

ASPIRE PUBLIC SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED
JUNE 30, 2016 AND 2015

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, 2016 and 2015, 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, 2016 and 2015, 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 18, 2016

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2016 AND 2015

ASSETS		
	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	\$ 49,191,017	\$ 39,558,131
Restricted cash and cash equivalents	2,742,925	3,808,122
Accounts receivable	23,921,361	24,296,753
Foundation grants receivable, current portion	6,577,551	6,478,348
Prepaid expenses and deposits	932,224	656,435
Total current assets	83,365,078	74,797,789
 NON-CURRENT ASSETS:		
Restricted cash and cash equivalents	14,706,417	11,613,493
Foundation grants receivable, net	3,856,509	5,229,654
Property and equipment, net	156,828,954	147,283,887
Other assets, net	473,216	809,184
TOTAL ASSETS	\$ 259,230,174	\$ 239,734,007
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,375,853	\$ 8,623,833
Accrued expenses	9,527,781	8,734,315
Line of credit	700,000	-
Capital lease, current	-	655,000
Debt, current	2,069,925	2,299,298
Total current liabilities	18,673,559	20,312,446
 LONG-TERM LIABILITIES:		
Deferred rent	797,336	750,083
Capital lease, net	-	15,335,000
Debt, net	137,921,439	110,733,163
Total liabilities	157,392,334	147,130,692
 NET ASSETS:		
Unrestricted	78,493,962	59,742,105
Temporarily restricted	23,343,878	32,861,210
Total net assets	101,837,840	92,603,315
TOTAL LIABILITIES AND NET ASSETS	\$ 259,230,174	\$ 239,734,007

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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2016 AND 2015

UNRESTRICTED NET ASSETS	2016	2015
SUPPORT AND REVENUE:		
Private grants and contributions	\$ 4,380,785	\$ 3,274,440
Donated equipment, materials, and services	158,925	72,478
Federal revenue	24,040,242	22,178,697
California state revenue:		
State aid portion of general purpose funding	78,526,499	64,525,368
All other state revenue	15,587,478	8,995,889
Tennessee state revenue:		
Basic education program funding	9,987,738	9,119,948
All other state revenue	-	27,150
Local revenue:		
Cash in-lieu of property taxes	23,660,751	18,409,782
Interest income	27,185	33,455
All other local revenue	2,528,971	1,512,468
Subtotal	158,898,574	128,149,675
Net assets released from restrictions	56,353,133	41,599,336
Total support and revenue	<u>215,251,707</u>	<u>169,749,011</u>
EXPENSES AND LOSSES		
PROGRAM EXPENSES:		
Educational programs	<u>153,444,883</u>	<u>126,842,622</u>
SUPPORTING SERVICES:		
Site support	14,325,313	12,365,389
Development and expansion	8,156,221	9,377,352
Administration and general	4,819,793	5,818,296
Total supporting services	<u>27,301,327</u>	<u>27,561,037</u>
Total expenses	180,746,210	154,403,659
Loss on debt extinguishment	<u>15,753,640</u>	-
Total expenses and losses	<u>196,499,850</u>	<u>154,403,659</u>
Increase in Unrestricted Net Assets	<u>18,751,857</u>	<u>15,345,352</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Private grants and contributions	7,342,993	16,400,543
Federal and state revenue	39,492,808	30,292,061
Return of grant funds	-	(463,543)
Net assets released from restrictions	<u>(56,353,133)</u>	<u>(41,599,336)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(9,517,332)</u>	<u>4,629,725</u>
INCREASE IN NET ASSETS	9,234,525	19,975,077
NET ASSETS - Beginning of Year	<u>92,603,315</u>	<u>72,628,238</u>
NET ASSETS - End of Year	<u>\$ 101,837,840</u>	<u>\$ 92,603,315</u>

