

ASPIRE PUBLIC SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED
JUNE 30, 2017 AND 2016

ASPIRE PUBLIC SCHOOLS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Aspire Public Schools, a non-profit public benefit corporation, and affiliates (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aspire Public Schools and affiliates as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 consolidated financial statements as a whole.

Gilbert Associates, Inc.

**GILBERT ASSOCIATES, INC.
Sacramento, California**

November 16, 2017

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2017 AND 2016

ASSETS		
	2017	2016
CURRENT ASSETS:		
Cash and cash equivalents	\$ 40,680,958	\$ 49,191,017
Restricted cash and cash equivalents	3,786,617	2,742,925
Accounts receivable	19,737,193	23,921,361
Foundation grants receivable, current portion	6,057,613	6,577,551
Prepaid expenses and deposits	672,738	932,224
Total current assets	70,935,119	83,365,078
 NON-CURRENT ASSETS:		
Restricted cash and cash equivalents	11,500,054	14,706,417
Investments	10,104,496	-
Foundation grants receivable, net	1,430,726	3,856,509
Property and equipment, net	168,154,487	156,828,954
Other assets, net	425,717	473,216
 TOTAL ASSETS	 \$ 262,550,599	 \$ 259,230,174
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 7,232,189	\$ 6,375,853
Accrued expenses	10,538,946	9,527,781
Line of credit	200,000	700,000
Debt, current	2,187,497	2,069,925
Total current liabilities	20,158,632	18,673,559
 LONG-TERM LIABILITIES:		
Deferred rent	840,451	797,336
Debt, net	138,847,411	137,921,439
Total liabilities	159,846,494	157,392,334
 NET ASSETS:		
Unrestricted	76,056,261	78,493,962
Temporarily restricted	26,647,844	23,343,878
Total net assets	102,704,105	101,837,840
 TOTAL LIABILITIES AND NET ASSETS	 \$ 262,550,599	 \$ 259,230,174

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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2017 AND 2016

UNRESTRICTED NET ASSETS	2017	2016
SUPPORT AND REVENUE:		
Private grants and contributions	\$ 4,757,928	\$ 4,380,785
Donated equipment, materials, and services	1,560,578	158,925
Federal revenue	21,769,691	24,040,242
California state revenue:		
State aid portion of general purpose funding	86,072,101	78,526,499
All other state revenue	12,033,257	15,587,478
Tennessee state revenue:		
Basic education program funding	12,158,786	9,987,738
All other state revenue	178,563	-
Local revenue:		
Cash in-lieu of property taxes	27,089,377	23,660,751
Interest income	112,028	27,185
All other local revenue	2,543,057	2,528,971
Subtotal	168,275,366	158,898,574
Net assets released from restrictions	36,369,525	56,353,133
Total support and revenue	204,644,891	215,251,707
EXPENSES AND LOSSES		
PROGRAM EXPENSES:		
Educational programs	175,456,851	153,444,883
SUPPORTING SERVICES:		
Site support	15,624,149	14,325,313
Development and expansion	8,655,730	8,156,221
Administration and general	7,345,862	4,819,793
Total supporting services	31,625,741	27,301,327
Total expenses	207,082,592	180,746,210
Loss on debt extinguishment	-	15,753,640
Total expenses and losses	207,082,592	196,499,850
Increase (Decrease) in Unrestricted Net Assets	(2,437,701)	18,751,857
TEMPORARILY RESTRICTED NET ASSETS:		
Private grants and contributions	7,825,675	7,342,993
Federal and state revenue	31,847,816	39,492,808
Net assets released from restrictions	(36,369,525)	(56,353,133)
Increase (Decrease) in Temporarily Restricted Net Assets	3,303,966	(9,517,332)
INCREASE IN NET ASSETS	866,265	9,234,525
NET ASSETS - Beginning of Year	101,837,840	92,603,315
NET ASSETS - End of Year	\$ 102,704,105	\$ 101,837,840

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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 866,265	\$ 9,234,525
Adjustments to reconcile to net cash provided by operating activities:		
Unrealized gain on investments	(1,544)	-
Depreciation	6,696,489	5,990,909
Amortization	47,499	335,968
Donated property and equipment	-	(138,007)
Loss on disposal of property and equipment	299,232	47,860
Loss on unamortized deferred costs upon debt extinguishment	-	3,249,538
Forgiveness of debt	(700,000)	(700,000)
Donated investments	(93,000)	-
Amortization of long-term debt costs	(415,144)	212,040
(Increase) decrease in assets:		
Accounts receivable	4,184,168	375,392
Foundation grants receivable	2,945,721	1,273,942
Prepaid expenses and deposits	259,486	(275,789)
Increase (decrease) in liabilities:		
Accounts payable	(605,552)	(4,084,981)
Accrued expenses	1,011,165	793,466
Deferred rent	43,115	47,253
Net cash provided by operating activities	14,537,900	16,362,116
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(10,009,952)	-
Proceeds on sale of property and equipment	280,000	-
Purchases of property and equipment	(17,139,366)	(13,608,828)
Net cash used in investing activities	(26,869,318)	(13,608,828)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds (payments) from/on line of credit	(500,000)	700,000
Proceeds from debt	4,223,571	124,804,597
Payments of debt issuance costs	-	(2,177,936)
Principal payments on capital lease	-	(15,990,000)
Principal payments on debt	(2,064,883)	(98,429,336)
Net cash provided by financing activities	1,658,688	8,907,325
Net increase (decrease) in cash and cash equivalents	(10,672,730)	11,660,613
Cash and cash equivalents, beginning of year	66,640,359	54,979,746
Cash and cash equivalents, end of year	\$ 55,967,629	\$ 66,640,359
Cash and cash equivalents	\$ 40,680,958	\$ 49,191,017
Restricted cash and cash equivalents	15,286,671	17,449,342
Total	\$ 55,967,629	\$ 66,640,359
NON-CASH INVESTING ACTIVITIES:		
Property and equipment financed through accounts payable	\$ 1,461,888	\$ 1,837,001
NON-CASH FINANCING ACTIVITIES:		
Forgiveness of debt	\$ 700,000	\$ 700,000
CASH PAID FOR INTEREST (net of capitalized amount)	\$ 4,655,443	\$ 5,921,488

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

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Aspire Public Schools, a non-profit public benefit corporation, was formed to manage, guide, direct, and promote charter schools that provide quality education to youth in primary and secondary grades. The Organization was founded in 1998. The Organization's support is derived primarily from public education monies, individual and foundation contributions, and various government agency grants.

In addition to managing school operations, Aspire Public Schools controls three affiliated organizations that were created to facilitate ownership of certain school facilities and support development of charter schools. The facilities are owned and managed by two single-member limited liability companies, College for Certain, LLC (CFC LLC), and College for Certain II, LLC (CFC II LLC). The sole member of both LLCs is College for Certain, Inc. (CFC INC) which was created as a supporting organization of Aspire Public Schools to facilitate and support the development of charter schools. CFC INC is controlled by, and for the benefit of, Aspire Public Schools. CFC LLC and CFC II LLC are disregarded entities for federal income tax purposes.

Aspire Public Schools TN, LLC (TN LLC) is a Tennessee non-profit limited liability company created in July 2013, whose sole member is Aspire Public Schools. TN LLC incorporated pursuant to the Tennessee Nonprofit Corporation Act and is a disregarded entity for federal income tax purposes. TN LLC was formed to manage, guide, direct, and promote charter schools that provide quality education to Tennessee youth in primary and secondary grades. TN LLC's support is derived primarily from State of Tennessee public education monies, foundation contributions, and various government agency grants.

Aspire University, Inc. (Aspire U) is a California non-profit public benefit corporation created on July 1, 2015. As of June 30, 2017, Aspire Public Schools is the sole voting member of Aspire U. Aspire U's purpose is to develop a high-caliber teacher, principal, and leader pipeline for the Organization and other education organizations. Refer to Note 18 for subsequent event.

For financial reporting purposes, CFC LLC, CFC II LLC, CFC INC, TN LLC, and Aspire U are consolidated with Aspire Public Schools for the years ended June 30, 2017 and 2016.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of Aspire Public Schools and its controlled affiliated organizations, 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** - Aspire Public Schools operates thirty-six schools in California under thirty-five charters which are chartered by twelve charter authorizers (sponsoring districts) in seven counties. Charters were 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, 2017, the charter schools operated by Aspire Public Schools were as follows:

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

<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	1554	San Juan Unified	Nov 2015	6/30/21
Aspire Alexander Twilight Secondary Academy	1555	San Juan Unified	Nov 2015	6/30/21
Aspire Antonio Maria Lugo Academy	694	Los Angeles County Office of Education	April 2014	6/30/19
Aspire APEX Academy	1552	Stockton Unified	Nov 2012	6/30/18
Aspire Benjamin Holt College Preparatory Academy	565	Lodi Unified	Feb 2013	6/30/18
Aspire Benjamin Holt Middle School	1782	Lodi Unified	Nov 2015	6/30/21
Aspire Berkley Maynard Academy	726	Oakland Unified Sacramento City Unified	Jan 2015	6/30/20
Aspire Capitol Heights Academy	598	Unified	Nov 2012	6/30/18
Aspire Centennial College Preparatory Academy	1436	Los Angeles Unified	Apr 2012	6/30/18
Aspire College Academy	1577	Oakland Unified	May 2013	6/30/18
Aspire East Palo Alto Charter School	125	Ravenswood City	Nov 2013	6/30/19
Aspire ERES Academy	1115	Oakland Unified	Feb 2014	6/30/19
Aspire Firestone Academy	1214	Los Angeles Unified	Oct 2014	6/30/20
Aspire Gateway Academy	1213	Los Angeles Unified	Oct 2014	6/30/20
Aspire Golden State College Preparatory Academy	1023	Oakland Unified	Dec 2012	6/30/18
Aspire Inskip Academy	1332	Los Angeles Unified	Oct 2015	6/30/21
Aspire Junior Collegiate Academy	1551	Los Angeles Unified	Jan 2013	6/30/18
Aspire Langston Hughes Academy	1048	Stockton Unified	Dec 2012	6/30/18
Aspire Lionel Wilson College Preparatory Academy	465	Oakland Unified	Dec 2016	6/30/22
Aspire Monarch Academy	252	Oakland Unified Los Angeles County Office of Education	Feb 2014	6/30/19
Aspire Ollin University Prep	693	Office of Education	April 2014	6/30/19
Aspire Pacific Academy	1230	Los Angeles Unified	Oct 2014	6/30/20
Aspire Port City Academy	1553	Stockton Unified	Nov 2012	6/30/18
Aspire Richmond California College Preparatory Academy	1739	West Contra Costa Unified	Dec 2014	6/30/20
Aspire Richmond Technology Academy	1740	West Contra Costa Unified	Dec 2014	6/30/20
Aspire River Oaks Charter School	364	Lodi Unified	Feb 2016	6/30/21
Aspire Rosa Parks Academy	554	Stockton Unified	Jan 2015	6/30/20
Aspire Slauson Academy	1330	Los Angeles Unified	Oct 2015	6/30/21
Aspire Summit Charter Academy	812	Ceres Unified	Jan 2016	6/30/21
Aspire Tate Academy	1331	Los Angeles Unified	Oct 2015	6/30/21
Aspire Titan Academy	1550	Los Angeles Unified	Jan 2013	6/30/18

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Aspire Triumph Technology Academy	1663	Oakland Unified	Jan 2014	6/30/19
Aspire University Charter School	1026	Sylvan Union Elem	Jan 2013	6/30/18
Aspire Vanguard College Preparatory Academy	1125	Modesto City Schools	Nov 2013	6/30/19
Aspire Vincent Shalvey Academy	178	Lodi Unified	Feb 2014	6/30/19

* 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 receives up to 3% for supervisory oversight because the district provides facilities substantially rent-free.

Through June 30, 2017, the Organization had separately negotiated with all sponsoring districts for administrative fees and other services. Additionally, for some schools, transportation expenses and/or special education encroachment are paid by the Organization to the sponsoring districts.

- Aspire Public Schools TN, LLC** – TN LLC operates four schools under four charters in Shelby County, Tennessee. Charters were granted for each school for ten years, with an opportunity for renewal. Charters may be revoked by the charter authorizer (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, 2017, the charter schools operated by TN LLC 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 Hanley Elementary School #1	8024	TN Achievement School District	April 2013	6/30/23
Aspire Hanley Elementary School #2	8025	TN Achievement School District	April 2013	6/30/23
Aspire Coleman Elementary School	8050	TN Achievement School District	May 2014	6/30/24
Aspire East Academy	8175	Shelby County Schools	November 2014	6/30/26

- College for Certain, LLC** – CFC LLC holds title to properties that are financed through the CSFA Charter School Revenue Refunding Bonds Series 2016 (2016 Bonds) where Aspire Public Schools operates ten charter schools (seven locations) and manages, operates, and leases the properties.
- College for Certain II, LLC** – CFC II LLC holds title to properties that are financed through the CSFA Charter School Revenue Refunding Bonds Series 2015 (2015 Bonds) where Aspire Public Schools operates three charter schools (two locations) and manages, operates, and leases the properties.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

- **College for Certain, Inc.** – CFC INC is a supporting organization of Aspire Public Schools in that it facilitates and supports the development of charter schools for Aspire Public Schools. CFC INC is the sole member of CFC LLC and CFC II LLC and is the named borrower of the 2015 and 2016 Bonds outstanding.
- **Aspire University, Inc.** – Aspire U is a related non-profit organization whose purpose is to develop a high-caliber teacher, principal, and leader pipeline for the Organization and other educational organizations. Subsequent to year-end, Aspire U changed its name to Alder Graduate School of Education and restructured its corporate membership whereby it is no longer controlled by Aspire Public Schools (see Note 18).

Basis of presentation – The financial statements are presented in conformity with professional standards applicable to 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. Donor-restricted and restricted state entitlement 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.

