1,756,721 | 1,238,459 | 674,528 | 1,133,809 | 589,371 | 709,586 | 13,016,081 | 639,409 | 1,379,764 |
| Pledges receivable | - | - | - | - | - | - | - | - | - |
| Cash held at county or district | - | - | - | - | - | - | - | - | - |
| Prepaid expenses and deposits | - | 25,000 | 10,000 | 6,250 | - | - | 62,012 | - | - |
| Deferred loss | - | - | - | - | - | - | 13,749 | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| Intercompany receivable | - | - | - | 29,893 | - | - | 29,893 | - | - |
| Total current assets | 300,540 | 933,999 | 1,035,878 | 501,595 | 452,676 | 67,110 | 12,578,522 | 871,988 | 2,328,384 |
| NONCURRENT ASSETS | | | | | | | | | |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Pledges receivable | - | - | - | - | - | - | - | - | - |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Property and equipment, net | 100,890 | 67,698 | 819 | 138,043 | 7,980 | 327,080 | 25,384,553 | 33,616 | 123,892 |
| Deferred loss | - | - | - | - | - | - | 257,794 | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 401,430</u> | <u>\$ 1,001,697</u> | <u>\$ 1,036,697</u> | <u>\$ 639,638</u> | <u>\$ 460,656</u> | <u>\$ 394,190</u> | <u>\$ 38,220,869</u> | <u>\$ 905,604</u> | <u>\$ 2,452,276</u> |
| CURRENT LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 109,486 | \$ 58,141 | \$ 76,861 | \$ 108,240 | \$ 53,290 | \$ 36,935 | \$ 1,211,033 | \$ 151,215 | \$ 154,761 |
| Accrued expenses | 276,821 | 252,956 | 186,319 | 187,151 | 104,193 | 146,093 | 2,968,095 | 137,504 | 330,874 |
| Deferred revenue | - | - | - | - | - | - | - | - | - |
| Capital leases, current portion | - | - | - | - | - | - | 518,154 | - | - |
| Debt, current portion | 20,000 | 20,000 | 410,000 | 20,000 | - | - | 2,534,468 | 320,000 | 750,000 |
| Intercompany payable | - | - | - | - | - | - | - | - | - |
| Total current liabilities | 406,307 | 331,097 | 673,180 | 315,391 | 157,483 | 183,028 | 7,231,750 | 608,719 | 1,235,635 |
| LONG-TERM DEBT | | | | | | | | | |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | - | 15,136,235 | - | - |
| Debt | 40,000 | 40,002 | 40,000 | 39,998 | - | - | 4,495,471 | - | - |
| Total liabilities | 446,307 | 371,099 | 713,180 | 355,389 | 157,483 | 183,028 | 26,863,456 | 608,719 | 1,235,635 |
| NET ASSETS | | | | | | | | | |
| Unrestricted | (48,940) | 630,598 | 322,697 | 284,249 | 298,347 | 211,162 | 11,265,895 | 296,884 | 1,207,963 |
| Temporarily restricted | 4,063 | - | 820 | - | 4,826 | - | 91,518 | 1 | 8,678 |
| Total net assets | (44,877) | 630,598 | 323,517 | 284,249 | 303,173 | 211,162 | 11,357,413 | 296,885 | 1,216,641 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 401,430</u> | <u>\$ 1,001,697</u> | <u>\$ 1,036,697</u> | <u>\$ 639,638</u> | <u>\$ 460,656</u> | <u>\$ 394,190</u> | <u>\$ 38,220,869</u> | <u>\$ 905,604</u> | <u>\$ 2,452,276</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

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| | Aspire Huntington Park Charter School | Aspire Junior Collegiate Academy | Aspire Titan Academy | Aspire Pacific Academy | Aspire Firestone Academy | Aspire Gateway Academy | Aspire Tate Academy | Aspire Inskip Academy | Aspire Slauson Academy |
|---|--|--|-------------------------|---------------------------|--------------------------------|------------------------------|------------------------|-----------------------------|------------------------------|
| CURRENT ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 346,207 | \$ 59,868 | \$ (258,282) | \$ (431,318) | \$ 630,941 | \$ 710,227 | \$ 163,145 | \$ 278,664 | \$ 250,278 |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Accounts receivable | 633,053 | 821,365 | 990,780 | 1,272,992 | 749,443 | 750,412 | 536,509 | 533,896 | 565,715 |
| Pledges receivable | - | - | - | - | - | - | - | - | - |
| Cash held at county or district | - | - | - | - | - | - | 250,000 | 250,000 | 250,000 |
| Prepaid expenses and deposits | 10,800 | - | - | 400 | - | - | - | - | - |
| Deferred loss | - | - | - | - | - | - | - | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| Intercompany receivable | - | - | - | - | - | - | - | - | - |
| Total current assets | <u>990,060</u> | <u>881,233</u> | <u>732,498</u> | <u>842,074</u> | <u>1,380,384</u> | <u>1,460,639</u> | <u>949,654</u> | <u>1,062,560</u> | <u>1,065,993</u> |
| NONCURRENT ASSETS | | | | | | | | | |
| Restricted cash | - | - | - | - | - | - | - | - | - |
| Pledges receivable | - | - | - | - | - | - | - | - | - |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Property and equipment, net | 18,792 | 64,437 | 70,811 | 116,032 | - | - | - | - | - |
| Deferred loss | - | - | - | - | - | - | - | - | - |
| Deferred charges | - | - | - | - | - | - | - | - | - |
| Total noncurrent assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 1,008,852</u> | <u>\$ 945,670</u> | <u>\$ 803,309</u> | <u>\$ 958,106</u> | <u>\$ 1,380,384</u> | <u>\$ 1,460,639</u> | <u>\$ 949,654</u> | <u>\$ 1,062,560</u> | <u>\$ 1,065,993</u> |