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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 9,234,525	\$ 19,975,077
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	5,990,909	5,234,095
Amortization	335,968	242,610
Donated property and equipment	(138,007)	(79,123)
Loss on disposal of property and equipment	47,860	51,196
Loss on unamortized deferred costs upon debt extinguishment	3,249,538	-
Forgiveness of debt	(700,000)	(1,400,000)
Donated investments	-	(2,842,661)
Amortization of long-term debt costs	212,040	106,834
(Increase) decrease in assets:		
Accounts receivable	375,392	184,359
Foundation grants receivable	1,273,942	(4,863,203)
Cash held at county or district	-	-
Prepaid expenses and deposits	(275,789)	(399,384)
Increase (decrease) in liabilities:		
Accounts payable	(4,084,981)	538,116
Accrued expenses	793,466	124,011
Deferred rent	47,253	54,552
Net cash provided by operating activities	16,362,116	16,926,479
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(13,608,828)	(13,925,750)
Net cash used in investing activities	(13,608,828)	(13,925,750)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from lines of credit	700,000	-
Proceeds from debt	124,804,597	4,100,000
Payments of debt issuance costs	(2,177,936)	-
Principal payments on capital lease	(15,990,000)	(635,000)
Proceeds from sale of donor restricted investments	-	2,842,661
Principal payments on debt	(98,429,336)	(5,172,083)
Net cash provided by financing activities	8,907,325	1,135,578
Net increase in cash and cash equivalents	11,660,613	4,136,307
Cash and cash equivalents, beginning of year	54,979,746	50,843,439
Cash and cash equivalents, end of year	\$ 66,640,359	\$ 54,979,746
Cash and cash equivalents	\$ 49,191,017	\$ 39,558,131
Restricted cash and cash equivalents	17,449,342	15,421,615
Total	\$ 66,640,359	\$ 54,979,746
NON-CASH INVESTING ACTIVITIES:		
Property and equipment financed through accounts payable	\$ 1,837,001	\$ 2,073,635
NON-CASH FINANCING ACTIVITIES:		
Forgiveness of debt	\$ 700,000	\$ 1,400,000
CASH PAID FOR INTEREST (net of capitalized amount)	\$ 5,921,488	\$ 6,797,938

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

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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. 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.

For financial reporting purposes, CFC LLC, CFC II LLC, CFC INC, TN LLC, and Aspire U are consolidated with Aspire Public Schools for the year ended June 30, 2016. CFC LLC, CFC INC, and TN LLC are consolidated for the year ended June 30, 2015.

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-five schools in California under thirty-four charters which are chartered by twelve charter authorizers (sponsoring districts) in six 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, 2016, the charter schools operated by Aspire Public Schools were as follows:

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

<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 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	Jan 2012	6/30/17
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
Aspire Triumph Technology Academy	1663	Oakland Unified	Jan 2014	6/30/19

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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 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, 2016, 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 three schools under three 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, 2016, 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

- 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 two charter schools and manages, operates, and leases the properties.
- 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 named borrower of the 2015 and 2016 Bonds outstanding.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

- **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.

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 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.

Investment in Schoolzilla, Inc. is stated at cost 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.

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, 2016 and 2015, in-kind contributions of \$158,925 and \$72,478 were received, respectively.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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

The Organization applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements for June 30, 2016 and 2015. With some exceptions, the Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to the year ended June 30, 2012.

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 6) at the time incurred. If it is determined that a formal contractual commitment will not be entered into, the expenses are included in program development and expansion in the period that the determination is made.

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. |

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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

Reclassifications – Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with presentation of the current-year financial statements.

Subsequent events have been reviewed through November 18, 2016, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2016 that require recognition or disclosure in the consolidated financial statements.

Recent Accounting Pronouncement – In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-03 *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. The guidance requires that debt issuance costs be presented in the *Statement of Financial Position* as a reduction of the carrying amount of the debt rather than as an asset. This ASU is effective for fiscal years beginning after December 15, 2016, but earlier adoption is permitted. The Organization elected to early adopt the ASU in 2016 and has applied the provisions retrospectively to 2015. Long-term debt as of June 30, 2015 was previously reported on the *Statement of Financial Position* as \$114,045,021 with the associated \$3,311,858 unamortized debt issuance costs included in other assets.

2. CONCENTRATIONS OF CASH

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

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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, 2016 and 2015 was \$17,449,342 and \$15,421,615, respectively. The current portion of \$2,742,925 and \$3,808,122 as of June 30, 2016 and 2015, respectively, was restricted for current bond debt obligations. 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. The noncurrent portion of \$11,613,493 at June 30, 2015 consisted of \$7,676,673 for debt service reserves and \$3,936,820 for investment in property and equipment.

4. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2016 and 2015 were \$23,921,361 and \$24,296,753, respectively. The balances were due entirely from grantor government agencies. Management deems all receivables to be collectible as of June 30, 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 2.02% and 3.23% at June 30, 2016 and 2015, respectively. The estimated fair value of the pledges received during 2016 and 2015 totaled approximately \$7,708,880 at June 30, 2016 and \$4,389,044 at June 30, 2015, 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, 2016 and 2015, foundation grant receivable balances of \$3,000,000 and \$3,050,000, 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:

	<u>2016</u>	<u>2015</u>
Gross foundation grants receivable	\$ 10,459,079	\$ 11,778,348
Less: Unamortized discount	<u>(25,019)</u>	<u>(70,346)</u>
Foundation grants receivable, net	<u>\$ 10,434,060</u>	<u>\$ 11,708,002</u>

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

Foundation grants receivable are due to be collected as follows:

	2016	2015
Within one year	\$ 9,577,551	\$ 9,528,348
One to five years	856,509	2,179,654
Foundation grants receivable, net	\$ 10,434,060	\$ 11,708,002

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:	2016	2015
Opening schools in specific locations	\$ 14,000,000	\$ 10,650,000
Implementation of blended learning at specific locations	225,000	225,000
Total	\$ 14,225,000	\$ 10,875,000

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2016	2015
Land	\$ 34,049,639	\$ 27,731,414
Buildings	129,051,974	99,585,994
Construction in progress	8,421,229	12,966,189
Leasehold improvements	11,997,341	8,554,732
Equipment	9,310,369	7,403,068
Property under capital lease	-	21,845,473
Subtotal	192,830,552	178,086,870
Less accumulated depreciation	(36,001,598)	(30,802,983)
Property and equipment, net	\$ 156,828,954	\$ 147,283,887

Depreciation expense was \$5,990,909 and \$5,234,095 for the years ended June 30, 2016 and 2015, respectively. Various components of the land, buildings, and schools under construction shown above are pledged as collateral for the debt disclosed in Note 8. In December 2015, the Organization obtained the 2015 Bonds to pay off the balance of the capital lease with Lodi Unified School District and purchase the property for one dollar. The property that was under capital lease is now classified with land and buildings as of June 30, 2016.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

7. OTHER ASSETS

Other assets consisted of the following at June 30:

	2016	2015
Indefinite-lived intangible assets	\$ 316,372	\$ 316,372
Amortizable intangible assets, net	156,844	262,515
Deferred loss, net	-	230,297
Investment in Schoolzilla, Inc.	-	-
Other assets, net	\$ 473,216	\$ 809,184

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, 2016 and 2015, respectively.

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	14,263	14,263	-
Total	\$ 506,385	\$ 349,542	\$ 156,844

Amortizable intangible assets consist of the following as of June 30, 2015:

	Gross Carrying Amount	Accumulated Amortization	Net
Product and technology discount benefits	\$ 438,922	\$ 209,233	\$ 229,689
Rights to use certain assets	53,200	23,940	29,260
Service discount benefits	14,263	10,697	3,566
Total	\$ 506,385	\$ 243,870	\$ 262,515

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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, 2016 and 2015 was \$105,672 and \$103,176, respectively.

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

2017	\$	47,500
2018		45,726
2019		36,860
2020		<u>26,758</u>
Total	\$	<u>156,844</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 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 of June 30, 2015, accumulated amortization was \$144,363. Amortization expense of the deferred loss for the year ended June 30, 2015 was \$13,748 and the net book value was \$230,297. 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.

Investment in Schoolzilla, Inc.

The Organization owned 11.408% and 15.325% of the common stock of Schoolzilla, Inc. (Schoolzilla) at June 30, 2016 and 2015, respectively. 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. In 2015 although the Organization's interest in Schoolzilla had dropped below 20%, management determined they still have 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, 2016 and 2015, the investment was reflected at \$0 value due to losses recognized under the equity method. Schoolzilla did not declare any dividends as of June 30, 2016 and 2015.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

The condensed unaudited financial information for Schoolzilla, Inc. at June 30, 2015:

Total assets	\$	3,017,000
Total liabilities		2,431,000
Stockholders' Equity		586,000
Net loss		3,124,000

8. DEBT

	2016	2015
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. Principal and interest payments are due yearly beginning August 1, 2016. Final maturity is in August 2046.	\$ 83,170,000	\$ -
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 9. Associated with this bond is a premium of \$2,005,317 and debt issuance costs of \$767,482. Principal and interest payments are due yearly beginning August 1, 2016. Final maturity is in August 2046.	20,535,000	-
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, if specific milestones are met. \$700,000 and \$1,400,000 of this note was forgiven in 2016 and 2015, respectively.	1,400,000	2,100,000
California School Finance Authority \$4,758,509 loan, effective June 27, 2007, bearing interest at 2.202%, for the construction of Rosa Parks Academy 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.	3,864,039	4,007,587