Investments – Investments with readily determinable fair values are stated at fair value and held for long-term purposes. Other investments without readily determinable fair values are stated at the lower of cost or market, and evaluated periodically for impairment.

Intangible assets – The Organization has intangible assets for product and service discounts to be used in future periods. The Organization amortizes certain intangibles over their estimated useful lives, while intangible assets determined to have indefinite useful lives are assessed annually for impairment.

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, 2017 AND 2016

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 years ended June 30, 2017 and 2016, in-kind contributions of \$1,560,578 and \$158,925 were received, respectively.

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.

Functional allocation of expenses – The cost of providing educational programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated based on employees' time incurred and management's estimate of the usage of resources.

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 'Construction in progress' (Note 7) 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.

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- | | |
|----------------|---|
| Level 1 Inputs | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. |
| Level 2 Inputs | Inputs other than quoted prices in active markets that are observable either directly or indirectly. |
| Level 3 Inputs | Unobservable inputs for the asset or liability. |

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

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 management 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, the valuation of investments, the estimated useful lives of property and equipment, the net present value of intangibles, and the functional allocation of expenses.

Subsequent events have been reviewed through November 16, 2017, the date the financial statements were available to be issued. See Note 18 for significant subsequent events.

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.

3. RESTRICTED CASH

Restricted cash consists of amounts that are required to be held for debt services reserves and for principal and interest payments with respect to the bond outstanding; and contributions restricted to investment in property and equipment. The total restricted cash at June 30, 2017 and 2016 was \$15,286,671 and \$17,449,342, respectively. The current portion of \$3,786,618 and \$2,742,925 as of June 30, 2017 and 2016, respectively, was restricted for current bond debt obligations. The noncurrent portion of \$11,500,054 at June 30, 2017 consisted of \$6,605,665 for debt service reserves and \$4,894,389 for investment in property and equipment. The noncurrent portion of \$14,706,417 at June 30, 2016 consisted of \$6,605,261 for debt service reserves and \$8,101,156 for investment in property and equipment.

4. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2017 and 2016 were \$19,737,193 and \$23,921,361, respectively. The balances were due entirely from grantor government agencies. Management deems all receivables to be collectible as of June 30, 2017.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

5. FOUNDATION GRANTS RECEIVABLE

The Organization recognizes unconditional foundation grants receivables at their estimated fair value using estimated prevailing interest rates, on a nonrecurring basis, at the time the pledge is made. Fair value is determined by calculating the net present value of the estimated future cash flows. The discount rate used in determining the net present value of new pledges receivable was 2.52% and 2.02% at June 30, 2017 and 2016, respectively. The estimated fair value of the pledges received during 2017 and 2016 totaled approximately \$1,447,958 at June 30, 2017 and \$7,708,880 at June 30, 2016, and were included within level 3 of the fair value hierarchy because determination of the net present value of future cash flows was based on little or no market data and required management to develop their own assumptions. For the years ended June 30, 2017 and 2016, foundation grant receivable balances of \$1,000,000 and \$3,000,000, respectively, which are expected to be received within one year, are classified with the non-current portion of the grant receivable balance as the contributions are restricted to be invested in property and equipment. All foundation grants receivable are judged by management to be collectible, and were as follows as of June 30:

	2017	2016
Gross foundation grants receivable	\$ 7,499,808	\$ 10,459,079
Less: Unamortized discount	(11,469)	(25,019)
Foundation grants receivable, net	<u>\$ 7,488,339</u>	<u>\$ 10,434,060</u>

Foundation grants receivable are due to be collected as follows:

	2017	2016
Within one year	\$ 7,057,613	\$ 9,577,551
One to five years	430,726	856,509
Foundation grants receivable, net	<u>\$ 7,488,339</u>	<u>\$ 10,434,060</u>

Conditional promises to give, which depend on the occurrence of specified future and uncertain events, are not recorded until the conditions are met. Approximate outstanding conditional promises to give are as follows and will be recognized as revenue as the conditions are met:

Purpose:	2017	2016
Opening schools in specific locations	\$ 9,000,000	\$ 14,000,000
Teacher training	550,000	-
Implementation of blended learning at specific locations	225,000	225,000
Total	<u>\$ 9,775,000</u>	<u>\$ 14,225,000</u>

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

6. INVESTMENTS

Investments consist of the following at June 30, 2017:

Government bonds	\$ 9,970,125
Equity securities invested in education technology	93,000
Pooled funds with community foundation	<u>41,371</u>
Investments	<u>\$ 10,104,496</u>

Equity securities are invested with a privately held business and are recorded at the lower of cost or fair value and are not subject to the fair value hierarchy. Government bonds are classified within Level 2 of the fair value hierarchy because they are valued using alternative pricing methods using observable information inputs, such as current interest rates. Pooled funds are classified as level 3, as the fair value is quoted by the community foundation and based on prices in active markets for the pooled investments as a whole.

The Organization also owns common stock of Schoolzilla, Inc. (Schoolzilla). Schoolzilla is a for-profit company that develops web-based data management platforms allowing teachers to synthesize data from multiple sources and create reports presenting their students' academic performances. The Organization owned more than 20% of the common stock until 2015. Although the Organization's interest in Schoolzilla dropped below 20% in 2015, management determined they still had significant influence over the operations of Schoolzilla through a seat on their board of directors and maintaining the third largest stake in Schoolzilla, and therefore accounted for this investment under the equity method. In 2016, ownership was further diluted and management did not have significant influence and therefore accounted for the investment under the cost method. As of June 30, 2017 and 2016, the investment was reflected at \$0 value due to losses previously recognized under the equity method. Schoolzilla did not declare any dividends as of June 30, 2017 and 2016.

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 34,819,639	\$ 34,049,639
Buildings	135,843,808	129,051,974
Construction in progress	15,941,489	8,421,229
Leasehold improvements	13,411,845	11,831,868
Equipment	10,125,397	9,475,842
Automobiles	74,091	-
Subtotal	<u>210,216,269</u>	<u>192,830,552</u>
Less accumulated depreciation	<u>(42,061,782)</u>	<u>(36,001,598)</u>
Property and equipment, net	<u>\$ 168,154,487</u>	<u>\$ 156,828,954</u>

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Depreciation expense was \$6,696,489 and \$5,990,909 for the years ended June 30, 2017 and 2016, respectively. Various components of the land, buildings, and schools under construction shown above are pledged as collateral for the debt disclosed in Note 9. In December 2015, the Organization obtained the 2015 Bonds to pay off the balance of a capital lease with Lodi Unified School District and purchase the property for one dollar. The property that was under capital lease is classified with land and buildings as of June 30, 2017 and 2016.

8. OTHER ASSETS

Other assets consisted of the following at June 30:

	<u>2017</u>	<u>2016</u>
Indefinite-lived intangible assets	\$ 316,372	\$ 316,372
Amortizable intangible assets, net	<u>109,345</u>	<u>156,844</u>
Other assets, net	<u>\$ 425,717</u>	<u>\$ 473,216</u>

Intangible Assets

The Organization holds an indefinite-life intangible asset for product and technology discount benefits valued at \$316,372. Management assesses the carrying value of the indefinite-life intangible asset annually, or more often if facts and circumstances suggest it may be impaired. If this review indicates that the carrying value may not be recoverable, then the carrying value would be reduced to its estimated fair value. No impairment losses were recognized as a result of this review for the years ended June 30, 2017 and 2016, respectively.

Amortizable intangible assets consist of the following as of June 30, 2017:

	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Product and technology discount benefits	\$ 438,922	\$ 337,557	\$ 101,365
Rights to use certain assets	53,200	45,220	7,980
Service discount benefits	<u>14,263</u>	<u>14,263</u>	<u>-</u>
Total	<u>\$ 506,385</u>	<u>\$ 397,040</u>	<u>\$ 109,345</u>

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Amortizable intangible assets consist of the following as of June 30, 2016:

	Gross Carrying Amount	Accumulated Amortization	Net
Product and technology discount benefits	\$ 438,922	\$ 300,698	\$ 138,224
Rights to use certain assets	53,200	34,580	18,620
Service discount benefits	<u>14,263</u>	<u>14,263</u>	<u>-</u>
Total	<u>\$ 506,385</u>	<u>\$ 349,542</u>	<u>\$ 156,844</u>

The product and technology discount benefits, rights to use certain assets, and service discount benefits are amortized on a straight-line basis over a seven, five, and three year period, respectively. These lives are based on the periods in which the Organization is eligible for such discounts. Amortization expense on intangible assets for the years ended June 30, 2017 and 2016 was \$47,498 and \$105,672, respectively.

The expected future amortization expense of intangible assets is as follows:

2018	\$ 45,726
2019	36,860
2020	<u>26,759</u>
Total	<u>\$ 109,345</u>

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 that was effective January 1, 2005 through August 1, 2032. The Organization had the option to purchase the properties for one dollar at the termination of the lease. This transaction was treated as sale-leaseback transaction and a loss on this transaction of \$374,660 was to be deferred and amortized over the term of the capital lease. As discussed in Note 10, the Organization obtained the 2015 Bonds and paid off the capital lease in December 2015 and purchased the property for one dollar per the lease agreement. The Organization wrote off the remaining deferred loss balance of \$224,421 in 2016 as part of this transaction.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

9. DEBT

	2017	2016
<p>College for Certain Series 2016 School Facility Revenue Refunding Bonds (2016 Bonds) in the amount of \$83,170,000 were issued effective February 1, 2016; with 4 bonds and bearing interest rates ranging from 2.00% - 5.00%. The bond proceeds were used for the refunding of the outstanding principal of the College for Certain Series 2010 School Facility Revenue Bonds. Associated with this bond is a premium of \$10,618,415 and debt issuance costs of \$1,410,454, which are being amortized to interest expense over the term of the bonds. Principal and interest payments are due annually. Final maturity is in August 2046.</p>	\$ 81,780,000	\$ 83,170,000
<p>College for Certain Series 2015 School Facility Revenue Refunding Bonds (2015 Bonds) in the amount of \$20,535,000 were issued effective December 1, 2015; with 4 bonds and bearing interest rates ranging from 2.00% - 5.00%. The bond proceeds were used for the payoff of the outstanding balance of the capital lease with Lodi Unified School District described in Note 11. Associated with this bond is a premium of \$2,005,317 and debt issuance costs of \$767,482, which are being amortized to interest expense over the term of the bonds. Principal and interest payments are due annually. Final maturity is in August 2045.</p>	20,475,000	20,535,000
<p>Charter Fund, Inc. \$3,500,000 loan, effective October 15, 2012, bearing interest at 1%, to provide general support for the management of the organization. Principal payments of \$700,000 are due in 3 annual installments beginning in 2020 through 2022. This loan has the potential to be forgiven annually through 2017/18, if specific milestones are met. \$700,000 of this note was forgiven in both 2017 and 2016.</p>	700,000	1,400,000
<p>California School Finance Authority \$4,758,509 loan, effective June 27, 2007, bearing interest at 2.202%, for the construction of Rosa Parks Academy campus in Stockton under Proposition 47. Interest only payments of varying amounts are due annually. Principal and interest payments totaling \$231,795 are due annually. Final maturity is in 2037.</p>	3,717,330	3,864,039
<p>California School Finance Authority \$9,834,913 loan (\$457,251 issued in 2009/10, \$5,262,400 issued in 2010/11, and \$4,115,262 issued in 2012/13), bearing interest at 2%, for the construction of Aspire Ollin University College Preparatory campus in Los Angeles under Proposition 55. Interest only payments of varying amounts are due annually. In addition, a principal and interest payment of \$462,139 is due annually. Final maturity is in 2042.</p>	8,529,545	8,790,620

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

	2017	2016
California School Finance Authority \$8,229,438 loan (\$3,459,764 issued in 2013/14 and \$4,769,674 issued in 2015/16), bearing interest at 2%, for the construction of the Aspire Antonio Maria Lugo Academy campus in Los Angeles under Proposition 1D. Beginning July 2017, interest and principal payments of \$376,730 are due annually. Final Maturity is in 2045.	8,022,339	8,229,438
California School Finance Authority \$3,706,191 loan issued in 2015/16 for a new campus to be built for Aspire ERES Academy in Oakland under Proposition 1D. The interest rate will be approximately the state's borrowing rate and repayment will commence starting one-year after the new facility is opened. The principal will then be amortized over 30 years. Interest is not charged until the repayment period begins. The school is expected to be completed in the 2019/20 fiscal year.	3,706,191	3,706,191
Boston Community Loan Fund loan not to exceed \$4,595,331 issued in March 2017 to TN LLC, to be used for the construction of Aspire East Academy, bearing interest at a fixed rate of 5.50% until February 2027, at which time interest will reset based on the 10-year U.S Daily Treasury Yield Curve Rate. Principal and interest payments due monthly, and are calculated based the total amount drawn on the loan. Associated with this loan is \$72,458 of issuance costs that are being amortized to interest expense over the term of the loan. As of June 30, 2017, \$4,223,571 has been drawn from the loan. Repayments are expected to begin in March 2019 with final maturity in February 2037.	4,223,571	-
Subtotal	131,153,976	129,695,288
Unamortized premiums and debt issuance costs	9,880,932	10,296,076
Less current portions	(2,187,497)	(2,069,925)
Total Long-Term Debt	\$ 138,847,411	\$ 137,921,439

On February 25, 2016, the Organization issued \$83,170,000 of bonds (2016 Bonds), as mentioned above. The proceeds, in addition to the net premium of \$9,207,961, were used to advance refund \$83,360,000 of outstanding 2010 Bonds. The proceeds were deposited in an irrevocable trust with an escrow agent to pay the future debt service on the refunded bonds. As a result, the 2010 Bonds were considered defeased and the liability for those bonds was removed from the Consolidated Statement of Financial Position. The remaining proceeds were used to fund required reserve accounts. The reacquisition price (amount placed in escrow to repay the 2010 Bonds) exceeded the net carrying amount of those bonds and the unamortized portion of debt issuance costs, by \$15,753,640. The loss on this transaction was reflected on the Consolidated Statement of Activities for the year ended June 30, 2016. At June 30, 2017 and 2016, the outstanding balance of the defeased 2010 Bonds were \$90,501,293 and \$95,864,103, respectively. The bonds will be redeemed on their January 1, 2019 call date.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Future payments relating to debt are as follows as of June 30, 2017:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,187,497	\$ 5,784,270	\$ 7,971,767
2019	2,386,061	5,713,658	8,099,719
2020	2,561,550	5,619,724	8,181,274
2021	3,374,876	5,509,899	8,884,775
2022	2,796,505	5,486,495	8,283,000
Thereafter	<u>117,847,487</u>	<u>81,725,177</u>	<u>199,572,664</u>
Total	<u>\$ 131,153,976</u>	<u>\$ 109,839,223</u>	<u>\$ 240,993,199</u>

Aspire Public Schools (the Obligated Group under the 2015 Bonds and 2016 Bonds) must meet several financial covenants as a requirement of the Bonds. The Organization was in compliance with all covenants as of June 30, 2017.