| CURRENT LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 88,169 | \$ 132,904 | \$ 126,904 | \$ 83,266 | \$ 68,445 | \$ 106,827 | \$ 98,807 | \$ 92,918 | \$ 81,627 |
| Accrued expenses | 177,184 | 165,079 | 211,979 | 285,434 | 237,666 | 169,654 | 152,697 | 155,527 | 116,271 |
| Deferred revenue | - | - | - | - | - | - | - | - | - |
| Capital leases, current portion | - | - | - | - | - | - | - | - | - |
| Debt, current portion | 350,000 | 50,000 | 50,000 | - | 562,500 | 572,500 | 422,500 | 422,500 | 422,500 |
| Intercompany payable | - | - | - | - | - | - | - | - | - |
| Total current liabilities | <u>615,353</u> | <u>347,983</u> | <u>388,883</u> | <u>368,700</u> | <u>868,611</u> | <u>848,981</u> | <u>674,004</u> | <u>670,945</u> | <u>620,398</u> |
| LONG-TERM DEBT | | | | | | | | | |
| Deferred rent due | - | - | - | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | - | - | - | - |
| Debt | 130,000 | 130,000 | 129,997 | - | 125,000 | 125,000 | 187,500 | 187,500 | 187,500 |
| Total liabilities | <u>745,353</u> | <u>477,983</u> | <u>518,880</u> | <u>368,700</u> | <u>993,611</u> | <u>973,981</u> | <u>861,504</u> | <u>858,445</u> | <u>807,898</u> |
| NET ASSETS | | | | | | | | | |
| Unrestricted | 261,038 | 467,687 | 280,861 | 562,415 | 386,773 | 486,658 | 88,150 | 204,115 | 258,095 |
| Temporarily restricted | 2,461 | - | 3,568 | 26,991 | - | - | - | - | - |
| Total net assets | <u>263,499</u> | <u>467,687</u> | <u>284,429</u> | <u>589,406</u> | <u>386,773</u> | <u>486,658</u> | <u>88,150</u> | <u>204,115</u> | <u>258,095</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,008,852</u> | <u>\$ 945,670</u> | <u>\$ 803,309</u> | <u>\$ 958,106</u> | <u>\$ 1,380,384</u> | <u>\$ 1,460,639</u> | <u>\$ 949,654</u> | <u>\$ 1,062,560</u> | <u>\$ 1,065,993</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

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| | Total LA Region | Non Active Sites | Home Office | Total Aspire Public Schools | CFC, LLC | Eliminations | Total Consolidated |
|---|----------------------|----------------------|----------------------|--------------------------------|-----------------------|-----------------------|-----------------------|
| CURRENT ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 2,930,929 | \$ 6,509,910 | \$ 3,381,169 | \$ 12,214,582 | \$ 2,387 | \$ - | \$ 12,216,969 |
| Restricted cash | - | - | - | - | 7,390,325 | - | 7,390,325 |
| Accounts receivable | 8,873,338 | - | 655,466 | 31,504,585 | - | - | 31,504,585 |
| Pledges receivable | - | - | 7,362,296 | 7,556,107 | - | - | 7,556,107 |
| Cash held at county or district | 750,000 | - | - | 750,000 | - | - | 750,000 |
| Prepaid expenses and deposits | 11,200 | - | 106,587 | 227,099 | - | - | 227,099 |
| Deferred loss | - | - | - | 13,749 | - | - | 13,749 |
| Deferred charges | - | - | 112,442 | 112,442 | 106,851 | - | 219,293 |
| Intercompany receivable | - | - | 1,079,541 | 1,109,434 | 79,033 | (1,188,467) | - |
| Total current assets | <u>12,565,467</u> | <u>6,509,910</u> | <u>12,697,501</u> | <u>53,487,998</u> | <u>7,578,596</u> | <u>(1,188,467)</u> | <u>59,878,127</u> |
| NONCURRENT ASSETS | | | | | | | |
| Restricted cash | - | - | - | - | 6,623,180 | - | 6,623,180 |
| Pledges receivable | - | - | 6,407,771 | 6,407,771 | - | - | 6,407,771 |
| Deferred rent due | - | - | - | - | 2,068,837 | (2,068,837) | - |
| Property and equipment, net | 427,580 | 4,671,780 | 3,224,938 | 34,667,310 | 90,284,542 | (1,032,128) | 123,919,724 |
| Deferred loss | - | - | - | 257,794 | - | - | 257,794 |
| Deferred charges | - | - | - | - | 3,552,336 | - | 3,552,336 |
| TOTAL ASSETS | <u>\$ 12,993,047</u> | <u>\$ 11,181,690</u> | <u>\$ 22,330,210</u> | <u>\$ 94,820,873</u> | <u>\$ 110,107,491</u> | <u>\$ (4,289,432)</u> | <u>\$ 200,638,932</u> |
| CURRENT LIABILITIES | | | | | | | |
| Accounts payable | \$ 1,185,843 | \$ 135,104 | \$ 1,393,890 | \$ 5,232,408 | \$ 1,001,645 | \$ - | \$ 6,234,053 |
| Accrued expenses | 2,139,869 | - | 1,367,939 | 8,449,018 | 2,802,420 | - | 11,251,438 |
| Deferred revenue | - | - | - | - | - | - | - |
| Capital leases, current portion | - | - | 71,846 | 590,000 | - | - | 590,000 |
| Debt, current portion | 3,922,500 | - | 387,066 | 10,354,034 | - | - | 10,354,034 |
| Intercompany payable | - | - | - | 79,033 | 1,109,434 | (1,188,467) | - |
| Total current liabilities | <u>7,248,212</u> | <u>135,104</u> | <u>3,220,741</u> | <u>24,704,493</u> | <u>4,913,499</u> | <u>(1,188,467)</u> | <u>28,429,525</u> |
| LONG-TERM DEBT | | | | | | | |
| Deferred rent due | - | - | 2,068,837 | 2,068,837 | - | (2,068,837) | - |
| Capital leases | - | - | 2,098,765 | 17,235,000 | - | - | 17,235,000 |
| Debt | 1,202,497 | 5,719,652 | 4,575,000 | 16,132,620 | 93,295,000 | - | 109,427,620 |
| Total liabilities | <u>8,450,709</u> | <u>5,854,756</u> | <u>11,963,343</u> | <u>60,140,950</u> | <u>98,208,499</u> | <u>(3,257,304)</u> | <u>155,092,145</u> |
| NET ASSETS | | | | | | | |
| Unrestricted | 4,500,639 | (296,513) | (9,323,694) | 8,829,821 | 11,898,992 | (1,032,128) | 19,696,685 |