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

	2016	2015
<p>Charter Fund, Inc. \$1,000,000 loan, effective January 25, 2009, bearing interest at 4.1%, to provide general support for the management of the organization. Beginning in 2010 through 2017, interest only payments of \$41,000 were due annually. Principal payments of \$500,000 were due in both 2016 and 2017. Final maturity was in 2017; however this note was paid in full as of June 30, 2016.</p>	-	1,000,000
<p>California Department of Education loans for fifteen schools. Loans range from \$150,000 to \$250,000 with interest rates from .24% to .55%. Principal is payable in five annual installments ranging from \$20,000 to \$67,500, per loan. The loans were paid in full as of June 30, 2016.</p>	-	402,496
<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. Beginning July 2014, 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. In the year ended June 30, 2016 the Organization returned \$508,102 of the outstanding balance as it was not used for the project.</p>	8,790,620	9,569,472
<p>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 a new campus for Aspire Antonio Maria Lugo Academy in Los Angeles under Proposition 1D. Beginning July 2017, interest and principal payments of \$376,730 are due annually. Final Maturity is in 2045.</p>	8,229,438	3,459,764
<p>California School Finance Authority \$3,706,191 loan issued in 2015/16, effective date and payment terms to be determined upon conversion to final apportionment 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 2017/18 fiscal year.</p>	3,706,191	-
<p>CSGF Revolving Facilities Loan Fund LLC loan up to \$3,500,000, executed on April 8, 2015 and \$2,500,000 had been issued to date. The loan had an interest rate of 3.75% per annum with interest not due until maturity which was on September 30, 2016, however the loan was paid in full as of June 30, 2016.</p>	-	2,500,000

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

	2016	2015
Pacific West Communities loan in the amount of \$1,500,000 executed on April 8, 2015. The loan had an interest rate of 30-day LIBOR plus 3.5% with a floor of 4.0%. The interest rate at June 30, 2015 was 4.0%. The loan was paid in full as of June 30, 2016.	-	1,500,000
College for Certain Series 2010 School Facility Revenue Bonds (2010 Bonds) in the amount of \$93,295,000 were issued effective April 1, 2010; with 7 bonds and bearing interest rates ranging from 5.00% - 6.375%. The bond proceeds were used for the construction of new campuses. Principal and interest payments were due yearly beginning July 1, 2014. The 2010 Bonds were defeased via issuance of the College for Certain Series 2016 School Facility Revenue Bonds.	-	91,805,000
Subtotal	129,695,288	116,344,319
Unamortized premiums and debt issuance costs	10,296,076	(3,311,858)
Less current portions	<u>(2,069,925)</u>	<u>(2,070,896)</u>
Total Long-Term Debt	<u>\$ 137,921,439</u>	<u>\$ 110,733,163</u>

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 the 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 are considered defeased and the liability for those bonds has been 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 is reflected on the Consolidated Statement of Activities for the year ended June 30, 2016.

At June 30, 2016, the outstanding balance of the defeased 2010 Bonds was \$95,864,103. The bonds will be redeemed on their January 1, 2019 call date.

ASPIRE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Future payments relating to debt are as follows as of June 30, 2016:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,069,925	\$ 5,357,520	\$ 7,427,445
2018	2,383,977	5,546,200	7,830,177
2019	2,348,759	5,479,472	7,828,231
2020	3,138,844	5,393,789	8,532,633
2021	3,244,239	5,295,698	8,539,937
Thereafter	<u>116,609,544</u>	<u>82,164,763</u>	<u>198,774,307</u>
Total	<u>\$ 129,695,288</u>	<u>\$ 109,237,442</u>	<u>\$ 238,932,730</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, commencing the year ending June 30, 2017.

Revolving Line of Credit

On October 28, 2014, the Organization obtained a \$10,000,000 revolving line of credit, which had a balance of \$700,000 and \$0 at June 30, 2016 and 2015, respectively. Advances on the credit line are payable on demand and carry an interest rate equal to the greater of the Prime Rate or 3.25%. The interest rate was 3.5% and 3.25% at June 30, 2016 and 2015, respectively. The credit line is secured by substantially all assets of the Organization.