Revolving Line of Credit

On October 28, 2014, the Organization obtained a \$10,000,000 revolving line of credit. Advances on the credit line were payable on demand and carried an interest rate equal to the greater of the Prime Rate or 3.25%. On December 12, 2016, the Organization modified the line of credit to \$15,000,000, with the interest rate modified to the greater of the Prime Rate or 3.5%, and a maturity date of October 31, 2017. Subsequent to year-end, the line of credit was extended through January 2019. The interest rate was 3.5% and 3.25% at June 30, 2017 and 2016, respectively. The line had a balance of \$700,000 and \$200,000 as of June 30, 2017 and 2016, respectively. The credit line is secured by school revenues of select schools which are not already secured by other debt.

10. CAPITALIZATION OF CONSTRUCTION DEBT INTEREST

While a facility is under construction, a portion of interest is capitalized into its cost. 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 \$5,164,518 and \$5,398,285 were incurred related to debt during the years ended June 30, 2017 and 2016, respectively. During the years ended June 30, 2017 and 2016, \$111,202 and \$64,574 of interest was capitalized, respectively.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

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, Stockton, and Memphis 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, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Minimum Payments</u>
2017	\$ 4,058,574
2018	3,989,656
2019	2,550,005
2020	1,516,108
2021	1,201,974
Thereafter	<u>9,971,253</u>
Total	<u>\$ 23,287,570</u>

Rental expense under operating leases was \$4,166,264 and \$3,465,715 for the years ended June 30, 2017 and 2016, respectively.

Capital lease

The Organization entered into a capital lease with Lodi Unified School District from January 1, 2005 through August 1, 2032. On December 1, 2015, as discussed in Note 7 and 9 the Organization paid the capital lease balance of \$15,990,000 in full and purchased the property for one dollar.

12. EMPLOYEE BENEFIT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California and Tennessee. Classified employees in California are members of the California Public Employees' Retirement System (CalPERS), and certificated employees working at California Schools are members of the California State Teachers' Retirement System (CalSTRS). Certificated employees working at Tennessee schools are members of the Tennessee Consolidated Retirement System (TCRS). The Organization also has four 403(b) plans as of the year ended June 30, 2017.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

California Public Employees' Retirement System (CalPERS)

Plan name:	California Public Employees' Retirement System (CalPERS) State & Schools
Plan's EIN:	94-6207465
Market value of assets:	\$55,913
Actuarial accrued liability:	\$75,663
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2016, the most recent information available.

Plan Description

The Organization participates in the Schools Pool (the CalPERS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Benefits Provided

The benefits for the CalPERS Plan are established by contract, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalPERS Plan has two benefit structures: 1) CalPERS 2% at 55 – Members first hired on or before December 31, 2012, to perform CalPERS creditable activities, and 2) CalPERS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalPERS creditable activities. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 50 with a minimum of five years of CalPERS-credited service, while members hired after January 1, 2013, must be at least age 52 with a minimum of five years of service.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Classic plan members, defined as a member who joined CalPERS prior to January 1, 2013, are required to contribute 7% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security). New members who joined CalPERS for the first time on or after January 1, 2013 are required to contribute 6% of their salary. The required employer contribution rate for fiscal years ended June 30, 2017 and 2016

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

were 13.888% and 11.847% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. For the fiscal year 2018, the Organization is required to contribute 15.531% of annual payroll.

California State Teachers' Retirement System (CalSTRS):

Plan name:	California State Teachers' Retirement System (CalSTRS)
Plan's EIN:	94-6291617
Actuarial value of assets:	\$169,976
Actuarial accrued liability:	\$266,704
Funded status:	50-65% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2016, the most recent actuarial valuation date.

Plan Description

The Organization participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over seven years, effective July 1, 2014. School employer contributions will increase from 8.25% to a total of 19.1% of covered payroll over the seven-year period. Active plan members are required to contribute 9.205% or 10.25 % of their salary, depending on when they were hired. The required employer contribution rates for the fiscal years ended June 30, 2017 and 2016 were 12.58% and 10.73% of annual payroll, respectively. For the fiscal year 2018, the Organization is required to contribute 14.43% of annual payroll.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Tennessee Consolidated Retirement System (TCRS):

Legacy Plan:

Plan name:	Tennessee Consolidated Retirement System (TCRS) Legacy Plan: Teachers
Plan's EIN:	62-6001445
Actuarial value of assets:	\$21,682
Actuarial accrued liability:	\$21,901
Funded status:	At least 80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2016, the most recent actuarial valuation date.

Plan Description

The Organization contributes to the Tennessee Consolidated Retirement System (TCRS) Legacy Plan, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan for all employees hired on or before June 30, 2014 administered by the Tennessee Department of Treasury. 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. TCRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the TCRS annual financial report may be obtained from the State of Tennessee Treasury Department, 502 Deaderick Street, Nashville, Tennessee, 37243.

Funding Policy

Active plan members are required to contribute 5% 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 TCRS Board of Trustees. The required employer contribution rate for the fiscal years ended June 30, 2017 and 2016 was 9.08% and 9.04% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. For the fiscal year 2018, the Organization is required to contribute 9.08% of annual payroll.

Hybrid Plan:

Plan name:	TCRS Hybrid Pension Plan with Cost Controls
Plan's EIN:	62-6001445
Actuarial value of assets:	\$49,902
Actuarial accrued liability:	\$47,579
Funded status:	Over 100% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2016, the most recent actuarial valuation date.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Plan Description

In the fiscal year ended June 30, 2015, TCRS created a new Hybrid Pension Plan with Cost Controls for all eligible new hires hired on or after July 1, 2014. This plan is a combination of a Defined Benefit and Defined Contribution plan to help provide a sustainable plan going forward, control employer pension cost, and control unfunded liabilities related to pension plans.

Contributions

Under the defined benefit portion of this plan, active plan members are required to contribute 5% of their salary and the Organization is required to contribute 4% of plan member's annual payroll. Under the defined contribution portion of this plan, employees contribute 2% of their salary, which employees can opt out of if they choose, and the Organization is required to contribute 5% of active member's annual payroll.

The Organization's contributions to these employee benefits plans were as follows:

	<u>2017</u>	<u>2016</u>
CalPERS	\$ 4,257,017	\$ 2,919,241
CalSTRS	\$ 7,984,452	\$ 6,145,506
TCRS Legacy	\$ 417,020	\$ 301,861
TCRS Hybrid	\$ 304,194	\$ 260,408

Contributions to all plans equal 100% of the required contributions for each year.

Other Defined Contribution Plans:

The Organization offers a 403(b) retirement plan for California classified employees who are not eligible to participate in CalPERS, the Aspire Public Schools 403(b) CA Plan (CA Plan). Classified employees of Aspire Junior Collegiate Academy, Aspire Titan Academy, Aspire Centennial College Preparatory Academy, Aspire Richmond California College Preparatory Academy, and Aspire Richmond Technology Academy working 20 or more hours per week, and not eligible for CalSTRS, CalPERS or covered by another retirement plan, are eligible to receive discretionary employer contributions, determined on an annual basis. The Organization contributed \$102,691 and \$104,069 to the CA Plan in the years ended June 30, 2017 and 2016, respectively.

The Organization offers a 403(b) retirement plan for TN LLC employees, the Aspire Public Schools 403(b) TN Plan (TN Plan). All employees who normally work 20 or more hours per week and are based in Tennessee are eligible to participate in the plan, with those not already enrolled in the TCRS retirement plan eligible to receive discretionary employer contributions, determined on an annual basis. The Organization contributed \$46,539 and \$120,560 to the TN Plan for the years ended June 30, 2017 and 2016, respectively.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

The Organization opened a new 403(b) retirement plan for Aspire U employees in June 2016, the Aspire University Inc. 403(b) Plan (Aspire U Plan). There is no minimum age or service requirements to join the Aspire U Plan. The employee's contribution is matched by the employer on a discretionary basis, and vests at a rate of 50% per year for the employees' first two years of service. The Organization contributed \$122,503 to the Aspire U Plan for the year ended June 30, 2017.

The Organization also offers a 403(b) plan, the Aspire Public Schools 403(b) Plan, for all employees working 20 or more hours per week, and who are not already participating in another 403(b) Plan within the Organization. This plan does not allow employer contributions.

13. RESTRICTED NET ASSETS

At June 30, 2017 and 2016, temporarily restricted net assets consisted of unexpended grants restricted for various purposes. Temporarily restricted net assets are to be used for the following purposes:

	<u>2017</u>	<u>2016</u>
Construction of facilities	\$ 9,768,922	\$ 9,766,190
School expansion	4,857,926	4,419,436
Clean energy projects	5,914,337	4,145,311
Aspire University development	2,245,976	3,553,351
School improvement programs	2,343,496	1,117,987
Time restricted	1,300,000	-
Other school programs	<u>217,187</u>	<u>341,603</u>
Total	<u>\$ 26,647,844</u>	<u>\$ 23,343,878</u>

14. JOINT VENTURES

For their California schools, the Organization participates in a joint venture under a joint powers agreement (JPAs) with the California Charter School Joint Powers Authority, doing business as charterSAFE (SAFE).

SAFE arranges for and provides workers' compensation, property, and liability insurance coverage for their members, respectively. The JPA is governed by boards consisting of a representative from each member. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member beyond their representation on the board. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

SUMMARY OF JPA COVERAGE

1. General Liability

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

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

2. Property

Organization	
Deductible:	\$1,000
Coverage:	
Building:	\$148,951,804
Contents:	\$5,244,965
Data processing:	\$7,321,643
Extra expense:	\$5,000,000
Business income:	\$5,000,000

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
(SAFE)	\$5,000,001 to \$25,000,000

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

SAFE 250 E. 1st Street, Suite 1000, Los Angeles, California 90012

The latest condensed financial information available for SAFE are as follows:

	June 30, 2017 (Unaudited)
Total Assets	<u>\$ 24,747,747</u>
Total Liabilities	\$ 18,991,295
Net Assets	<u>5,756,452</u>
Total Liabilities and Equity	<u>\$ 24,747,747</u>
Total Revenues	\$ 22,031,676
Total Expenses	<u>17,769,427</u>
Net Increase in Net Assets	<u>\$ 4,262,249</u>

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

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.

16. RELATED-PARTY TRANSACTIONS

The Organization's CFO was a Board Member of charterSAFE (see Note 14) during the 2015/16 and 2016/17 fiscal year. The Organization paid \$1,029,585 and \$1,054,609 in premiums to charterSAFE during the years ended June 30, 2017 and 2016, respectively.

17. AGREEMENTS

The Organization has entered into two agreements for future facilities to be constructed and leased to the Organization.

The first agreement, with Strategic Growth Partners, Inc. (SGP), is for Aspire College Academy and Aspire Triumph Academy campuses. SGP will be responsible for building the campuses and once completed will lease the facilities to the Organization. Additionally, in order to finance a portion of this project, the Organization has agreed to loan SGP \$6,000,000 at 0% interest, to be funded by private contributions for this purpose. Payment terms of this loan will be determined at the commencement of the lease. All aspects of this agreement are contingent upon SGP obtaining all necessary permits to begin construction of the campuses.

The second agreement, with TA Modesto 819 LP (TA), is for Aspire Vanguard Academy and Aspire University Charter School campuses. TA will be responsible for building the campuses and once completed will lease the facilities to the Organization. This agreement is contingent upon both schools obtaining renewed charters by June 30, 2018 and necessary permits to begin construction of the campuses.

18. SUBSEQUENT EVENT

On July 1, 2017, Aspire U revised its bylaws to remove Aspire Public Schools as the sole corporate member. Aspire U also changed its name to Alder Graduate School of Education. Since the Organization no longer has control of Alder Graduate School of Education, consolidation will not be required in subsequent fiscal years.