| Temporarily restricted | 41,699 | 5,623,447 | 19,690,561 | 25,850,102 | - | - | 25,850,102 |
| Total net assets | <u>4,542,338</u> | <u>5,326,934</u> | <u>10,366,867</u> | <u>34,679,923</u> | <u>11,898,992</u> | <u>(1,032,128)</u> | <u>45,546,787</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 12,993,047</u> | <u>\$ 11,181,690</u> | <u>\$ 22,330,210</u> | <u>\$ 94,820,873</u> | <u>\$ 110,107,491</u> | <u>\$ (4,289,432)</u> | <u>\$ 200,638,932</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012

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| | Aspire Monarch Academy | Aspire Lionel Wilson College Prep Academy | Aspire East Palo Alto Charter School | Aspire Millsmont Academy | Aspire Berkley Maynard Academy | Aspire California College Prep Academy | Aspire East Palo Alto Phoenix Academy | Aspire Golden State College Prep Academy | Aspire ERES Academy |
|--|------------------------------|--|---|--------------------------------|---|---|--|---|---------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | | | | | |
| SUPPORT AND REVENUE | | | | | | | | | |
| Private grants and contributions | \$ 2,566 | \$ - | \$ 192,706 | \$ 970 | \$ - | \$ 25,357 | \$ 507,923 | \$ 6,575 | \$ 5 |
| Donated equipment, materials, and services | - | - | - | - | - | - | - | - | - |
| Federal revenue | 574,393 | 634,614 | 436,444 | 349,420 | 465,887 | 121,329 | 316,740 | 257,648 | 256,167 |
| Revenue limit sources: | | | | | | | | | |
| State aid portion of general purpose block grant | 1,287,650 | 1,910,848 | 2,045,391 | 914,478 | 1,875,397 | 1,239,798 | 604,953 | 1,502,417 | 760,640 |
| State revenue: | | | | | | | | | |
| Categorical block grant | 384,293 | 407,898 | 288,273 | 181,418 | 387,624 | 90,723 | 193,446 | 261,601 | 234,118 |
| All other state revenue | 364,416 | 743,091 | 228,811 | 81,258 | 316,154 | 76,413 | 95,745 | 104,730 | 159,947 |
| Local revenue: | | | | | | | | | |
| Cash in-lieu of property taxes | 622,587 | 785,534 | (5,594) | 441,954 | 891,940 | - | 1,078,070 | 624,914 | 360,358 |
| Interest income | - | - | - | - | - | - | - | - | - |
| All other local revenue | 13,606 | 44,742 | 282,079 | 68,745 | 143,673 | 36,687 | 56,750 | 19,699 | 10,298 |
| Subtotal | 3,249,511 | 4,526,727 | 3,468,110 | 2,038,243 | 4,080,675 | 1,590,307 | 2,853,627 | 2,777,584 | 1,781,533 |
| Net assets released from restrictions | 337,823 | 440,040 | 1,453,902 | 305,457 | 300,053 | 253,122 | 152,060 | 629,318 | 225,562 |
| Total support and revenue | 3,587,334 | 4,966,767 | 4,922,012 | 2,343,700 | 4,380,728 | 1,843,429 | 3,005,687 | 3,406,902 | 2,007,095 |
| PROGRAM EXPENSES | | | | | | | | | |
| Educational programs | 2,941,652 | 4,337,708 | 3,992,472 | 1,873,639 | 3,757,452 | 1,933,885 | 3,309,365 | 4,476,415 | 1,946,946 |
| SUPPORTING SERVICES | | | | | | | | | |
| Site support | - | - | - | - | - | - | - | - | - |
| Development and expansion | - | - | - | - | - | - | - | - | - |
| Administration and general | - | - | - | - | - | - | - | - | - |
| Cost allocations and reserve | 647,835 | 566,506 | 443,150 | 332,248 | 513,041 | (143,196) | (191,943) | (1,043,765) | 274,199 |
| Total supporting services | 647,835 | 566,506 | 443,150 | 332,248 | 513,041 | (143,196) | (191,943) | (1,043,765) | 274,199 |
| Total expenses | 3,589,487 | 4,904,214 | 4,435,622 | 2,205,887 | 4,270,493 | 1,790,689 | 3,117,422 | 3,432,650 | 2,221,145 |
| OTHER INCOME | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| TRANSFERS BETWEEN AFFILIATES | | | | | | | | | |
| | - | - | - | - | - | - | - | (79,033) | - |
| Increase (Decrease) in Unrestricted Net Assets | (2,153) | 62,553 | 486,390 | 137,813 | 110,235 | 52,740 | (111,735) | (104,781) | (214,050) |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS: | | | | | | | | | |
| Private grants and contributions | - | 21,590 | - | - | - | 57,493 | 2,614 | 324,786 | 135,137 |
| Federal and state revenue | 333,109 | 370,397 | 1,428,971 | 305,457 | 300,053 | 127,767 | 146,765 | 304,532 | 200,425 |
| Net assets released from restrictions | (337,823) | (440,040) | (1,453,902) | (305,457) | (300,053) | (253,122) | (152,060) | (629,318) | (225,562) |
| Increase (Decrease) in Temporarily Restricted Net Assets | (4,714) | (48,053) | (24,931) | - | - | (67,862) | (2,681) | - | 110,000 |
| INCREASE (DECREASE) IN NET ASSETS | (6,867) | 14,500 | 461,459 | 137,813 | 110,235 | (15,122) | (114,416) | (104,781) | (104,050) |
| NET ASSETS - Beginning of Year | 716,001 | 96,221 | 109,445 | 21,966 | 611,871 | 300,507 | 137,555 | 422,916 | 113,703 |
| NET ASSETS - End of Year | \$ 709,134 | \$ 110,721 | \$ 570,904 | \$ 159,779 | \$ 722,106 | \$ 285,385 | \$ 23,139 | \$ 318,135 | \$ 9,653 |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012

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| | Aspire College Academy | Total Bay Area Region | Aspire Vincent Shalvey Academy | Aspire University Charter School | Aspire Summit Charter Academy | Aspire River Oaks Charter School | Aspire Benjamin Holt College Prep Academy | Aspire Capitol Heights Academy | Aspire Rosa Parks Academy |