9. 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 \$5,398,285 and \$6,745,944 were incurred related to debt during the years ended June 30, 2016 and 2015, respectively. During the years ended June 30, 2016 and 2015, \$64,574 and \$8,912 of interest was capitalized, respectively.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

10. 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, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Minimum Payments</u>
2017	\$ 3,823,912
2018	3,728,804
2019	3,406,946
2020	1,946,138
2021	936,161
Thereafter	<u>10,468,975</u>
Total	<u>\$ 24,310,936</u>

Rental expense under operating leases was \$3,465,715 and \$3,480,818 for the years ended June 30, 2016 and 2015, respectively.

Capital lease

The Organization entered into a capital lease with Lodi Unified School District from January 1, 2005 through August 1, 2032. The leased property was being depreciated over the term of the lease and depreciation expense for the leased property was included in the total depreciation expense. On December 1, 2015, as discussed in Note 6 and 8 the Organization paid the capital lease balance in full and purchased the property for one dollar. The outstanding balance of the capital lease as of June 30, 2015 was \$15,990,000.

11. 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). All employees who are not members of these plans must contribute to the federal Social Security system. The Organization also has three 403(b) plans as of the year ended June 30, 2016.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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:	\$56,911
Actuarial accrued liability:	\$71,651
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2015, 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. PEPRRA 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 PEPRRA, 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, 2016 and 2015

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

were 11.847% and 11.771% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. For the fiscal year 2017, the Organization is required to contribute 13.888% 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:	\$165,553
Actuarial accrued liability:	\$241,753
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2015, 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 the next 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 8.56% or 9.2 % of their salary, depending on when they were hired. The required employer contribution rates for the fiscal years ended June 30, 2016 and 2015 were 10.73% and 8.88% of annual payroll, respectively. For the fiscal year 2017, the Organization is required to contribute 12.58% of annual payroll.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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:	\$21,040
Actuarial accrued liability:	\$21,309
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, 2015, 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, 2016 and 2015 was 9.04% of annual payroll. The contribution requirements of the plan members are established by state statute. For the fiscal year 2017, the Organization is required to contribute 9.04% of annual payroll.

Hybrid Plan:

Plan name:	TCRS Hybrid Pension Plan with Cost Controls
Plan's EIN:	62-6001445
Actuarial value of assets:	\$15,745
Actuarial accrued liability:	\$14,653
Funded status:	Over 100% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2015, the most recent actuarial valuation date.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

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>2016</u>	<u>2015</u>
CalPERS	\$ 2,919,241	\$ 2,407,936
CalSTRS	\$ 6,145,506	\$ 4,291,551
TCRS Legacy	\$ 301,861	\$ 366,599
TCRS Hybrid	\$ 260,408	\$ 108,893

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

Other Defined Contribution Plans:

During the fiscal year ended June 30, 2014, CalPERS informed the Organization that employees at three schools, Aspire Junior Collegiate Academy, Aspire Titan Academy, and Aspire Centennial College Preparatory Academy, would not be eligible for CalPERS benefits. The matter is currently being negotiated; however in October 2014, as a response to this decision from CalPERS, Aspire created a new 403(b) retirement plan, the Aspire Public Schools 403(b) CA Plan (CA Plan) to allow all California employees not eligible for CalPERS or CalSTRS to be eligible to receive discretionary employer contributions. All employees of the Organization are eligible to participate in the CA Plan, but only employees not eligible for any other employee benefit plan may receive employer contributions. The Organization contributed \$104,069 and \$41,121 to the CA Plan in the years ended June 30, 2016 and 2015, respectively.

The Organization also 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 more than 20 hours a week and are not already enrolled in the TCRP retirement plan are eligible to participate in the TN Plan. The Organization will match a discretionary portion of the employers contributions, determined on an annual basis. The Organization contributed \$120,560 and \$32,859 to the TN Plan for the years ended June 30, 2016 and 2015, respectively.

The Organization also offers a 403(b) plan, the Aspire Public Schools 403(b) Plan, for all employees within the Organization. This plan does not allow employer contributions.

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

12. RESTRICTED NET ASSETS

At June 30, 2016 and 2015, temporarily restricted net assets consisted of unexpended grants restricted for various purposes. The Organization accrued a liability for a portion of grant funding that is due to be returned to the grantor, as the Organization did not spend the entire amount of grant funds associated with a specific project that was completed during the year ended June 30, 2015. These funds totaling \$463,543 are shown as a reduction of temporarily restricted net assets on the statements of activities for the year ended June 30, 2015.