SUPPLEMENTARY INFORMATION

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION JUNE 30, 2017

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	School Operations					Administration	Total School Activity
	Bay Area Schools	Central Valley Schools	LA Schools	Tennessee Schools	Non Active Schools	National Office	
CURRENT ASSETS:							
Cash and cash equivalents	\$ 11,287,434	\$ 12,865,263	\$ 11,715,118	\$ 2,774,500	\$ -	\$ 479,545	\$ 39,121,860
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Accounts receivable	6,592,105	6,654,121	5,009,490	1,002,047	-	479,430	19,737,193
Foundation grants receivable, current portion	83,280	35,000	-	3,500,000	-	1,125,000	4,743,280
Prepaid expenses and deposits	173,850	165,613	68,691	-	-	237,305	645,459
Intercompany receivable	27,067	69,501	30,876	88,471	-	1,141,517	1,357,432
Total current assets	18,163,736	19,789,498	16,824,175	7,365,018	-	3,462,797	65,605,224
NON-CURRENT ASSETS:							
Restricted cash and cash equivalents	3,867,734	-	-	-	-	-	3,867,734
Investments	2,334,571	2,881,315	4,754,239	-	-	134,371	10,104,496
Foundation grants receivable, net	1,000,000	-	-	-	-	48,172	1,048,172
Deferred rent	339,671	721,883	178,272	-	-	-	1,239,826
Property and equipment, net	11,762,503	13,064,918	33,989,547	6,299,929	-	357,311	65,474,208
Other assets, net	-	-	-	-	-	425,717	425,717
Total non-current assets	15,943,909	16,767,116	48,922,065	6,299,929	-	565,401	80,240,260
TOTAL ASSETS	\$ 37,468,215	\$ 36,457,614	\$ 55,746,233	\$ 13,664,947	\$ -	\$ 4,428,368	\$ 147,765,377
CURRENT LIABILITIES:							
Accounts payable	\$ 1,850,030	\$ 1,049,558	\$ 748,294	\$ 1,064,252	\$ -	\$ 1,673,556	\$ 6,385,690
Accrued expenses	1,798,249	1,708,445	2,130,277	775,562	-	1,842,361	8,254,894
Line of credit	200,000	-	-	-	-	-	200,000
Debt, current	-	149,940	477,557	-	-	-	627,497
Intercompany payable	-	-	-	33,088	-	58,284	91,372
Total current liabilities	3,848,279	2,907,943	3,356,128	1,872,902	-	3,574,201	15,559,453
LONG-TERM LIABILITIES:							
Deferred rent	-	320,855	921,752	-	-	-	1,242,607
Debt, net	3,706,191	3,567,390	16,074,327	4,151,112	-	700,000	28,199,020
Total liabilities	7,554,470	6,796,188	20,352,207	6,024,014	-	4,274,201	45,001,080
NET ASSETS:							
Unrestricted	17,911,853	26,312,867	32,969,764	2,783,007	-	(1,265,063)	78,712,428
Temporarily restricted	12,001,892	3,348,559	2,424,262	4,857,926	-	1,419,230	24,051,869
Total net assets	29,913,745	29,661,426	35,394,026	7,640,933	-	154,167	102,764,297
TOTAL LIABILITIES AND NET ASSETS	\$ 37,468,215	\$ 36,457,614	\$ 55,746,233	\$ 13,664,947	\$ -	\$ 4,428,368	\$ 147,765,377

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION JUNE 30, 2017

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	Aspire University	CFC, Inc.	Eliminations	Total Consolidated
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,559,098	\$ -	\$ -	\$ 40,680,958
Restricted cash and cash equivalents	-	3,786,617	-	3,786,617
Accounts receivable	-	-	-	19,737,193
Foundation grants receivable, current portion	1,314,333	-	-	6,057,613
Prepaid expenses and deposits	27,279	-	-	672,738
Intercompany receivable	135	-	(1,357,567)	-
Total current assets	2,900,845	3,786,617	(1,357,567)	70,935,119
NON-CURRENT ASSETS:				
Restricted cash and cash equivalents	-	7,632,320	-	11,500,054
Investments	-	-	-	10,104,496
Foundation grants receivable, net	382,554	-	-	1,430,726
Deferred rent	-	22,115	(1,261,941)	-
Property and equipment, net	-	103,712,407	(1,032,128)	168,154,487
Other assets, net	-	-	-	425,717
Total non-current assets	-	7,654,435	(1,261,941)	11,967,252
TOTAL ASSETS	\$ 3,283,399	\$ 115,153,459	\$ (3,651,636)	\$ 262,550,599
CURRENT LIABILITIES:				
Accounts payable	\$ 23,148	\$ 823,351	\$ -	\$ 7,232,189
Accrued expenses	173,448	2,110,604	-	10,538,946
Line of credit	-	-	-	200,000
Debt, current	-	1,560,000	-	2,187,497
Intercompany payable	183,663	1,082,532	(1,357,567)	-
Total current liabilities	380,259	5,576,487	(1,357,567)	20,158,632
LONG-TERM LIABILITIES:				
Deferred rent	5,967	853,818	(1,261,941)	840,451
Debt, net	-	110,648,391	-	138,847,411
Total liabilities	386,226	117,078,696	(2,619,508)	159,846,494
NET ASSETS:				
Unrestricted	301,198	(1,925,237)	(1,032,128)	76,056,261
Temporarily restricted	2,595,975	-	-	26,647,844
Total net assets	2,897,173	(1,925,237)	(1,032,128)	102,704,105
TOTAL LIABILITIES AND NET ASSETS	\$ 3,283,399	\$ 115,153,459	\$ (3,651,636)	\$ 262,550,599

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION YEAR ENDED JUNE 30, 2017

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	School Operations			Administration		Total School Activity
	Bay Area Schools	Central Valley Schools	LA Schools	Tennessee Schools	National Office	
CHANGES IN UNRESTRICTED NET ASSETS						
SUPPORT AND REVENUE:						
Private grants and contributions	\$ 795,525	\$ 245,241	\$ 140,277	\$ 304,345	\$ 3,693,095	\$ 5,178,483
Donated equipment, materials, and services	-	-	-	-	1,560,578	1,560,578
Federal revenue	5,411,504	4,625,305	6,485,218	3,316,340	1,931,324	21,769,691
California State revenue						
State aid portion of general purpose funding	26,024,344	31,834,628	28,213,129	-	-	86,072,101
All other state revenue	3,524,430	5,477,466	3,031,361	-	-	12,033,257
Tennessee State revenue						
Basic education program funding	-	-	-	12,158,786	-	12,158,786
All other state revenue	-	-	-	178,563	-	178,563
Local revenue:						
Cash in-lieu of property taxes	8,789,923	8,487,481	9,803,904	-	8,069	27,089,377
Interest income	12,151	9,391	(1,891)	-	61,613	81,264
All other local revenue	700,269	1,004,366	274,651	45,545	814,008	2,838,839
Subtotal	45,258,146	51,683,878	47,946,649	16,003,579	8,068,687	168,960,939
Net assets released from restrictions	9,171,116	9,454,809	8,830,173	4,992,453	2,425,193	34,873,744
Total support and revenue	54,429,262	61,138,687	56,776,822	20,996,032	10,493,880	203,834,683
EXPENSES						
PROGRAM EXPENSES:						
Educational programs	49,289,309	53,645,707	51,650,025	17,264,066	-	171,849,107
SUPPORTING SERVICES:						
Site support	1,446,489	2,128,501	2,099,221	1,620,529	9,160,520	16,455,260
Development and expansion	554,577	789,164	758,692	620,877	6,145,197	8,868,507
Administration and general	290,885	353,724	368,080	768,900	5,143,238	6,924,827
Cost allocations	2,983,590	3,536,535	3,311,837	-	(9,831,962)	-
Total supporting services	5,275,541	6,807,924	6,537,830	3,010,306	10,616,993	32,248,594
Total expenses	54,564,850	60,453,631	58,187,855	20,274,372	10,616,993	204,097,701
TRANSFERS BETWEEN AFFILIATES	(25,020)	(5,244,460)	(25,020)	-	-	(5,294,500)
Increase (Decrease) in Unrestricted Net Assets	(160,608)	(4,559,404)	(1,436,053)	721,660	(123,113)	(5,557,518)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:						
Private grants and contributions	109,174	-	153,000	5,325,000	1,700,096	7,287,270
Federal and state revenue	10,463,708	11,438,087	9,840,067	105,954	-	31,847,816
Interfund transfers	(577,178)	(627,194)	(632,606)	-	1,836,978	-
Net assets released from restrictions	(9,171,116)	(9,454,809)	(8,830,173)	(4,992,453)	(2,425,193)	(34,873,744)
Increase (Decrease) in Temporarily Restricted Net Assets	824,588	1,356,084	530,288	438,501	1,111,881	4,261,342
INCREASE (DECREASE) IN NET ASSETS	663,980	(3,203,320)	(905,765)	1,160,161	988,768	(1,296,176)
NET ASSETS - Beginning of Year	29,249,765	32,864,746	36,299,791	6,480,772	(834,601)	104,060,473
NET ASSETS - End of Year	\$ 29,913,745	\$ 29,661,426	\$ 35,394,026	\$ 7,640,933	\$ 154,167	\$ 102,764,297

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION YEAR ENDED JUNE 30, 2017

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	Aspire University	CFC, Inc.	Eliminations	Total Consolidated
CHANGES IN UNRESTRICTED NET ASSETS				
SUPPORT AND REVENUE:				
Private grants and contributions	\$ 284,723	\$ -	\$ (705,278)	\$ 4,757,928
Donated equipment, materials, and services	-	-	-	1,560,578
Federal revenue	-	-	-	21,769,691
California State revenue				
State aid portion of general purpose funding	-	-	-	86,072,101
All other state revenue	-	-	-	12,033,257
Tennessee State revenue				
Basic education program funding	-	-	-	12,158,786
All other state revenue	-	-	-	178,563
Local revenue:				
Cash in-lieu of property taxes	-	-	-	27,089,377
Interest income	445	30,319	-	112,028
All other local revenue	308,560	6,713,758	(7,318,100)	2,543,057
Subtotal	593,728	6,744,077	(8,023,378)	168,275,366
Net assets released from restrictions	1,495,781	-	-	36,369,525
Total support and revenue	2,089,509	6,744,077	(8,023,378)	204,644,891
EXPENSES				
PROGRAM EXPENSES:				
Educational programs	2,473,121	7,848,384	(6,713,761)	175,456,851
SUPPORTING SERVICES:				
Site support	-	-	(831,111)	15,624,149
Development and expansion	139,998	-	(352,775)	8,655,730
Administration and general	546,766	-	(125,731)	7,345,862
Cost allocations	-	-	-	-
Total supporting services	686,764	-	(1,309,617)	31,625,741
Total expenses	3,159,885	7,848,384	(8,023,378)	207,082,592
TRANSFERS BETWEEN AFFILIATES	-	5,294,500	-	-
Increase (Decrease) in Unrestricted Net Assets	(1,070,376)	4,190,193	-	(2,437,701)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:				
Private grants and contributions	538,405	-	-	7,825,675
Federal and state revenue	-	-	-	31,847,816
Interfund transfers	-	-	-	-
Net assets released from restrictions	(1,495,781)	-	-	(36,369,525)
Increase (Decrease) in Temporarily Restricted Net Assets	(957,376)	-	-	3,303,966
INCREASE (DECREASE) IN NET ASSETS	(2,027,752)	4,190,193	-	866,265
NET ASSETS - Beginning of Year	4,924,925	(6,115,430)	(1,032,128)	101,837,840
NET ASSETS - End of Year	\$ 2,897,173	\$ (1,925,237)	\$ (1,032,128)	\$ 102,704,105

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2017

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	Aspire Monarch Academy	Aspire Lionel Wilson College Prep Academy	Aspire East Palo Alto Charter School	Aspire Triumph Technology Academy	Aspire Berkley Maynard Academy	Aspire Richmond California College Prep Academy	Aspire Richmond Technology Academy	Aspire Golden State College Prep Academy	Aspire ERES Academy
CURRENT ASSETS:									
Cash and cash equivalents	\$ 888,605	\$ 1,277,790	\$ 1,216,957	\$ 512,808	\$ 1,409,669	\$ 231,029	\$ 261,597	\$ 1,122,197	\$ 3,965,112
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	737,417	735,783	1,201,179	439,159	693,895	632,088	487,892	763,961	404,212
Foundation grants receivable, current portion	57,024	-	-	-	-	-	26,256	-	-
Prepaid expenses and deposits	46,997	-	-	29,509	-	37,554	26,667	-	8,624
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	<u>1,730,043</u>	<u>2,013,573</u>	<u>2,418,136</u>	<u>981,476</u>	<u>2,103,564</u>	<u>900,671</u>	<u>802,412</u>	<u>1,886,158</u>	<u>4,377,948</u>
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	1,000,000	-	-	-	-	1,867,734
Investments	524,834	-	638,463	-	880,211	-	-	-	-
Foundation grants receivable, net	-	-	1,000,000	-	-	-	-	-	-
Deferred rent	-	110,573	87,761	-	-	-	-	141,337	-
Property and equipment, net	222,775	546,644	4,896,498	312,807	143,134	356,972	323,366	2,847,311	1,894,908
Other assets, net	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,477,652</u>	<u>\$ 2,670,790</u>	<u>\$ 9,040,858</u>	<u>\$ 2,294,283</u>	<u>\$ 3,126,909</u>	<u>\$ 1,257,643</u>	<u>\$ 1,125,778</u>	<u>\$ 4,874,806</u>	<u>\$ 8,140,590</u>
CURRENT LIABILITIES:									
Accounts payable	\$ 93,554	\$ 36,184	\$ 1,175,406	\$ 36,521	\$ 50,775	\$ 175,423	\$ 104,512	\$ 37,629	\$ 79,060
Accrued expenses	188,255	196,408	279,189	121,580	205,217	187,193	120,523	193,979	79,250
Line of credit	-	-	-	-	-	100,000	100,000	-	-
Debt, current	-	-	-	-	-	-	-	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>281,809</u>	<u>232,592</u>	<u>1,454,595</u>	<u>158,101</u>	<u>255,992</u>	<u>462,616</u>	<u>325,035</u>	<u>231,608</u>	<u>158,310</u>
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	-	-	-	-	-	-	-	-	3,706,191
Total liabilities	<u>281,809</u>	<u>232,592</u>	<u>1,454,595</u>	<u>158,101</u>	<u>255,992</u>	<u>462,616</u>	<u>325,035</u>	<u>231,608</u>	<u>3,864,501</u>
NET ASSETS:									
Unrestricted	1,899,469	2,100,587	3,093,925	1,060,266	2,615,652	667,383	710,734	4,241,950	374,243
Temporarily restricted	296,374	337,611	4,492,338	1,075,916	255,265	127,644	90,009	401,248	3,901,846
Total net assets	<u>2,195,843</u>	<u>2,438,198</u>	<u>7,586,263</u>	<u>2,136,182</u>	<u>2,870,917</u>	<u>795,027</u>	<u>800,743</u>	<u>4,643,198</u>	<u>4,276,089</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,477,652</u>	<u>\$ 2,670,790</u>	<u>\$ 9,040,858</u>	<u>\$ 2,294,283</u>	<u>\$ 3,126,909</u>	<u>\$ 1,257,643</u>	<u>\$ 1,125,778</u>	<u>\$ 4,874,806</u>	<u>\$ 8,140,590</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2017