|--|------------------------------|--------------------------|---|---|--|--|---|---|---------------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | | | | | |
| SUPPORT AND REVENUE | | | | | | | | | |
| Private grants and contributions | \$ - | \$ 736,102 | \$ 22,713 | \$ 1,747 | \$ 275 | \$ 6,295 | \$ 4,027 | \$ 4,436 | \$ 8,897 |
| Donated equipment, materials, and services | - | - | - | - | - | - | - | - | - |
| Federal revenue | 316,286 | 3,728,928 | 120,510 | 66,302 | 386,144 | 480,953 | 202,203 | 379,740 | 227,094 |
| Revenue limit sources: | | | | | | | | | |
| State aid portion of general purpose block grant | 982,915 | 13,124,487 | 1,449,884 | 1,012,100 | 1,690,273 | 1,485,531 | 2,788,301 | 1,078,315 | 1,593,543 |
| State revenue: | | | | | | | | | |
| Categorical block grant | 86,818 | 2,516,212 | 174,328 | 117,670 | 215,171 | 206,242 | 302,051 | 203,392 | 283,454 |
| All other state revenue | 51,601 | 2,222,166 | 444,163 | 217,461 | 150,439 | 437,920 | 118,509 | 154,376 | 283,716 |
| Local revenue: | | | | | | | | | |
| Cash in-lieu of property taxes | - | 4,799,763 | 454,917 | 285,960 | 270,479 | 446,348 | 766,955 | 355,064 | 295,279 |
| Interest income | - | - | - | 421 | 515 | 12 | 14 | - | 133 |
| All other local revenue | 14,764 | 691,043 | 130,599 | 22,577 | 92,724 | 82,692 | 114,154 | 53,676 | 4,832 |
| Subtotal | 1,452,384 | 27,818,701 | 2,797,114 | 1,724,238 | 2,806,020 | 3,145,993 | 4,296,214 | 2,228,999 | 2,696,948 |
| Net assets released from restrictions | 190,645 | 4,287,982 | 130,270 | 134,177 | 363,954 | 518,883 | 252,939 | 280,964 | 217,866 |
| Total support and revenue | 1,643,029 | 32,106,683 | 2,927,384 | 1,858,415 | 3,169,974 | 3,664,876 | 4,549,153 | 2,509,963 | 2,914,814 |
| PROGRAM EXPENSES | | | | | | | | | |
| Educational programs | 1,464,317 | 30,033,851 | 2,671,849 | 1,776,618 | 2,714,265 | 3,027,719 | 4,411,524 | 2,084,134 | 2,661,366 |
| SUPPORTING SERVICES | | | | | | | | | |
| Site support | - | - | - | - | - | - | - | - | - |
| Development and expansion | - | - | - | - | - | - | - | - | - |
| Administration and general | - | - | - | - | - | - | - | - | - |
| Cost allocations and reserve | (12,067) | 1,386,008 | 455,300 | 55,981 | 420,897 | 555,364 | 21,366 | 362,457 | 369,923 |
| Total supporting services | (12,067) | 1,386,008 | 455,300 | 55,981 | 420,897 | 555,364 | 21,366 | 362,457 | 369,923 |
| Total expenses | 1,452,250 | 31,419,859 | 3,127,149 | 1,832,599 | 3,135,162 | 3,583,083 | 4,432,890 | 2,446,591 | 3,031,289 |
| OTHER INCOME | - | - | - | - | - | - | - | - | - |
| TRANSFERS BETWEEN AFFILIATES | - | (79,033) | - | - | - | - | - | - | - |
| Increase (Decrease) in Unrestricted Net Assets | 190,779 | 607,791 | (199,765) | 25,816 | 34,812 | 81,793 | 116,263 | 63,372 | (116,475) |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS: | | | | | | | | | |
| Private grants and contributions | 150,000 | 691,620 | - | - | - | - | - | - | - |
| Federal and state revenue | 77,657 | 3,595,133 | 130,270 | 130,669 | 359,210 | 518,883 | 110,137 | 280,781 | 217,866 |
| Net assets released from restrictions | (190,645) | (4,287,982) | (130,270) | (134,177) | (363,954) | (518,883) | (252,939) | (280,964) | (217,866) |
| Increase (Decrease) in Temporarily Restricted Net Assets | 37,012 | (1,229) | - | (3,508) | (4,744) | - | (142,802) | (183) | - |
| INCREASE (DECREASE) IN NET ASSETS | 227,791 | 606,562 | (199,765) | 22,308 | 30,068 | 81,793 | (26,539) | 63,189 | (116,475) |
| NET ASSETS - Beginning of Year | (50,376) | 2,479,809 | 1,570,730 | 697,786 | 571,781 | 133,147 | 1,970,634 | 197,936 | 4,652,998 |
| NET ASSETS - End of Year | \$ 177,415 | \$ 3,086,371 | \$ 1,370,965 | \$ 720,094 | \$ 601,849 | \$ 214,940 | \$ 1,944,095 | \$ 261,125 | \$ 4,536,523 |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012

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| | Aspire Langston Hughes Academy | Aspire Port City Academy | Aspire Vanguard College Prep Academy | Aspire Alexander Twilight College Prep Academy | Aspire Alexander Twilight Secondary Academy | Aspire APEX Academy | Total Central Valley Region | Aspire Antonio Maria Lugo Academy | Aspire Centennial College Prep Academy |
|--|---|-----------------------------|---|--|---|------------------------|--------------------------------|--|---|
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | | | | | |
| SUPPORT AND REVENUE | | | | | | | | | |
| Private grants and contributions | \$ 2,324 | \$ 349 | \$ 101,100 | \$ 1,111 | \$ - | \$ 305 | \$ 153,579 | \$ 9,049 | \$ 5,763 |
| Donated equipment, materials, and services | - | - | - | - | - | - | - | - | - |
| Federal revenue | 191,405 | 264,906 | 163,354 | 316,398 | 306,517 | 247,347 | 3,352,873 | 407,010 | 534,262 |
| Revenue limit sources: | | | | | | | | | |
| State aid portion of general purpose block grant | 2,436,123 | 1,993,286 | 1,072,890 | 2,004,685 | 966,130 | 1,338,010 | 20,909,071 | 846,325 | 2,054,181 |