Temporarily restricted net assets are to be used for the following purposes:

	<u>2016</u>	<u>2015</u>
Construction of facilities	\$ 9,766,190	\$ 10,631,102
School expansion	4,419,436	7,356,423
Clean energy projects	4,145,311	3,268,032
Aspire University development	3,553,351	-
School improvement programs	1,117,987	4,151,665
Other school programs	341,603	453,988
Organizational stability	-	7,000,000
Total	<u>\$ 23,343,878</u>	<u>\$ 32,861,210</u>

13. 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. Workers' Compensation

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

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

2. Property

Organization	
Deductible:	\$1,000
Coverage:	
Building:	\$132,424,679
Contents:	\$5,186,652
Data processing:	\$7,303,547
Extra expense:	\$1,000,000
Business income:	\$1,000,000

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, 2016 (Unaudited)
Total Assets	<u>\$ 20,693,056</u>
Total Liabilities	\$ 16,720,186
Net Assets	<u>3,972,870</u>
Total Liabilities and Equity	<u>\$ 20,693,056</u>
Total Revenues	\$ 19,000,252
Total Expenses	<u>17,545,217</u>
Net Increase in Net Assets	<u>\$ 1,455,035</u>

ASPIRE PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

14. 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.

15. RELATED-PARTY TRANSACTIONS

The Organization's CFO was a Board Member of charterSAFE (see Note 13) during the 2014/15 and 2015/16 fiscal year. The Organization paid \$1,054,609 and \$1,387,211 in premiums to charterSAFE during the years ended June 30, 2016 and 2015, respectively.

The Organization's Board of Directors and their respective companies contributed \$4,025,605 in the year ended June 30, 2015, to support the Organization's ongoing operations and growth, with the most significant contribution of \$3,710,919 in 2015 from the Pyramid Peak Foundation.

The Organization was member of a coalition of Charter Management Organizations (CMO's) called The College Ready Promise (TCRP) designed to pool resources of schools that share the same objective of graduating all students college ready. TCRP was made up of four partnering CMO's: Aspire Public Schools, Alliance College-Ready Public Schools, Green Dot Public Schools, and Partnerships to Uplift Communities. TCRP's board of directors was made up of the top executives from each CMO, including the Organization's former CEO. TCRP's goal was to gain funding from foundations across the country, and disburse it to its members in order to assist them in carrying out their common goals. TCRP granted \$23,646 in private funding to the Organization in the year ended June 30, 2015. TCRP has dissolved and is no longer a related party to the Organization.

SUPPLEMENTARY INFORMATION

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION JUNE 30, 2016

Page 1 of 2

	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	\$ 14,308,638	\$ 16,442,734	\$ 15,331,334	\$ 835,305	\$ 611,128	\$ 221,138	\$ 47,750,277
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Accounts receivable	7,013,305	6,875,083	6,637,879	2,157,249	157,757	875,277	23,716,550
Foundation grants receivable, current portion	-	-	-	4,000,000	-	156,250	4,156,250
Prepaid expenses and deposits	118,289	130,925	62,249	1,195	17,888	591,378	921,924
Intercompany receivable	-	29,893	-	121,125	-	1,092,795	1,243,813
Total current assets	21,440,232	23,478,635	22,031,462	7,114,874	786,773	2,936,838	77,788,814
NON-CURRENT ASSETS:							
Restricted cash and cash equivalents	4,535,103	-	-	-	-	-	4,535,103
Foundation grants receivable, net	3,000,000	-	-	-	-	-	3,000,000
Deferred rent	255,084	669,084	152,498	-	-	-	1,076,666
Property and equipment, net	7,014,592	11,754,411	34,749,461	1,274,485	3,296,444	306,634	58,396,027
Other assets, net	-	-	-	-	-	473,216	473,216
TOTAL ASSETS	\$ 36,245,011	\$ 35,902,130	\$ 56,933,421	\$ 8,389,359	\$ 4,083,217	\$ 3,716,688	\$ 145,269,826
CURRENT LIABILITIES:							
Accounts payable	\$ 1,594,534	\$ 1,220,822	\$ 814,396	\$ 281,901	\$ 254,019	\$ 1,018,206	\$ 5,183,878
Accrued expenses	1,488,274	1,349,873	1,844,085	796,518	37,650	2,011,958	7,528,358
Line of credit	-	-	-	700,000	-	-	700,000
Debt, current	-	146,709	473,216	-	-	-	619,925
Intercompany payable	206,247	274,505	157,755	40,143	-	121,125	799,775
Total current liabilities	3,289,055	2,991,909	3,289,452	1,818,562	291,669	3,151,289	14,831,936
LONG-TERM LIABILITIES:							
Deferred rent	-	-	797,336	-	209,718	-	1,007,054
Debt, net	3,706,191	3,717,330	16,546,842	-	-	1,400,000	25,370,363
Total liabilities	6,995,246	6,709,239	20,633,630	1,818,562	501,387	4,551,289	41,209,353
NET ASSETS:							
Unrestricted	18,070,572	27,200,389	34,405,820	2,151,371	3,581,830	(1,140,036)	84,269,946
Temporarily restricted	11,179,193	1,992,502	1,893,971	4,419,426	-	305,435	19,790,527
Total net assets	29,249,765	29,192,891	36,299,791	6,570,797	3,581,830	(834,601)	104,060,473
TOTAL LIABILITIES AND NET ASSETS	\$ 36,245,011	\$ 35,902,130	\$ 56,933,421	\$ 8,389,359	\$ 4,083,217	\$ 3,716,688	\$ 145,269,826