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	Aspire College Academy	Bay Area Regional Office	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 Benjamin Holt Middle School *
CURRENT ASSETS:									
Cash and cash equivalents	\$ 380,699	\$ 20,971	\$ 11,287,434	\$ 1,016,519	\$ 822,280	\$ 699,711	\$ 193,339	\$ 1,964,871	\$ (521,901)
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	436,927	59,592	6,592,105	609,493	151,850	306,560	636,012	135,934	944,854
Foundation grants receivable, current portion	-	-	83,280	-	-	-	-	-	-
Prepaid expenses and deposits	24,499	-	173,850	14,877	11,183	46,848	-	-	-
Intercompany receivable	-	27,067	27,067	-	-	-	-	-	-
Total current assets	842,125	107,630	18,163,736	1,640,889	985,313	1,053,119	829,351	2,100,805	422,953
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	1,000,000	-	3,867,734	-	-	-	-	-	-
Investments	291,063	-	2,334,571	584,433	499,200	535,870	-	-	-
Foundation grants receivable, net	-	-	1,000,000	-	-	-	-	-	-
Deferred rent	-	-	339,671	-	-	-	142,380	156,360	-
Property and equipment, net	199,105	18,983	11,762,503	368,230	55,353	330,209	280,204	265,152	256,902
Other assets, net	-	-	-	-	-	-	-	-	-
Total non-current assets	1,490,168	18,983	18,974,841	952,663	553,553	866,079	422,684	521,712	256,902
TOTAL ASSETS	\$ 2,332,293	\$ 126,613	\$ 37,468,215	\$ 2,593,552	\$ 1,539,866	\$ 1,919,198	\$ 1,251,935	\$ 2,522,317	\$ 679,855
CURRENT LIABILITIES:									
Accounts payable	\$ 23,581	\$ 37,385	\$ 1,850,030	\$ 36,215	\$ 38,003	\$ 58,392	\$ 54,354	\$ 83,706	\$ 66,592
Accrued expenses	136,933	89,722	1,798,249	131,190	75,344	105,582	118,369	134,366	99,199
Line of credit	-	-	200,000	-	-	-	-	-	-
Debt, current	-	-	-	-	-	-	-	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	160,514	127,107	3,848,279	167,405	113,347	163,974	172,723	218,072	165,791
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	320,855
Debt, net	-	-	3,706,191	-	-	-	-	-	-
Total liabilities	160,514	127,107	7,554,470	167,405	113,347	163,974	172,723	218,072	486,646
NET ASSETS:									
Unrestricted	1,148,138	(494)	17,911,853	1,988,331	1,208,943	1,465,063	1,078,899	2,071,426	193,209
Temporarily restricted	1,023,641	-	12,001,892	437,816	217,576	290,161	313	232,819	-
Total net assets	2,171,779	(494)	29,913,745	2,426,147	1,426,519	1,755,224	1,079,212	2,304,245	193,209
TOTAL LIABILITIES AND NET ASSETS	\$ 2,332,293	\$ 126,613	\$ 37,468,215	\$ 2,593,552	\$ 1,539,866	\$ 1,919,198	\$ 1,251,935	\$ 2,522,317	\$ 679,855

* Aspire Benjamin Holt Middle School was a new charter that opened in the 2016/17 school year. Net assets of \$3,671,855 were transferred from California Non Active Sites to Aspire Benjamin Holt Middle School on July 1, 2016.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2017

	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 Academy	Aspire Alexander Twilight Secondary Academy	Aspire APEX Academy	Central Valley Regional Office
CURRENT ASSETS:									
Cash and cash equivalents	\$ 585,190	\$ 1,382,383	\$ 2,353,071	\$ 1,941,876	\$ 849,545	\$ 447,387	\$ 219,453	\$ 533,450	\$ 378,089
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	568,643	310,997	753,358	430,256	283,477	487,271	579,055	407,693	48,668
Foundation grants receivable, current portion	-	-	-	-	-	-	-	-	35,000
Prepaid expenses and deposits	15,604	-	-	25,000	33,673	6,250	-	12,178	-
Intercompany receivable	-	-	-	-	-	29,893	-	-	39,608
Total current assets	<u>1,169,437</u>	<u>1,693,380</u>	<u>3,106,429</u>	<u>2,397,132</u>	<u>1,166,695</u>	<u>970,801</u>	<u>798,508</u>	<u>953,321</u>	<u>501,365</u>
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	-	969,966	-	-	-	-	-	291,846	-
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	-	-	164,064	109,966	-	108,386	40,727	-	-
Property and equipment, net	89,905	9,028,661	262,050	166,897	89,197	859,068	794,945	132,419	85,726
Other assets, net	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,259,342</u>	<u>\$ 11,692,007</u>	<u>\$ 3,532,543</u>	<u>\$ 2,673,995</u>	<u>\$ 1,255,892</u>	<u>\$ 1,938,255</u>	<u>\$ 1,634,180</u>	<u>\$ 1,377,586</u>	<u>\$ 587,091</u>
CURRENT LIABILITIES:									
Accounts payable	\$ 35,337	\$ 66,230	\$ 121,732	\$ 61,646	\$ 67,446	\$ 135,796	\$ 156,938	\$ 50,450	\$ 16,721
Accrued expenses	99,494	108,912	196,084	126,267	86,575	115,431	108,592	102,750	100,290
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	-	149,940	-	-	-	-	-	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>134,831</u>	<u>325,082</u>	<u>317,816</u>	<u>187,913</u>	<u>154,021</u>	<u>251,227</u>	<u>265,530</u>	<u>153,200</u>	<u>117,011</u>
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	-	3,567,390	-	-	-	-	-	-	-
Total liabilities	<u>134,831</u>	<u>3,892,472</u>	<u>317,816</u>	<u>187,913</u>	<u>154,021</u>	<u>251,227</u>	<u>265,530</u>	<u>153,200</u>	<u>117,011</u>
NET ASSETS:									
Unrestricted	835,237	7,552,119	2,898,622	2,386,250	740,158	1,473,468	1,085,508	935,913	399,721
Temporarily restricted	289,274	247,416	316,105	99,832	361,713	213,560	283,142	288,473	70,359
Total net assets	<u>1,124,511</u>	<u>7,799,535</u>	<u>3,214,727</u>	<u>2,486,082</u>	<u>1,101,871</u>	<u>1,687,028</u>	<u>1,368,650</u>	<u>1,224,386</u>	<u>470,080</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,259,342</u>	<u>\$ 11,692,007</u>	<u>\$ 3,532,543</u>	<u>\$ 2,673,995</u>	<u>\$ 1,255,892</u>	<u>\$ 1,938,255</u>	<u>\$ 1,634,180</u>	<u>\$ 1,377,586</u>	<u>\$ 587,091</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2017

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	Total Central Valley Region	Aspire Antonio Maria Lugo Academy	Aspire Ollin University Preparatory Academy	Aspire Junior Collegiate Academy	Aspire Titan Academy	Aspire Pacific Academy	Aspire Firestone Academy	Aspire Gateway Academy	Aspire Tate Academy
CURRENT ASSETS:									
Cash and cash equivalents	\$ 12,865,263	\$ 1,008,470	\$ 403,816	\$ 1,541,074	\$ 1,067,234	\$ 1,309,468	\$ 1,276,247	\$ 1,307,020	\$ 793,190
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	6,654,121	454,344	713,702	407,540	401,679	397,574	414,740	397,133	357,250
Foundation grants receivable, current portion	35,000	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	165,613	-	11,750	-	-	-	-	-	-
Intercompany receivable	69,501	-	-	-	-	-	-	-	-
Total current assets	<u>19,789,498</u>	<u>1,462,814</u>	<u>1,129,268</u>	<u>1,948,614</u>	<u>1,468,913</u>	<u>1,707,042</u>	<u>1,690,987</u>	<u>1,704,153</u>	<u>1,150,440</u>
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	2,881,315	759,987	328,446	-	-	-	660,167	733,012	359,101
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	721,883	-	-	88,041	90,231	-	-	-	-
Property and equipment, net	13,064,918	15,722,014	17,135,230	126,494	233,572	218,736	40,623	40,481	22,473
Other assets, net	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 36,457,614</u>	<u>\$ 17,944,815</u>	<u>\$ 18,592,944</u>	<u>\$ 2,163,149</u>	<u>\$ 1,792,716</u>	<u>\$ 1,925,778</u>	<u>\$ 2,391,777</u>	<u>\$ 2,477,646</u>	<u>\$ 1,532,014</u>
CURRENT LIABILITIES:									
Accounts payable	\$ 1,049,558	\$ 68,805	\$ 107,594	\$ 74,244	\$ 53,106	\$ 94,282	\$ 51,745	\$ 41,936	\$ 24,998
Accrued expenses	1,708,445	231,453	281,775	131,438	150,707	214,991	167,706	167,136	137,235
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	149,940	211,261	266,296	-	-	-	-	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>2,907,943</u>	<u>511,519</u>	<u>655,665</u>	<u>205,682</u>	<u>203,813</u>	<u>309,273</u>	<u>219,451</u>	<u>209,072</u>	<u>162,233</u>
LONG-TERM LIABILITIES:									
Deferred rent	320,855	-	-	-	-	87,269	-	-	-
Debt, net	3,567,390	7,811,078	8,263,249	-	-	-	-	-	-
Total liabilities	<u>6,796,188</u>	<u>8,322,597</u>	<u>8,918,914</u>	<u>205,682</u>	<u>203,813</u>	<u>396,542</u>	<u>219,451</u>	<u>209,072</u>	<u>162,233</u>
NET ASSETS:									
Unrestricted	26,312,867	9,424,073	9,499,350	1,713,526	1,346,419	1,253,635	1,866,319	1,961,802	1,208,033
Temporarily restricted	3,348,559	198,145	174,680	243,941	242,484	275,601	306,007	306,772	161,748
Total net assets	<u>29,661,426</u>	<u>9,622,218</u>	<u>9,674,030</u>	<u>1,957,467</u>	<u>1,588,903</u>	<u>1,529,236</u>	<u>2,172,326</u>	<u>2,268,574</u>	<u>1,369,781</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 36,457,614</u>	<u>\$ 17,944,815</u>	<u>\$ 18,592,944</u>	<u>\$ 2,163,149</u>	<u>\$ 1,792,716</u>	<u>\$ 1,925,778</u>	<u>\$ 2,391,777</u>	<u>\$ 2,477,646</u>	<u>\$ 1,532,014</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

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	Aspire Inskeep Academy	Aspire Slauson Academy	Aspire Centennial College Preparatory Academy	LA Regional Office	Total LA Region	National Office	Total Aspire Public Schools	Aspire Hanley School #1	Aspire Hanley School #2
CURRENT ASSETS:									
Cash and cash equivalents	\$ 762,352	\$ 671,686	\$ 1,062,130	\$ 512,431	\$ 11,715,118	\$ 479,545	\$ 36,347,360	\$ 18,839	\$ 9,896
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	341,879	353,263	706,949	63,437	5,009,490	479,430	18,735,146	165,842	368,782
Foundation grants receivable, current portion	-	-	-	-	-	1,125,000	1,243,280	650,000	750,000
Prepaid expenses and deposits	-	-	34,961	21,980	68,691	237,305	645,459	-	-
Intercompany receivable	-	-	-	30,876	30,876	1,141,517	1,268,961	7,427	-
Total current assets	<u>1,104,231</u>	<u>1,024,949</u>	<u>1,804,040</u>	<u>628,724</u>	<u>16,824,175</u>	<u>3,462,797</u>	<u>58,240,206</u>	<u>842,108</u>	<u>1,128,678</u>
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	3,867,734	-	-
Investments	509,346	454,009	950,171	-	4,754,239	134,371	10,104,496	-	-
Foundation grants receivable, net	-	-	-	-	-	48,172	1,048,172	-	-
Deferred rent	-	-	-	-	178,272	-	1,239,826	-	-
Property and equipment, net	21,062	19,903	353,487	55,472	33,989,547	357,311	59,174,279	314,896	250,821
Other assets, net	-	-	-	-	-	425,717	425,717	-	-
TOTAL ASSETS	<u>\$ 1,634,639</u>	<u>\$ 1,498,861</u>	<u>\$ 3,107,698</u>	<u>\$ 684,196</u>	<u>\$ 55,746,233</u>	<u>\$ 4,428,368</u>	<u>\$134,100,430</u>	<u>\$ 1,157,004</u>	<u>\$ 1,379,499</u>
CURRENT LIABILITIES:									
Accounts payable	\$ 81,942	\$ 49,825	\$ 80,221	\$ 19,596	\$ 748,294	\$ 1,673,556	\$ 5,321,438	\$ 101,871	\$ 127,576
Accrued expenses	136,542	111,755	267,485	132,054	2,130,277	1,842,361	7,479,332	106,574	135,935
Line of credit	-	-	-	-	-	-	200,000	-	-
Debt, current	-	-	-	-	477,557	-	627,497	-	-
Intercompany payable	-	-	-	-	-	58,284	58,284	(3,058)	1,590
Total current liabilities	<u>218,484</u>	<u>161,580</u>	<u>347,706</u>	<u>151,650</u>	<u>3,356,128</u>	<u>3,574,201</u>	<u>13,686,551</u>	<u>205,387</u>	<u>265,101</u>
LONG-TERM LIABILITIES:									
Deferred rent	-	-	834,483	-	921,752	-	1,242,607	-	-
Debt, net	-	-	-	-	16,074,327	700,000	24,047,908	-	-
Total liabilities	<u>218,484</u>	<u>161,580</u>	<u>1,182,189</u>	<u>151,650</u>	<u>20,352,207</u>	<u>4,274,201</u>	<u>38,977,066</u>	<u>205,387</u>	<u>265,101</u>
NET ASSETS:									
Unrestricted	1,250,923	1,174,917	1,891,221	379,546	32,969,764	(1,265,063)	75,929,421	341,863	424,506
Temporarily restricted	165,232	162,364	34,288	153,000	2,424,262	1,419,230	19,193,943	609,754	689,892
Total net assets	<u>1,416,155</u>	<u>1,337,281</u>	<u>1,925,509</u>	<u>532,546</u>	<u>35,394,026</u>	<u>154,167</u>	<u>95,123,364</u>	<u>951,617</u>	<u>1,114,398</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,634,639</u>	<u>\$ 1,498,861</u>	<u>\$ 3,107,698</u>	<u>\$ 684,196</u>	<u>\$ 55,746,233</u>	<u>\$ 4,428,368</u>	<u>\$134,100,430</u>	<u>\$ 1,157,004</u>	<u>\$ 1,379,499</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2017