| State revenue: | | | | | | | | | |
| Categorical block grant | 297,844 | 230,974 | 147,464 | 266,318 | 113,597 | 163,685 | 2,722,190 | 220,177 | 410,950 |
| All other state revenue | 652,925 | 595,304 | 96,939 | 111,202 | 53,019 | 172,193 | 3,488,166 | 173,037 | 466,350 |
| Local revenue: | | | | | | | | | |
| Cash in-lieu of property taxes | 410,175 | - | 556,258 | - | - | - | 3,841,435 | 283,252 | 683,617 |
| Interest income | 133 | 244 | 195 | 249 | 116 | 167 | 2,199 | - | - |
| All other local revenue | 54,856 | 146,307 | 111,284 | 81,473 | 35,237 | 22,554 | 952,965 | 5,456 | 43,776 |
| Subtotal | 4,045,785 | 3,231,370 | 2,249,484 | 2,781,436 | 1,474,616 | 1,944,261 | 35,422,478 | 1,944,306 | 4,198,899 |
| Net assets released from restrictions | 291,267 | 330,281 | 221,144 | 292,814 | 285,337 | 109,800 | 3,429,696 | 342,300 | 387,015 |
| Total support and revenue | <u>4,337,052</u> | <u>3,561,651</u> | <u>2,470,628</u> | <u>3,074,250</u> | <u>1,759,953</u> | <u>2,054,061</u> | <u>38,852,174</u> | <u>2,286,606</u> | <u>4,585,914</u> |
| PROGRAM EXPENSES | | | | | | | | | |
| Educational programs | <u>3,966,301</u> | <u>2,909,080</u> | <u>2,243,311</u> | <u>2,816,995</u> | <u>1,839,974</u> | <u>1,748,370</u> | <u>34,871,506</u> | <u>1,933,503</u> | <u>3,869,826</u> |
| SUPPORTING SERVICES | | | | | | | | | |
| Site support | - | - | - | - | - | - | - | - | - |
| Development and expansion | - | - | - | - | - | - | - | - | - |
| Administration and general | - | - | - | - | - | - | - | - | - |
| Cost allocations and reserve | 309,410 | 521,803 | 22,904 | 46,235 | (249,849) | 251,118 | 3,142,909 | 355,367 | 696,387 |
| Total supporting services | <u>309,410</u> | <u>521,803</u> | <u>22,904</u> | <u>46,235</u> | <u>(249,849)</u> | <u>251,118</u> | <u>3,142,909</u> | <u>355,367</u> | <u>696,387</u> |
| Total expenses | <u>4,275,711</u> | <u>3,430,883</u> | <u>2,266,215</u> | <u>2,863,230</u> | <u>1,590,125</u> | <u>1,999,488</u> | <u>38,014,415</u> | <u>2,288,870</u> | <u>4,566,213</u> |
| OTHER INCOME | | | | | | | | | |
| TRANSFERS BETWEEN AFFILIATES | - | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Unrestricted Net Assets | <u>61,341</u> | <u>130,768</u> | <u>204,413</u> | <u>211,020</u> | <u>169,828</u> | <u>54,573</u> | <u>837,759</u> | <u>(2,264)</u> | <u>19,701</u> |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS: | | | | | | | | | |
| Private grants and contributions | - | - | - | - | - | - | - | - | - |
| Federal and state revenue | 284,022 | 330,281 | 211,316 | 292,814 | 290,163 | 109,800 | 3,266,212 | 342,300 | 385,538 |
| Net assets released from restrictions | (291,267) | (330,281) | (221,144) | (292,814) | (285,337) | (109,800) | (3,429,696) | (342,300) | (387,015) |
| Increase (Decrease) in Temporarily Restricted Net Assets | <u>(7,245)</u> | <u>-</u> | <u>(9,828)</u> | <u>-</u> | <u>4,826</u> | <u>-</u> | <u>(163,484)</u> | <u>-</u> | <u>(1,477)</u> |
| INCREASE (DECREASE) IN NET ASSETS | 54,096 | 130,768 | 194,585 | 211,020 | 174,654 | 54,573 | 674,275 | (2,264) | 18,224 |
| NET ASSETS - Beginning of Year | (98,973) | 499,830 | 128,932 | 73,229 | 128,519 | 156,589 | 10,683,138 | 299,149 | 1,198,417 |
| NET ASSETS - End of Year | <u>\$ (44,877)</u> | <u>\$ 630,598</u> | <u>\$ 323,517</u> | <u>\$ 284,249</u> | <u>\$ 303,173</u> | <u>\$ 211,162</u> | <u>\$ 11,357,413</u> | <u>\$ 296,885</u> | <u>\$ 1,216,641</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012

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| | Aspire Huntington Park Charter School | Aspire Junior Collegiate Academy | Aspire Titan Academy | Aspire Pacific Academy | Aspire Firestone Academy | Aspire Gateway Academy | Aspire Tate Academy | Aspire Inskeep Academy | Aspire Slauson Academy |
|--|--|---|----------------------------|---------------------------|--------------------------------|------------------------------|------------------------|------------------------------|------------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | | | | | |
| SUPPORT AND REVENUE | | | | | | | | | |
| Private grants and contributions | \$ 6,366 | \$ - | \$ - | \$ - | \$ - | \$ 766 | \$ - | \$ - | \$ - |
| Donated equipment, materials, and services | - | - | - | - | - | - | - | - | - |
| Federal revenue | 357,707 | 420,229 | 295,637 | 500,451 | 304,973 | 305,132 | 371,366 | 388,023 | 406,088 |
| Revenue limit sources: | | | | | | | | | |
| State aid portion of general purpose block grant | 842,241 | 1,468,424 | 1,466,185 | 2,189,849 | 1,352,666 | 1,333,817 | 1,032,393 | 1,043,425 | 1,024,237 |
| State revenue: | | | | | | | | | |
| Categorical block grant | 208,085 | 289,820 | 298,417 | 309,351 | 312,589 | 282,410 | 265,914 | 268,007 | 284,555 |
| All other state revenue | 224,628 | 24,799 | 441,006 | 526,724 | 92,695 | 91,138 | 68,069 | 68,740 | 67,599 |
| Local revenue: | | | | | | | | | |
| Cash in-lieu of property taxes | 299,687 | - | - | 615,640 | 483,237 | 477,068 | 374,847 | 378,669 | 371,922 |