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION

JUNE 30, 2016

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	Aspire University	CFC, Inc.	Eliminations	Total Consolidated
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,440,740	\$ -	\$ -	\$ 49,191,017
Restricted cash and cash equivalents	-	2,742,925	-	2,742,925
Accounts receivable	204,811	-	-	23,921,361
Foundation grants receivable, current portion	2,421,301	-	-	6,577,551
Prepaid expenses and deposits	10,300	-	-	932,224
Intercompany receivable	-	638,494	(1,882,307)	-
Total current assets	4,077,152	3,381,419	(1,882,307)	83,365,078
NON-CURRENT ASSETS:				
Restricted cash and cash equivalents	-	10,171,314	-	14,706,417
Foundation grants receivable, net	856,509	-	-	3,856,509
Deferred rent	-	-	(1,076,666)	-
Property and equipment, net	-	99,465,055	(1,032,128)	156,828,954
Other assets, net	-	-	-	473,216
TOTAL ASSETS	\$ 4,933,661	\$ 113,017,788	\$ (3,991,101)	\$ 259,230,174
CURRENT LIABILITIES:				
Accounts payable	\$ 8,736	\$ 1,183,239	\$ -	\$ 6,375,853
Accrued expenses	-	1,999,423	-	9,527,781
Line of credit	-	-	-	700,000
Debt, current	-	1,450,000	-	2,069,925
Intercompany payable	-	1,082,532	(1,882,307)	-
Total current liabilities	8,736	5,715,194	(1,882,307)	18,673,559
LONG-TERM LIABILITIES:				
Deferred rent	-	866,948	(1,076,666)	797,336
Debt, net	-	112,551,076	-	137,921,439
Total liabilities	8,736	119,133,218	(2,958,973)	157,392,334
NET ASSETS:				
Unrestricted	1,371,574	(6,115,430)	(1,032,128)	78,493,962
Temporarily restricted	3,553,351	-	-	23,343,878
Total net assets	4,924,925	(6,115,430)	(1,032,128)	101,837,840
TOTAL LIABILITIES AND NET ASSETS	\$ 4,933,661	\$ 113,017,788	\$ (3,991,101)	\$ 259,230,174

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION YEAR ENDED JUNE 30, 2016