	Aspire Coleman Elementary School	Aspire East Academy ***	Tennessee Regional Office	Total Aspire TN, LLC	Aspire University	CFC, Inc.	Eliminations	Total Consolidated
CURRENT ASSETS:								
Cash and cash equivalents	\$ 292,754	\$ 1,491,766	\$ 961,245	\$ 2,774,500	\$ 1,559,098	\$ -	\$ -	\$ 40,680,958
Restricted cash and cash equivalents	-	-	-	-	-	3,786,617	-	3,786,617
Accounts receivable	302,420	100,808	64,195	1,002,047	-	-	-	19,737,193
Foundation grants receivable, current portion	600,000	950,000	550,000	3,500,000	1,314,333	-	-	6,057,613
Prepaid expenses and deposits	-	-	-	-	27,279	-	-	672,738
Intercompany receivable	7,773	-	73,271	88,471	135	-	(1,357,567)	-
Total current assets	<u>1,202,947</u>	<u>2,542,574</u>	<u>1,648,711</u>	<u>7,365,018</u>	<u>2,900,845</u>	<u>3,786,617</u>	<u>(1,357,567)</u>	<u>70,935,119</u>
NON-CURRENT ASSETS:								
Restricted cash and cash equivalents	-	-	-	-	-	7,632,320	-	11,500,054
Investments	-	-	-	-	-	-	-	10,104,496
Foundation grants receivable, net	-	-	-	-	382,554	-	-	1,430,726
Deferred rent	-	-	-	-	-	22,115	(1,261,941)	-
Property and equipment, net	391,828	5,195,600	146,784	6,299,929	-	103,712,407	(1,032,128)	168,154,487
Other assets, net	-	-	-	-	-	-	-	425,717
TOTAL ASSETS	<u>\$ 1,594,775</u>	<u>\$ 7,738,174</u>	<u>\$ 1,795,495</u>	<u>\$ 13,664,947</u>	<u>\$ 3,283,399</u>	<u>\$115,153,459</u>	<u>\$ (3,651,636)</u>	<u>\$262,550,599</u>
CURRENT LIABILITIES:								
Accounts payable	\$ 177,766	\$ 600,991	\$ 56,048	\$ 1,064,252	\$ 23,148	\$ 823,351	\$ -	\$ 7,232,189
Accrued expenses	184,845	37,591	310,617	775,562	173,448	2,110,604	-	10,538,946
Line of credit	-	-	-	-	-	-	-	200,000
Debt, current	-	-	-	-	-	1,560,000	-	2,187,497
Intercompany payable	(1,889)	253	36,192	33,088	183,663	1,082,532	(1,357,567)	-
Total current liabilities	<u>360,722</u>	<u>638,835</u>	<u>402,857</u>	<u>1,872,902</u>	<u>380,259</u>	<u>5,576,487</u>	<u>(1,357,567)</u>	<u>20,158,632</u>
LONG-TERM LIABILITIES:								
Deferred rent	-	-	-	-	5,967	853,818	(1,261,941)	840,451
Debt, net	-	4,151,112	-	4,151,112	-	110,648,391	-	138,847,411
Total liabilities	<u>360,722</u>	<u>4,789,947</u>	<u>402,857</u>	<u>6,024,014</u>	<u>386,226</u>	<u>117,078,696</u>	<u>(2,619,508)</u>	<u>159,846,494</u>
NET ASSETS:								
Unrestricted	547,486	642,225	826,927	2,783,007	301,198	(1,925,237)	(1,032,128)	76,056,261
Temporarily restricted	686,567	2,306,002	565,711	4,857,926	2,595,975	-	-	26,647,844
Total net assets	<u>1,234,053</u>	<u>2,948,227</u>	<u>1,392,638</u>	<u>7,640,933</u>	<u>2,897,173</u>	<u>(1,925,237)</u>	<u>(1,032,128)</u>	<u>102,704,105</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,594,775</u>	<u>\$ 7,738,174</u>	<u>\$ 1,795,495</u>	<u>\$ 13,664,947</u>	<u>\$ 3,283,399</u>	<u>\$115,153,459</u>	<u>\$ (3,651,636)</u>	<u>\$262,550,599</u>

*** Aspire East Academy was a new charter that opened in the 2016/17 school year. A net deficit of \$90,025 was transferred from Tennessee Non Active Sites to Aspire East Academy on July 1, 2016.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

	Aspire Monarch Academy	Aspire Lionel Wilson College Prep Academy	Aspire East Palo Alto Charter School	Aspire Triumph Technology Academy	Aspire Berkley Maynard Academy	Aspire Richmond California College Prep Academy	Aspire Richmond Technology Academy	Aspire Golden State College Prep Academy	Aspire ERES Academy
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ 76,642	\$ 520	\$ 416,069	\$ 42,433	\$ 19,108	\$ 38,578	\$ 35,721	\$ 2,656	\$ 28,490
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	582,091	512,306	781,029	311,851	679,795	469,621	381,447	507,212	528,340
California State revenue:									
State aid portion of general purpose funding	2,369,112	3,119,035	5,231,671	1,866,743	2,787,184	2,375,184	1,780,341	3,352,072	1,193,883
All other state revenue	423,274	321,370	537,471	304,977	209,513	315,420	263,562	624,277	206,763
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	868,442	1,092,753	1,245,989	592,818	1,107,014	879,210	719,397	1,204,217	463,437
Interest income	210	273	10,969	25	292	9	10	226	106
All other local revenue	21,190	263,019	93,391	10,901	86,728	78,670	83,380	45,220	13,107
Subtotal	4,340,961	5,309,276	8,316,589	3,129,748	4,889,634	4,156,692	3,263,858	5,735,880	2,434,126
Net assets released from restrictions	868,800	1,357,472	2,002,520	769,354	1,057,363	410,919	412,766	1,119,888	721,374
Total support and revenue	<u>5,209,761</u>	<u>6,666,748</u>	<u>10,319,109</u>	<u>3,899,102</u>	<u>5,946,997</u>	<u>4,567,611</u>	<u>3,676,624</u>	<u>6,855,768</u>	<u>3,155,500</u>
EXPENSES									
PROGRAM EXPENSES:									
Educational programs	4,617,697	6,203,370	9,318,991	3,608,407	5,423,296	4,064,818	3,311,781	6,200,655	3,053,695
SUPPORTING SERVICES:									
Site support	-	-	-	-	-	-	-	-	-
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	-	-	-	-	-	-	-	-	-
Cost allocations	498,088	645,947	944,576	238,182	601,666	421,392	274,098	698,225	168,635
Total supporting services	498,088	645,947	944,576	238,182	601,666	421,392	274,098	698,225	168,635
Total expenses	5,115,785	6,849,317	10,263,567	3,846,589	6,024,962	4,486,210	3,585,879	6,898,880	3,222,330
TRANSFERS BETWEEN AFFILIATES	-	(8,340)	(8,340)	-	-	-	-	(8,340)	-
Increase (Decrease) in Unrestricted Net Assets	<u>93,976</u>	<u>(190,909)</u>	<u>47,202</u>	<u>52,513</u>	<u>(77,965)</u>	<u>81,401</u>	<u>90,745</u>	<u>(51,452)</u>	<u>(66,830)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	-	34,174	-	-	-	-	75,000	-	-
Federal and state revenue	1,012,668	1,467,864	2,305,317	808,499	1,173,261	586,974	421,297	1,388,623	808,814
Interfund transfers	(56,001)	(70,398)	(105,734)	(38,222)	(71,581)	(48,411)	(39,541)	(77,636)	(29,923)
Net assets released from restrictions	(868,800)	(1,357,472)	(2,002,520)	(769,354)	(1,057,363)	(410,919)	(412,766)	(1,119,888)	(721,374)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>87,867</u>	<u>74,168</u>	<u>197,063</u>	<u>923</u>	<u>44,317</u>	<u>127,644</u>	<u>43,990</u>	<u>191,099</u>	<u>57,517</u>
INCREASE (DECREASE) IN NET ASSETS	181,843	(116,741)	244,265	53,436	(33,648)	209,045	134,735	139,647	(9,313)
NET ASSETS - Beginning of Year	2,014,000	2,554,939	7,341,998	2,082,746	2,904,565	585,982	666,008	4,503,551	4,285,402
NET ASSETS - End of Year	<u>\$ 2,195,843</u>	<u>\$ 2,438,198</u>	<u>\$ 7,586,263</u>	<u>\$ 2,136,182</u>	<u>\$ 2,870,917</u>	<u>\$ 795,027</u>	<u>\$ 800,743</u>	<u>\$ 4,643,198</u>	<u>\$ 4,276,089</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

	Aspire College Academy	Bay Area Regional Office	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 Benjamin Holt Middle School *
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ 30,983	\$ 104,325	\$ 795,525	\$ 5,815	\$ 193	\$ 23,092	\$ 10,404	\$ 4,830	\$ -
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	326,748	331,064	5,411,504	153,309	96,809	342,632	357,964	198,194	423,334
California State revenue:									
State aid portion of general purpose funding	1,949,119	-	26,024,344	1,865,980	1,306,045	2,424,585	2,203,491	2,105,720	2,585,574
All other state revenue	317,803	-	3,524,430	427,632	291,559	444,791	455,582	510,008	391,207
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	616,646	-	8,789,923	633,680	398,117	347,221	678,484	629,825	730,792
Interest income	31	-	12,151	663	810	1,301	690	1,161	236
All other local revenue	4,663	-	700,269	157,924	25,749	115,087	73,531	98,536	66,155
Subtotal	3,245,993	435,389	45,258,146	3,245,003	2,119,282	3,698,709	3,780,146	3,548,274	4,197,298
Net assets released from restrictions	450,660	-	9,171,116	573,680	421,495	672,034	743,108	606,080	50,871
Total support and revenue	<u>3,696,653</u>	<u>435,389</u>	<u>54,429,262</u>	<u>3,818,683</u>	<u>2,540,777</u>	<u>4,370,743</u>	<u>4,523,254</u>	<u>4,154,354</u>	<u>4,248,169</u>
EXPENSES									
PROGRAM EXPENSES:									
Educational programs	3,486,599	-	49,289,309	3,438,092	2,343,524	3,994,982	4,053,651	3,561,806	3,471,538
SUPPORTING SERVICES:									
Site support	-	1,446,489	1,446,489	-	-	-	-	-	-
Program development and expansion	-	554,577	554,577	-	-	-	-	-	-
Administration and general	-	290,885	290,885	-	-	-	-	-	-
Cost allocations	301,917	(1,809,136)	2,983,590	503,980	342,960	565,038	585,547	547,534	(137,289)
Total supporting services	301,917	482,815	5,275,541	503,980	342,960	565,038	585,547	547,534	(137,289)
Total expenses	3,788,516	482,815	54,564,850	3,942,072	2,686,484	4,560,020	4,639,198	4,109,340	3,334,249
TRANSFERS BETWEEN AFFILIATES	-	-	(25,020)	-	-	-	(7,645)	(7,645)	(4,392,566)
Increase (Decrease) in Unrestricted Net Assets	<u>(91,863)</u>	<u>(47,426)</u>	<u>(160,608)</u>	<u>(123,389)</u>	<u>(145,707)</u>	<u>(189,277)</u>	<u>(123,589)</u>	<u>37,369</u>	<u>(3,478,646)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	-	-	109,174	-	-	-	-	-	-
Federal and state revenue	490,391	-	10,463,708	621,519	457,547	936,857	800,173	790,536	113,281
Interfund transfers	(39,731)	-	(577,178)	(54,062)	(36,876)	(55,846)	(57,889)	(53,684)	(62,410)
Net assets released from restrictions	(450,660)	-	(9,171,116)	(573,680)	(421,495)	(672,034)	(743,108)	(606,080)	(50,871)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>-</u>	<u>-</u>	<u>824,588</u>	<u>(6,223)</u>	<u>(824)</u>	<u>208,977</u>	<u>(824)</u>	<u>130,772</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(91,863)</u>	<u>(47,426)</u>	<u>663,980</u>	<u>(129,612)</u>	<u>(146,531)</u>	<u>19,700</u>	<u>(124,413)</u>	<u>168,141</u>	<u>(3,478,646)</u>
NET ASSETS - Beginning of Year	<u>2,263,642</u>	<u>46,932</u>	<u>29,249,765</u>	<u>2,555,759</u>	<u>1,573,050</u>	<u>1,735,524</u>	<u>1,203,625</u>	<u>2,136,104</u>	<u>3,671,855</u>
NET ASSETS - End of Year	<u>\$ 2,171,779</u>	<u>\$ (494)</u>	<u>\$ 29,913,745</u>	<u>\$ 2,426,147</u>	<u>\$ 1,426,519</u>	<u>\$ 1,755,224</u>	<u>\$ 1,079,212</u>	<u>\$ 2,304,245</u>	<u>\$ 193,209</u>