| Interest income | - | 180 | 180 | - | - | - | - | - | - |
| All other local revenue | 9,282 | 10,794 | 3,558 | 88,166 | 14,377 | 5,511 | 3,050 | 2,810 | 4,874 |
| Subtotal | 1,947,996 | 2,214,246 | 2,504,983 | 4,230,181 | 2,560,537 | 2,495,842 | 2,115,639 | 2,149,674 | 2,159,275 |
| Net assets released from restrictions | 297,233 | 245,186 | 161,776 | 260,344 | 347,911 | 342,238 | 311,778 | 313,422 | 310,528 |
| Total support and revenue | <u>2,245,229</u> | <u>2,459,432</u> | <u>2,666,759</u> | <u>4,490,525</u> | <u>2,908,448</u> | <u>2,838,080</u> | <u>2,427,417</u> | <u>2,463,096</u> | <u>2,469,803</u> |
| PROGRAM EXPENSES | | | | | | | | | |
| Educational programs | 1,926,699 | 2,301,228 | 2,297,916 | 4,102,534 | 2,391,397 | 2,212,806 | 1,944,185 | 1,875,571 | 1,831,392 |
| SUPPORTING SERVICES | | | | | | | | | |
| Site support | - | - | - | - | - | - | - | - | - |
| Development and expansion | - | - | - | - | - | - | - | - | - |
| Administration and general | - | - | - | - | - | - | - | - | - |
| Cost allocations and reserve | 365,901 | 132,645 | 354,858 | 194,230 | 434,818 | 441,712 | 366,595 | 371,533 | 367,584 |
| Total supporting services | <u>365,901</u> | <u>132,645</u> | <u>354,858</u> | <u>194,230</u> | <u>434,818</u> | <u>441,712</u> | <u>366,595</u> | <u>371,533</u> | <u>367,584</u> |
| Total expenses | <u>2,292,600</u> | <u>2,433,873</u> | <u>2,652,774</u> | <u>4,296,764</u> | <u>2,826,215</u> | <u>2,654,518</u> | <u>2,310,780</u> | <u>2,247,104</u> | <u>2,198,976</u> |
| OTHER INCOME | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| TRANSFERS BETWEEN AFFILIATES | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Unrestricted Net Assets | <u>(47,371)</u> | <u>25,559</u> | <u>13,985</u> | <u>193,761</u> | <u>82,233</u> | <u>183,562</u> | <u>116,637</u> | <u>215,992</u> | <u>270,827</u> |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS: | | | | | | | | | |
| Private grants and contributions | - | - | - | - | - | - | 150,000 | 150,000 | 150,000 |
| Federal and state revenue | 293,784 | 245,186 | 147,503 | 287,335 | 347,911 | 342,238 | 161,778 | 163,422 | 160,528 |
| Net assets released from restrictions | (297,233) | (245,186) | (161,776) | (260,344) | (347,911) | (342,238) | (311,778) | (313,422) | (310,528) |
| Increase (Decrease) in Temporarily Restricted Net Assets | <u>(3,449)</u> | <u>-</u> | <u>(14,273)</u> | <u>26,991</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| INCREASE (DECREASE) IN NET ASSETS | (50,820) | 25,559 | (288) | 220,752 | 82,233 | 183,562 | 116,637 | 215,992 | 270,827 |
| NET ASSETS - Beginning of Year | 314,319 | 442,128 | 284,717 | 368,654 | 304,540 | 303,096 | (28,487) | (11,877) | (12,732) |
| NET ASSETS - End of Year | <u>\$ 263,499</u> | <u>\$ 467,687</u> | <u>\$ 284,429</u> | <u>\$ 589,406</u> | <u>\$ 386,773</u> | <u>\$ 486,658</u> | <u>\$ 88,150</u> | <u>\$ 204,115</u> | <u>\$ 258,095</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012

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| | <u>Total LA Region</u> | <u>Non Active Sites</u> | <u>Home Office</u> | <u>Total Aspire Public Schools</u> | <u>CFC, LLC</u> | <u>Eliminations</u> | <u>Total Consolidated</u> |
|--|----------------------------|-----------------------------|----------------------|--|----------------------|-----------------------|-------------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | | | |
| SUPPORT AND REVENUE | | | | | | | |
| Private grants and contributions | \$ 21,944 | \$ - | \$ 1,781,525 | \$ 2,693,150 | \$ - | \$ - | \$ 2,693,150 |
| Donated equipment, materials, and services | - | - | 267,949 | 267,949 | - | - | 267,949 |
| Federal revenue | 4,290,878 | - | 1,723,938 | 13,096,617 | - | - | 13,096,617 |
| Revenue limit sources: | | | | | | | |
| State aid portion of general purpose block grant | 14,653,743 | - | - | 48,687,301 | - | - | 48,687,301 |
| State revenue: | | | | | | | |
| Categorical block grant | 3,150,275 | - | - | 8,388,677 | - | - | 8,388,677 |
| All other state revenue | 2,244,785 | - | 398,241 | 8,353,358 | - | - | 8,353,358 |
| Local revenue: | | | | | | | |
| Cash in-lieu of property taxes | 3,967,939 | - | - | 12,609,137 | - | - | 12,609,137 |
| Interest income | 360 | - | 10,706 | 13,265 | 1,678 | - | 14,943 |
| All other local revenue | 191,654 | - | 542,358 | 2,378,020 | 6,564,265 | (6,524,319) | 2,417,966 |
| Subtotal | 28,521,578 | - | 4,724,717 | 96,487,474 | 6,565,943 | (6,524,319) | 96,529,098 |
| Net assets released from restrictions | 3,319,731 | 5,079 | 9,440,236 | 20,482,724 | - | - | 20,482,724 |
| Total support and revenue | <u>31,841,309</u> | <u>5,079</u> | <u>14,164,953</u> | <u>116,970,198</u> | <u>6,565,943</u> | <u>(6,524,319)</u> | <u>117,011,822</u> |
| PROGRAM EXPENSES | | | | | | | |
| Educational programs | <u>26,687,057</u> | <u>10,433</u> | <u>-</u> | <u>91,602,847</u> | <u>6,876,258</u> | <u>(5,604,836)</u> | <u>92,874,269</u> |
| SUPPORTING SERVICES | | | | | | | |