* Aspire Benjamin Holt Middle School was a new charter that opened in the 2016/17 school year. Net assets of \$3,671,855 were transferred from California Non Active Sites to Aspire Benjamin Holt Middle School on July 1, 2016.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

	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 Academy	Aspire Alexander Twilight Secondary Academy	Aspire APEX Academy	Central Valley Regional Office
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ 175	\$ 1,350	\$ 2,875	\$ 533	\$ 1,275	\$ -	\$ -	\$ -	\$ 194,699
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	370,772	265,265	405,484	253,115	420,969	493,323	369,879	194,623	279,633
California State revenue:									
State aid portion of general purpose funding	1,685,871	2,569,641	4,908,470	2,513,238	1,777,708	1,896,433	2,083,591	1,908,281	-
All other state revenue	246,672	137,174	782,449	437,394	133,658	447,552	450,227	321,561	-
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	540,098	415,590	810,871	455,879	875,499	795,367	837,218	338,840	-
Interest income	156	876	1,358	846	392	272	-	630	-
All other local revenue	48,697	26,472	113,523	87,408	93,307	34,770	41,760	16,970	4,477
Subtotal	2,892,441	3,416,368	7,025,030	3,748,413	3,302,808	3,667,717	3,782,675	2,780,905	478,809
Net assets released from restrictions	663,282	527,871	1,268,570	862,309	599,884	856,859	1,029,347	503,320	76,099
Total support and revenue	<u>3,555,723</u>	<u>3,944,239</u>	<u>8,293,600</u>	<u>4,610,722</u>	<u>3,902,692</u>	<u>4,524,576</u>	<u>4,812,022</u>	<u>3,284,225</u>	<u>554,908</u>
EXPENSES									
PROGRAM EXPENSES:									
Educational programs	3,410,129	3,597,524	6,866,161	3,913,086	3,361,496	4,209,423	4,394,716	3,029,579	-
SUPPORTING SERVICES:									
Site support	-	-	-	-	-	-	-	-	2,128,501
Program development and expansion	-	-	-	-	-	-	-	-	789,164
Administration and general	-	-	-	-	-	-	-	-	353,724
Cost allocations	449,566	585,181	1,121,540	593,360	531,811	552,287	496,997	452,258	(3,654,235)
Total supporting services	449,566	585,181	1,121,540	593,360	531,811	552,287	496,997	452,258	(382,846)
Total expenses	3,859,695	4,182,705	7,987,701	4,506,446	3,893,307	4,761,710	4,891,713	3,481,837	(382,846)
TRANSFERS BETWEEN AFFILIATES	-	-	(8,340)	(8,340)	-	(8,340)	(8,340)	-	(803,244)
Increase (Decrease) in Unrestricted Net Assets	<u>(303,972)</u>	<u>(238,466)</u>	<u>297,559</u>	<u>95,936</u>	<u>9,385</u>	<u>(245,474)</u>	<u>(88,031)</u>	<u>(197,612)</u>	<u>134,510</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	-	-	-	-	-	-	-	-	-
Federal and state revenue	917,963	742,379	1,472,986	877,701	937,893	932,603	1,185,046	651,603	-
Interfund transfers	(41,053)	(50,798)	(99,163)	(55,740)	(53,658)	(53,795)	(57,206)	(41,472)	146,458
Net assets released from restrictions	(663,282)	(527,871)	(1,268,570)	(862,309)	(599,884)	(856,859)	(1,029,347)	(503,320)	(76,099)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>213,628</u>	<u>163,710</u>	<u>105,253</u>	<u>(40,348)</u>	<u>284,351</u>	<u>21,949</u>	<u>98,493</u>	<u>106,811</u>	<u>70,359</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(90,344)</u>	<u>(74,756)</u>	<u>402,812</u>	<u>55,588</u>	<u>293,736</u>	<u>(223,525)</u>	<u>10,462</u>	<u>(90,801)</u>	<u>204,869</u>
NET ASSETS - Beginning of Year	<u>1,214,855</u>	<u>7,874,291</u>	<u>2,811,915</u>	<u>2,430,494</u>	<u>808,135</u>	<u>1,910,553</u>	<u>1,358,188</u>	<u>1,315,187</u>	<u>265,211</u>
NET ASSETS - End of Year	<u>\$ 1,124,511</u>	<u>\$ 7,799,535</u>	<u>\$ 3,214,727</u>	<u>\$ 2,486,082</u>	<u>\$ 1,101,871</u>	<u>\$ 1,687,028</u>	<u>\$ 1,368,650</u>	<u>\$ 1,224,386</u>	<u>\$ 470,080</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

	Total Central Valley Region	Aspire Antonio Maria Lugo Academy	Aspire Ollin College Prep Academy	Aspire Junior Collegiate Academy	Aspire Titan Academy	Aspire Pacific Academy	Aspire Firestone Academy	Aspire Gateway Academy	Aspire Tate Academy
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ 245,241	\$ 3,011	\$ 100	\$ -	\$ 730	\$ -	\$ 2,085	\$ 1,450	\$ -
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	4,625,305	690,950	633,986	445,404	454,556	516,147	495,413	586,323	540,668
California State revenue:									
State aid portion of general purpose funding	31,834,628	2,361,481	4,349,210	1,939,636	1,964,685	2,794,924	2,414,975	2,433,283	2,208,104
All other state revenue	5,477,466	167,199	245,318	363,409	372,035	503,719	165,003	164,350	149,888
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	8,487,481	858,387	1,360,801	705,861	711,157	953,076	886,575	888,647	805,552
Interest income	9,391	(2,598)	292	268	147	-	-	-	-
All other local revenue	1,004,366	31,299	68,474	19,752	16,866	48,213	16,829	26,530	10,882
Subtotal	51,683,878	4,109,729	6,658,181	3,474,330	3,520,176	4,816,079	3,980,880	4,100,583	3,715,094
Net assets released from restrictions	9,454,809	749,795	1,170,660	591,499	563,831	1,020,921	928,794	859,428	902,474
Total support and revenue	<u>61,138,687</u>	<u>4,859,524</u>	<u>7,828,841</u>	<u>4,065,829</u>	<u>4,084,007</u>	<u>5,837,000</u>	<u>4,909,674</u>	<u>4,960,011</u>	<u>4,617,568</u>
EXPENSES									
PROGRAM EXPENSES:									
Educational programs	53,645,707	4,920,779	7,539,157	3,615,377	3,636,103	5,968,971	4,286,478	4,265,190	3,879,093
SUPPORTING SERVICES:									
Site support	2,128,501	-	-	-	-	-	-	-	-
Program development and expansion	789,164	-	-	-	-	-	-	-	-
Administration and general	353,724	-	-	-	-	-	-	-	-
Cost allocations	3,536,535	542,319	908,200	436,303	439,467	625,023	540,816	543,593	496,560
Total supporting services	6,807,924	542,319	908,200	436,303	439,467	625,023	540,816	543,593	496,560
Total expenses	60,453,631	5,463,098	8,447,357	4,051,680	4,075,570	6,593,994	4,827,294	4,808,783	4,375,653
TRANSFERS BETWEEN AFFILIATES	(5,244,460)	-	-	(8,340)	(8,340)	(8,340)	-	-	-
Increase (Decrease) in Unrestricted Net Assets	<u>(4,559,404)</u>	<u>(603,574)</u>	<u>(618,516)</u>	<u>5,809</u>	<u>97</u>	<u>(765,334)</u>	<u>82,380</u>	<u>151,228</u>	<u>241,915</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	-	-	-	-	-	-	-	-	-
Federal and state revenue	11,438,087	808,156	1,333,759	637,141	609,651	1,164,834	1,097,221	1,022,155	954,523
Interfund transfers	(627,194)	(55,630)	(88,097)	(45,642)	(45,820)	(61,155)	(57,087)	(57,270)	(52,049)
Net assets released from restrictions	(9,454,809)	(749,795)	(1,170,660)	(591,499)	(563,831)	(1,020,921)	(928,794)	(859,428)	(902,474)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>1,356,084</u>	<u>2,731</u>	<u>75,002</u>	<u>-</u>	<u>-</u>	<u>82,758</u>	<u>111,340</u>	<u>105,457</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(3,203,320)</u>	<u>(600,843)</u>	<u>(543,514)</u>	<u>5,809</u>	<u>97</u>	<u>(682,576)</u>	<u>193,720</u>	<u>256,685</u>	<u>241,915</u>
NET ASSETS - Beginning of Year	<u>32,864,746</u>	<u>10,223,061</u>	<u>10,217,544</u>	<u>1,951,658</u>	<u>1,588,806</u>	<u>2,211,812</u>	<u>1,978,606</u>	<u>2,011,889</u>	<u>1,127,866</u>
NET ASSETS - End of Year	<u>\$ 29,661,426</u>	<u>\$ 9,622,218</u>	<u>\$ 9,674,030</u>	<u>\$ 1,957,467</u>	<u>\$ 1,588,903</u>	<u>\$ 1,529,236</u>	<u>\$ 2,172,326</u>	<u>\$ 2,268,574</u>	<u>\$ 1,369,781</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

	Aspire Inskeep Academy	Aspire Slauson Academy	Aspire Centennial College Prep Academy	LA Regional Office	Total LA Region	National Office	Total Aspire Public Schools	Aspire Hanley School #1	Aspire Hanley School #2
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ -	\$ -	\$ -	\$ 132,901	\$ 140,277	\$ 3,693,095	\$ 4,874,138	\$ 30,688	\$ 55,839
Donated equipment, materials, and services	-	-	-	-	-	1,560,578	1,560,578	-	-
Federal revenue	505,181	539,188	765,906	311,496	6,485,218	1,931,324	18,453,351	712,057	674,301
California State revenue:									
State aid portion of general purpose funding	2,010,555	2,017,387	3,718,889	-	28,213,129	-	86,072,101	-	-
All other state revenue	144,814	142,724	612,902	-	3,031,361	-	12,033,257	-	-
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	3,989,601	2,649,616
All other state revenue	-	-	-	-	-	-	-	-	178,563
Local revenue:									
Cash in-lieu of property taxes	734,382	734,263	1,165,203	-	9,803,904	8,069	27,089,377	-	-
Interest income	-	-	-	-	(1,891)	61,613	81,264	-	-
All other local revenue	16,739	1,158	19,087	(1,178)	274,651	814,008	2,793,294	8,428	10,900
Subtotal	3,411,671	3,434,720	6,281,987	443,219	47,946,649	8,068,687	152,957,360	4,740,774	3,569,219
Net assets released from restrictions	746,347	739,016	557,408	-	8,830,173	2,425,193	29,881,291	1,194,498	888,085
Total support and revenue	<u>4,158,018</u>	<u>4,173,736</u>	<u>6,839,395</u>	<u>443,219</u>	<u>56,776,822</u>	<u>10,493,880</u>	<u>182,838,651</u>	<u>5,935,272</u>	<u>4,457,304</u>
EXPENSES									
PROGRAM EXPENSES:									
Educational programs	3,721,533	3,655,728	6,161,616	-	51,650,025	-	154,585,041	5,491,874	4,282,535
SUPPORTING SERVICES:									
Site support	-	-	-	2,099,221	2,099,221	9,160,520	14,834,731	-	-
Program development and expansion	-	-	-	758,692	758,692	6,145,197	8,247,630	-	-
Administration and general	-	-	-	368,080	368,080	5,143,238	6,155,927	-	-
Cost allocations	454,174	454,738	709,362	(2,838,718)	3,311,837	(9,831,962)	-	704,258	467,925
Total supporting services	454,174	454,738	709,362	387,275	6,537,830	10,616,993	29,238,288	704,258	467,925
Total expenses	4,175,707	4,110,466	6,870,978	387,275	58,187,855	10,616,993	183,823,329	6,196,132	4,750,460
TRANSFERS BETWEEN AFFILIATES									
Increase (Decrease) in Unrestricted Net Assets	(17,689)	63,270	(31,583)	55,944	(1,436,053)	(123,113)	(6,279,178)	(260,860)	(293,156)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	-	-	-	153,000	153,000	1,700,096	1,962,270	650,000	750,000
Federal and state revenue	793,656	786,381	632,590	-	9,840,067	-	31,741,862	52,977	52,977
Interfund transfers	(47,309)	(47,365)	(75,182)	-	(632,606)	1,836,978	-	1,025,000	775,000
Net assets released from restrictions	(746,347)	(739,016)	(557,408)	-	(8,830,173)	(2,425,193)	(29,881,291)	(1,194,498)	(888,085)
Increase (Decrease) in Temporarily Restricted Net Assets	-	-	-	153,000	530,288	1,111,881	3,822,841	533,479	689,892
INCREASE (DECREASE) IN NET ASSETS	(17,689)	63,270	(31,583)	208,944	(905,765)	988,768	(2,456,337)	272,619	396,736
NET ASSETS - Beginning of Year	1,433,844	1,274,011	1,957,092	323,602	36,299,791	(834,601)	97,579,701	678,998	717,662
NET ASSETS - End of Year	<u>\$ 1,416,155</u>	<u>\$ 1,337,281</u>	<u>\$ 1,925,509</u>	<u>\$ 532,546</u>	<u>\$ 35,394,026</u>	<u>\$ 154,167</u>	<u>\$ 95,123,364</u>	<u>\$ 951,617</u>	<u>\$ 1,114,398</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