| Site support | - | - | 10,130,508 | 10,130,508 | - | (551,690) | 9,578,818 |
| Development and expansion | - | - | 4,068,731 | 4,068,731 | - | (275,845) | 3,792,886 |
| Administration and general | - | - | 4,147,256 | 4,147,256 | - | (91,948) | 4,055,308 |
| Cost allocations and reserve | 4,081,630 | - | (8,610,547) | - | - | - | - |
| Total supporting services | <u>4,081,630</u> | <u>-</u> | <u>9,735,948</u> | <u>18,346,495</u> | <u>-</u> | <u>(919,483)</u> | <u>17,427,012</u> |
| Total expenses | <u>30,768,687</u> | <u>10,433</u> | <u>9,735,948</u> | <u>109,949,342</u> | <u>6,876,258</u> | <u>(6,524,319)</u> | <u>110,301,281</u> |
| OTHER INCOME | - | - | - | - | - | - | - |
| TRANSFERS BETWEEN AFFILIATES | - | - | (162,000) | (241,033) | 241,033 | - | - |
| Increase (Decrease) in Unrestricted Net Assets | <u>1,072,622</u> | <u>(5,354)</u> | <u>4,267,005</u> | <u>6,779,823</u> | <u>(69,282)</u> | <u>-</u> | <u>6,710,541</u> |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS: | | | | | | | |
| Private grants and contributions | 450,000 | - | 19,417,559 | 20,559,179 | - | - | 20,559,179 |
| Federal and state revenue | 2,877,523 | - | 266,361 | 10,005,229 | - | - | 10,005,229 |
| Net assets released from restrictions | <u>(3,319,731)</u> | <u>(5,079)</u> | <u>(9,440,236)</u> | <u>(20,482,724)</u> | <u>-</u> | <u>-</u> | <u>(20,482,724)</u> |
| Increase (Decrease) in Temporarily Restricted Net Assets | <u>7,792</u> | <u>(5,079)</u> | <u>10,243,684</u> | <u>10,081,684</u> | <u>-</u> | <u>-</u> | <u>10,081,684</u> |
| INCREASE (DECREASE) IN NET ASSETS | <u>1,080,414</u> | <u>(10,433)</u> | <u>14,510,689</u> | <u>16,861,507</u> | <u>(69,282)</u> | <u>-</u> | <u>16,792,225</u> |
| NET ASSETS - Beginning of Year | <u>3,461,924</u> | <u>5,337,367</u> | <u>(4,143,822)</u> | <u>17,818,416</u> | <u>11,968,274</u> | <u>(1,032,128)</u> | <u>28,754,562</u> |
| NET ASSETS - End of Year | <u>\$ 4,542,338</u> | <u>\$ 5,326,934</u> | <u>\$ 10,366,867</u> | <u>\$ 34,679,923</u> | <u>\$ 11,898,992</u> | <u>\$ (1,032,128)</u> | <u>\$ 45,546,787</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012

| Program Expenses | | | | | | | | | | | |
|--|---------------------------------------|--|---|---|---|---|--|---|------------------------------------|---------------------------------------|--------------------------------------|
| | Aspire Monarch Academy | Aspire Lionel Wilson College Prep Academy | Aspire East Palo Alto Charter School | Aspire Millsmont Academy | Aspire Berkley Maynard Academy | Aspire California College Prep Academy | Aspire East Palo Alto Phoenix Academy | Aspire Golden State College Prep Academy | Aspire ERES Academy | Aspire College Academy | Total Bay Area Region |
| Certificated salaries | \$ 1,291,338 | \$ 1,627,612 | \$ 1,309,461 | \$ 811,318 | \$ 1,765,094 | \$ 833,456 | \$ 1,139,952 | \$ 1,317,084 | \$ 745,231 | \$ 597,589 | \$ 11,438,135 |
| Classified salaries | 419,602 | 603,549 | 428,944 | 187,268 | 549,921 | 293,261 | 396,097 | 450,521 | 417,800 | 154,539 | 3,901,502 |
| Employee benefits | 500,257 | 584,119 | 461,626 | 263,012 | 617,925 | 305,453 | 395,888 | 446,717 | 295,894 | 187,301 | 4,058,192 |
| Books and supplies | 285,955 | 379,270 | 331,539 | 178,294 | 379,358 | 127,451 | 219,018 | 319,618 | 209,349 | 164,927 | 2,594,779 |
| Services and other operating expenses | 409,678 | 1,137,837 | 1,450,276 | 403,580 | 431,974 | 311,069 | 837,445 | 1,915,752 | 235,924 | 257,918 | 7,391,453 |
| Depreciation and amortization | <u>34,822</u> | <u>5,321</u> | <u>10,626</u> | <u>30,167</u> | <u>13,180</u> | <u>63,195</u> | <u>320,965</u> | <u>26,723</u> | <u>42,748</u> | <u>102,043</u> | <u>649,790</u> |
| Total | <u>\$ 2,941,652</u> | <u>\$ 4,337,708</u> | <u>\$ 3,992,472</u> | <u>\$ 1,873,639</u> | <u>\$ 3,757,452</u> | <u>\$ 1,933,885</u> | <u>\$ 3,309,365</u> | <u>\$ 4,476,415</u> | <u>\$ 1,946,946</u> | <u>\$ 1,464,317</u> | <u>\$ 30,033,851</u> |

| Program Expenses | | | | | | | | | | | |
|--|---|---|--|---|--|---|--|---|---|---|---|
| | Aspire Vincent Shalvey Academy | Aspire University Charter School | Aspire Summit Charter Academy | Aspire River Oaks Charter School | Aspire Benjamin Holt College Prep Academy | Aspire Capitol Heights Academy | Aspire Rosa Parks Academy | Aspire Langston Hughes Academy | Aspire Port City Academy | Aspire Vanguard College Prep Academy | Aspire Alexander Twilight College Prep |
| Certificated salaries | \$ 1,342,873 | \$ 867,574 | \$ 1,233,715 | \$ 1,185,644 | \$ 1,861,283 | \$ 888,582 | \$ 1,378,468 | \$ 1,628,899 | \$ 1,161,880 | \$ 986,248 | \$ 1,097,458 |
| Classified salaries | 267,806 | 171,312 | 341,781 | 361,468 | 453,432 | 289,173 | 202,464 | 407,954 | 373,699 | 306,353 | 318,121 |
| Employee benefits | 416,022 | 275,549 | 441,168 | 367,662 | 630,803 | 297,011 | 384,241 | 529,955 | 441,882 | 354,532 | 385,497 |
| Books and supplies | 152,004 | 106,876 | 268,895 | 180,829 | 249,019 | 297,506 | 108,833 | 214,450 | 134,716 | 189,310 | 256,271 |