	Aspire Coleman Elementary School	Aspire East Academy **	Tennessee Regional Office	Total Aspire TN, LLC	Aspire University	CFC, Inc.	Eliminations	Total Consolidated
CHANGES IN UNRESTRICTED NET ASSETS								
SUPPORT AND REVENUE:								
Private grants and contributions	\$ 144,640	\$ -	\$ 73,178	\$ 304,345	\$ 284,723	\$ -	\$ (705,278)	\$ 4,757,928
Donated equipment, materials, and services	-	-	-	-	-	-	-	1,560,578
Federal revenue	1,142,601	514,541	272,840	3,316,340	-	-	-	21,769,691
California State revenue:								
State aid portion of general purpose funding	-	-	-	-	-	-	-	86,072,101
All other state revenue	-	-	-	-	-	-	-	12,033,257
Tennessee State revenue:								
Basic education program funding	4,606,453	913,116	-	12,158,786	-	-	-	12,158,786
All other state revenue	-	-	-	178,563	-	-	-	178,563
Local revenue:								
Cash in-lieu of property taxes	-	-	-	-	-	-	-	27,089,377
Interest income	-	-	-	-	445	30,319	-	112,028
All other local revenue	16,191	10,026	-	45,545	308,560	6,713,758	(7,318,100)	2,543,057
Subtotal	5,909,885	1,437,683	346,018	16,003,579	593,728	6,744,077	(8,023,378)	168,275,366
Net assets released from restrictions	956,990	1,218,998	733,882	4,992,453	1,495,781	-	-	36,369,525
Total support and revenue	6,866,875	2,656,681	1,079,900	20,996,032	2,089,509	6,744,077	(8,023,378)	204,644,891
EXPENSES								
PROGRAM EXPENSES:								
Educational programs	5,725,343	1,764,314	-	17,264,066	2,473,121	7,848,384	(6,713,761)	175,456,851
SUPPORTING SERVICES:								
Site support	-	-	1,620,529	1,620,529	-	-	(831,111)	15,624,149
Program development and expansion	-	-	620,877	620,877	139,998	-	(352,775)	8,655,730
Administration and general	-	-	768,900	768,900	546,766	-	(125,731)	7,345,862
Cost allocations	805,796	160,117	(2,138,096)	-	-	-	-	-
Total supporting services	805,796	160,117	872,210	3,010,306	686,764	-	(1,309,617)	31,625,741
Total expenses	6,531,139	1,924,431	872,210	20,274,372	3,159,885	7,848,384	(8,023,378)	207,082,592
TRANSFERS BETWEEN AFFILIATES								
Increase (Decrease) in Unrestricted Net Assets	335,736	732,250	207,690	721,660	(1,070,376)	4,190,193	-	(2,437,701)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:								
Private grants and contributions	600,000	2,775,000	550,000	5,325,000	538,405	-	-	7,825,675
Federal and state revenue	-	-	-	105,954	-	-	-	31,847,816
Interfund transfers	-	750,000	(2,550,000)	-	-	-	-	-
Net assets released from restrictions	(956,990)	(1,218,998)	(733,882)	(4,992,453)	(1,495,781)	-	-	(36,369,525)
Increase (Decrease) in Temporarily Restricted Net Assets	(356,990)	2,306,002	(2,733,882)	438,501	(957,376)	-	-	3,303,966
INCREASE (DECREASE) IN NET ASSETS	(21,254)	3,038,252	(2,526,192)	1,160,161	(2,027,752)	4,190,193	-	866,265
NET ASSETS - Beginning of Year	1,255,307	(90,025)	3,918,830	6,480,772	4,924,925	(6,115,430)	(1,032,128)	101,837,840
NET ASSETS - End of Year	\$ 1,234,053	\$ 2,948,227	\$ 1,392,638	\$ 7,640,933	\$ 2,897,173	\$ (1,925,237)	\$ (1,032,128)	\$ 102,704,105

** Aspire East Academy was a new charter that opened in the 2016/17 school year. A net deficit of \$90,025 was transferred from Tennessee Non Active Sites to Aspire East Academy on July 1, 2016.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2017

Program Expenses												
	Aspire Monarch Academy	Aspire Lionel Wilson College Prep Academy	Aspire East Palo Alto Charter School	Aspire Triumph Technology Academy	Aspire Berkley Maynard Academy	Richmond California College Prep Academy	Aspire Richmond Technology Academy	Aspire Golden State College Prep Academy	Aspire ERES Academy	Aspire College Academy	Total Bay Area Region	Aspire Vincent Shalvey Academy
Certificated salaries	\$ 2,004,749	\$ 2,616,707	\$ 3,876,020	\$ 1,420,644	\$ 2,531,816	\$ 1,831,076	\$ 1,309,490	\$ 2,546,326	\$ 1,375,556	\$ 1,522,656	\$ 21,035,040	\$ 1,658,210
Classified salaries	797,200	885,145	1,404,048	608,829	834,996	520,648	471,068	761,187	533,713	492,332	7,309,166	343,562
Employee benefits	830,055	1,028,371	1,527,029	591,140	1,037,776	616,017	440,429	952,867	535,165	611,479	8,170,328	635,889
Books and supplies	430,880	506,778	560,917	283,877	403,725	248,375	380,211	461,169	274,692	291,920	3,842,544	185,380
Services and other operating expenses	500,372	1,120,269	1,869,682	653,078	560,021	791,092	637,457	1,287,016	315,901	466,959	8,201,847	444,264
Depreciation and amortization	<u>54,441</u>	<u>46,100</u>	<u>81,295</u>	<u>50,839</u>	<u>54,962</u>	<u>57,610</u>	<u>73,126</u>	<u>192,090</u>	<u>18,668</u>	<u>101,253</u>	<u>730,384</u>	<u>170,787</u>
Total	<u>\$ 4,617,697</u>	<u>\$ 6,203,370</u>	<u>\$ 9,318,991</u>	<u>\$ 3,608,407</u>	<u>\$ 5,423,296</u>	<u>\$ 4,064,818</u>	<u>\$ 3,311,781</u>	<u>\$ 6,200,655</u>	<u>\$ 3,053,695</u>	<u>\$ 3,486,599</u>	<u>\$ 49,289,309</u>	<u>\$ 3,438,092</u>

Program Expenses												
	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Benjamin Holt Middle School	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	Alexander Twilight Secondary Academy
Certificated salaries	\$ 1,091,226	\$ 1,726,866	\$ 1,834,746	\$ 1,090,608	\$ 1,321,460	\$ 1,409,370	\$ 1,505,124	\$ 2,792,876	\$ 1,509,490	\$ 1,600,976	\$ 1,573,358	\$ 1,793,753
Classified salaries	265,568	569,676	504,232	533,031	400,316	557,383	525,092	780,800	716,218	315,281	609,436	513,751
Employee benefits	462,179	697,319	694,031	574,754	551,972	636,906	641,464	1,187,473	729,706	634,620	678,428	771,609
Books and supplies	139,278	368,266	299,040	234,663	371,527	387,919	180,933	433,163	142,984	202,728	472,556	401,714
Services and other operating expenses	366,906	561,161	697,183	1,104,294	789,044	398,021	377,472	1,638,347	784,131	583,589	830,627	877,060
Depreciation and amortization	<u>18,367</u>	<u>71,694</u>	<u>24,419</u>	<u>24,456</u>	<u>37,219</u>	<u>20,530</u>	<u>367,439</u>	<u>33,502</u>	<u>30,557</u>	<u>24,302</u>	<u>45,018</u>	<u>36,829</u>
Total	<u>\$ 2,343,524</u>	<u>\$ 3,994,982</u>	<u>\$ 4,053,651</u>	<u>\$ 3,561,806</u>	<u>\$ 3,471,538</u>	<u>\$ 3,410,129</u>	<u>\$ 3,597,524</u>	<u>\$ 6,866,161</u>	<u>\$ 3,913,086</u>	<u>\$ 3,361,496</u>	<u>\$ 4,209,423</u>	<u>\$ 4,394,716</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2017

Program Expenses												
	Aspire APEX Academy	Total Central Valley Region	Aspire Antonio Maria Lugo Academy	Aspire Ollin College Prep Academy	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
Certificated salaries	\$ 1,258,801	\$22,166,864	\$ 1,881,668	\$ 2,874,975	\$ 1,287,504	\$ 1,359,572	\$ 2,076,510	\$ 1,722,129	\$ 1,825,972	\$ 1,438,989	\$ 1,424,599	\$ 1,348,381
Classified salaries	466,597	7,100,943	693,826	1,354,689	648,165	634,562	1,121,074	830,546	762,363	905,506	925,859	835,440
Employee benefits	553,046	9,449,396	756,265	1,258,232	502,628	528,249	973,270	816,434	766,055	648,337	670,373	627,808
Books and supplies	199,655	4,019,806	472,358	594,476	456,972	440,410	515,825	468,477	470,367	533,342	406,472	552,217
Services and other operating expenses	390,737	9,842,836	602,252	882,449	702,258	631,544	1,233,723	436,986	428,572	344,704	285,424	283,655
Depreciation and amortization	160,743	1,065,862	514,410	574,336	17,850	41,766	48,569	11,906	11,861	8,215	8,806	8,227
Total	<u>\$ 3,029,579</u>	<u>\$53,645,707</u>	<u>\$ 4,920,779</u>	<u>\$ 7,539,157</u>	<u>\$ 3,615,377</u>	<u>\$ 3,636,103</u>	<u>\$ 5,968,971</u>	<u>\$ 4,286,478</u>	<u>\$ 4,265,190</u>	<u>\$ 3,879,093</u>	<u>\$ 3,721,533</u>	<u>\$ 3,655,728</u>

Program Expenses												
	Aspire Centennial College Prep Academy	Total LA Region	Aspire Public Schools Program Expenses	Aspire Hanley School #1	Aspire Hanley School #2	Aspire Coleman Elementary School	Aspire East Academy	Aspire TN, LLC Program Expenses	Aspire University	CFC Inc.	Eliminations	Total Expenses
Certificated salaries	\$ 2,463,400	\$19,703,699	\$ 62,905,603	\$ 2,682,396	\$ 1,705,355	\$ 2,493,864	\$ 570,782	\$ 7,452,397	\$ 850,261	\$ -	\$ -	\$ 71,208,261
Classified salaries	991,369	9,703,399	24,113,508	496,536	511,279	441,949	127,977	1,577,741	608,786	-	-	26,300,035
Employee benefits	896,712	8,444,363	26,064,087	942,614	654,235	904,591	197,344	2,698,784	322,993	-	-	29,085,864
Books and supplies	668,679	5,579,595	13,441,945	533,066	448,270	692,836	292,824	1,966,996	85,961	-	-	15,494,902
Services and other operating expenses	1,083,373	6,914,940	24,959,623	767,115	902,235	1,126,797	550,550	3,346,697	605,120	4,612,767	(6,713,761)	26,810,446
Depreciation and amortization	58,083	1,304,029	3,100,275	70,147	61,161	65,306	24,837	221,451	-	3,235,617	-	6,557,343
Total	<u>\$ 6,161,616</u>	<u>\$51,650,025</u>	<u>\$154,585,041</u>	<u>\$ 5,491,874</u>	<u>\$ 4,282,535</u>	<u>\$ 5,725,343</u>	<u>\$ 1,764,314</u>	<u>\$17,264,066</u>	<u>\$ 2,473,121</u>	<u>\$ 7,848,384</u>	<u>\$ (6,713,761)</u>	<u>\$175,456,851</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2017

	Supporting Services							
	Aspire Public Schools				Aspire TN LLC			
	Site support	Development and expansion	Administrative and general	Total Aspire Public Schools Supporting Expenses	Site support	Development and expansion	Administrative and general	Total Aspire TN LLC Supporting Expenses
Certificated salaries	\$ 3,899,817	\$ 1,690,408	\$ 509,619	\$ 6,099,844	\$ 476,883	\$ 130,199	\$ 86,287	\$ 693,369
Classified salaries	4,938,385	3,360,848	1,612,982	9,912,215	393,113	104,953	78,255	576,321
Employee benefits	2,864,358	1,379,145	537,980	4,781,483	259,149	69,208	51,525	379,882
Books and supplies	542,117	-	542,117	1,084,234	40,862	-	40,862	81,724
Services and other operating expenses	2,537,158	1,757,051	2,900,333	7,194,542	440,202	306,197	501,338	1,247,737
Depreciation and amortization	<u>52,896</u>	<u>60,178</u>	<u>52,896</u>	<u>165,970</u>	<u>10,320</u>	<u>10,320</u>	<u>10,633</u>	<u>31,273</u>
Total	<u>\$ 14,834,731</u>	<u>\$ 8,247,630</u>	<u>\$ 6,155,927</u>	<u>\$ 29,238,288</u>	<u>\$ 1,620,529</u>	<u>\$ 620,877</u>	<u>\$ 768,900</u>	<u>\$ 3,010,306</u>
Aspire University								
	Site support	Development and expansion	Administrative and general	Total Aspire University Supporting Expenses	CFC Inc	Eliminations	Total Consolidated	
Certificated salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,793,213	
Classified salaries	-	105,326	212,083	317,409	-	-	10,805,945	
Employee benefits	-	21,836	48,041	69,877	-	-	5,231,242	
Books and supplies	-	2,621	12,843	15,464	-	-	1,181,422	
Services and other operating expenses	-	10,215	273,799	284,014	-	(1,309,617)	7,416,676	
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,243</u>	
Total	<u>\$ -</u>	<u>\$ 139,998</u>	<u>\$ 546,766</u>	<u>\$ 686,764</u>	<u>\$ -</u>	<u>\$ (1,309,617)</u>	<u>\$ 31,625,741</u>	