| Services and other operating expenses | 396,377 | 352,704 | 402,004 | 643,577 | 880,001 | 240,592 | 272,020 | 1,152,525 | 774,173 | 395,269 | 750,977 |
| Depreciation and amortization | <u>96,767</u> | <u>2,603</u> | <u>26,702</u> | <u>288,539</u> | <u>336,986</u> | <u>71,270</u> | <u>315,340</u> | <u>32,518</u> | <u>22,730</u> | <u>11,599</u> | <u>8,671</u> |
| Total | <u>\$ 2,671,849</u> | <u>\$ 1,776,618</u> | <u>\$ 2,714,265</u> | <u>\$ 3,027,719</u> | <u>\$ 4,411,524</u> | <u>\$ 2,084,134</u> | <u>\$ 2,661,366</u> | <u>\$ 3,966,301</u> | <u>\$ 2,909,080</u> | <u>\$ 2,243,311</u> | <u>\$ 2,816,995</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012

| | Program Expenses | | | | | | | | | | |
|--|--|----------------------------|--------------------------------------|--|---|--|---|----------------------------|------------------------------|--------------------------------|------------------------------|
| | Aspire Alexander Twilight Secondary Academy | Aspire APEX Academy | Total Central Valley Region | Aspire Antonio Maria Lugo Academy | Aspire Centennial College Prep Academy | Aspire Huntington Park Charter School | Aspire Junior Collegiate Academy | Aspire Titan Academy | Aspire Pacific Academy | Aspire Firestone Academy | Aspire Gateway Academy |
| Certificated salaries | \$ 604,690 | \$ 813,185 | \$ 15,050,499 | \$ 760,310 | \$ 1,559,322 | \$ 712,745 | \$ 908,019 | \$ 924,202 | \$ 1,528,704 | \$ 1,132,052 | \$ 1,083,969 |
| Classified salaries | 351,750 | 256,042 | 4,101,355 | 258,282 | 595,790 | 291,392 | 229,907 | 234,676 | 457,381 | 402,390 | 308,587 |
| Employee benefits | 246,605 | 272,406 | 5,043,333 | 262,436 | 603,442 | 240,928 | 323,201 | 296,166 | 511,179 | 388,093 | 329,720 |
| Books and supplies | 204,545 | 75,095 | 2,438,349 | 262,603 | 408,277 | 241,377 | 279,636 | 231,966 | 433,803 | 151,896 | 186,544 |
| Services and other operating expenses | 430,124 | 266,148 | 6,956,491 | 358,196 | 674,156 | 327,279 | 537,717 | 583,764 | 1,148,910 | 316,966 | 303,986 |
| Depreciation and amortization | 2,260 | 65,494 | 1,281,479 | 31,676 | 28,839 | 112,978 | 22,748 | 27,142 | 22,557 | - | - |
| Total | <u>\$ 1,839,974</u> | <u>\$ 1,748,370</u> | <u>\$ 34,871,506</u> | <u>\$ 1,933,503</u> | <u>\$ 3,869,826</u> | <u>\$ 1,926,699</u> | <u>\$ 2,301,228</u> | <u>\$ 2,297,916</u> | <u>\$ 4,102,534</u> | <u>\$ 2,391,397</u> | <u>\$ 2,212,806</u> |

| | Program Expenses | | | | | | | | |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|---------------------------------|--|----------------------------|------------------------------|-----------------------------|
| | Aspire Tate Academy | Aspire Inskeep Academy | Aspire Slauson Academy | Total Los Angeles Region | Total Non Active Sites | Aspire Public Schools Program Expenses | CFC, LLC | Eliminations | Total Expenses |
| Certificated salaries | \$ 895,395 | \$ 914,597 | \$ 896,677 | \$ 11,315,992 | \$ - | \$ 37,804,626 | \$ - | \$ - | \$ 37,804,626 |
| Classified salaries | 250,747 | 196,678 | 197,830 | 3,423,660 | - | 11,426,517 | - | - | \$ 11,426,517 |
| Employee benefits | 287,924 | 255,203 | 241,732 | 3,740,024 | - | 12,841,549 | - | - | \$ 12,841,549 |
| Books and supplies | 252,350 | 262,560 | 250,442 | 2,961,454 | - | 7,994,582 | 121 | - | \$ 7,994,703 |
| Services and other operating expenses | 257,769 | 246,533 | 244,711 | 4,999,987 | 10,433 | 19,358,364 | 4,995,744 | (5,604,836) | \$ 18,749,272 |
| Depreciation and amortization | - | - | - | 245,940 | - | 2,177,209 | 1,880,393 | - | 4,057,602 |
| Total | <u>\$ 1,944,185</u> | <u>\$ 1,875,571</u> | <u>\$ 1,831,392</u> | <u>\$ 26,687,057</u> | <u>\$ 10,433</u> | <u>\$ 91,602,847</u> | <u>\$ 6,876,258</u> | <u>\$ (5,604,836)</u> | <u>\$ 92,874,269</u> |

ASPIRE PUBLIC SCHOOLS
(A California Non-Profit Public Benefit Corporation)

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012

| | Supporting Services | | | | | | Total Consolidated |
|---------------------------------------|----------------------------|----------------------------------|-----------------------------------|---|----------------|---------------------|---------------------------|
| | Site support | Development and expansion | Administrative and general | Public Schools Supporting Expenses | CFC LLC | Eliminations | |
| Certificated salaries | \$ 2,758,488 | \$ 817,924 | \$ 453,504 | \$ 4,029,916 | \$ - | \$ - | \$ 4,029,916 |
| Classified salaries | 3,483,409 | 1,464,529 | 826,427 | 5,774,365 | - | - | 5,774,365 |
| Employee benefits | 1,429,434 | 516,458 | 292,173 | 2,238,065 | - | - | 2,238,065 |
| Books and supplies | 536,746 | - | 538,286 | 1,075,032 | - | - | 1,075,032 |
| Services and other operating expenses | 1,843,186 | 1,190,575 | 1,955,220 | 4,988,981 | - | (919,483) | 4,069,498 |
| Depreciation and amortization | 79,245 | 79,245 | 81,646 | 240,136 | - | - | 240,136 |
| Total | <u>\$ 10,130,508</u> | <u>\$ 4,068,731</u> | <u>\$ 4,147,256</u> | <u>\$ 18,346,495</u> | <u>\$ -</u> | <u>\$ (919,483)</u> | <u>\$ 17,427,012</u> |