	School Operations					Administration	Total School Activity
	Bay Area Schools	Central Valley Schools	LA Schools	Tennessee Schools	Non Active Schools	National Office	
CHANGES IN UNRESTRICTED NET ASSETS							
SUPPORT AND REVENUE:							
Private grants and contributions	\$ 505,718	\$ 108,727	\$ 850	\$ 234,378	\$ -	\$ 2,243,579	\$ 3,093,252
Donated equipment, materials, and services	147,867	6,000	-	-	-	5,058	158,925
Federal revenue	6,020,101	4,558,938	6,991,388	2,180,401	232,204	4,705,783	24,688,815
California State revenue							
State aid portion of general purpose funding	23,809,620	28,572,249	26,144,630	-	-	-	78,526,499
All other state revenue	4,667,258	6,694,211	4,223,760	-	2,249	-	15,587,478
Tennessee State revenue							
Basic education program funding	-	-	-	9,987,738	-	-	9,987,738
Local revenue:							
Cash in-lieu of property taxes	7,751,643	7,443,465	8,465,643	-	-	-	23,660,751
Interest income	18,318	2,032	-	-	-	(24)	20,326
All other local revenue	414,977	991,457	292,798	363,426	43	1,357,855	3,420,556
Subtotal	<u>43,335,502</u>	<u>48,377,079</u>	<u>46,119,069</u>	<u>12,765,943</u>	<u>234,496</u>	<u>8,312,251</u>	<u>159,144,340</u>
Net assets released from restrictions	14,177,506	10,243,313	15,314,567	3,631,302	-	12,484,699	55,851,387
Total support and revenue	<u>57,513,008</u>	<u>58,620,392</u>	<u>61,433,636</u>	<u>16,397,245</u>	<u>234,496</u>	<u>20,796,950</u>	<u>214,995,727</u>
EXPENSES AND LOSSES							
PROGRAM EXPENSES:							
Educational programs	<u>43,565,091</u>	<u>47,246,374</u>	<u>46,722,326</u>	<u>11,255,639</u>	<u>579,117</u>	<u>-</u>	<u>149,368,547</u>
SUPPORTING SERVICES:							
Site support	1,023,429	835,076	884,501	3,107,023	-	9,326,261	15,176,290
Development and expansion	349,075	288,676	290,647	1,200,231	-	6,883,921	9,012,550
Administration and general	139,161	125,128	110,926	512,825	-	3,346,901	4,234,941
Cost allocations	1,681,997	4,443,260	586,712	-	(3,060,015)	(3,651,954)	-
Total supporting services	<u>3,193,662</u>	<u>5,692,140</u>	<u>1,872,786</u>	<u>4,820,079</u>	<u>(3,060,015)</u>	<u>15,905,129</u>	<u>28,423,781</u>
Total expenses	<u>46,758,753</u>	<u>52,938,514</u>	<u>48,595,112</u>	<u>16,075,718</u>	<u>(2,480,898)</u>	<u>15,905,129</u>	<u>177,792,328</u>
Loss on debt extinguishment	-	-	-	-	-	-	-
Total expenses and losses	<u>46,758,753</u>	<u>52,938,514</u>	<u>48,595,112</u>	<u>16,075,718</u>	<u>(2,480,898)</u>	<u>15,905,129</u>	<u>177,792,328</u>
TRANSFERS BETWEEN AFFILIATES	<u>(2,964,662)</u>	<u>186,241</u>	<u>(46,350)</u>	<u>-</u>	<u>-</u>	<u>(5,232,505)</u>	<u>(8,057,276)</u>
Increase (Decrease) in Unrestricted Net Assets	<u>7,789,593</u>	<u>5,868,119</u>	<u>12,792,174</u>	<u>321,527</u>	<u>2,715,394</u>	<u>(340,684)</u>	<u>29,146,123</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:							
Private grants and contributions	2,041,265	-	-	689,525	-	557,106	3,287,896
Federal and state revenue	12,618,176	11,784,439	14,979,134	110,000	1,059	-	39,492,808
Interfund transfers	(205,135)	(616,565)	(846,501)	-	(1,059)	1,669,260	-
Net assets released from restrictions	<u>(14,177,506)</u>	<u>(10,243,313)</u>	<u>(15,314,567)</u>	<u>(3,631,302)</u>	<u>-</u>	<u>(12,484,699)</u>	<u>(55,851,387)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>276,800</u>	<u>924,561</u>	<u>(1,181,934)</u>	<u>(2,831,777)</u>	<u>-</u>	<u>(10,258,333)</u>	<u>(13,070,683)</u>
INCREASE (DECREASE) IN NET ASSETS	<u>8,066,393</u>	<u>6,792,680</u>	<u>11,610,240</u>	<u>(2,510,250)</u>	<u>2,715,394</u>	<u>(10,599,017)</u>	<u>16,075,440</u>
NET ASSETS - Beginning of Year	<u>21,183,372</u>	<u>22,400,211</u>	<u>24,689,551</u>	<u>9,081,047</u>	<u>866,436</u>	<u>9,764,416</u>	<u>87,985,033</u>
NET ASSETS - End of Year	<u>\$ 29,249,765</u>	<u>\$ 29,192,891</u>	<u>\$ 36,299,791</u>	<u>\$ 6,570,797</u>	<u>\$ 3,581,830</u>	<u>\$ (834,601)</u>	<u>\$ 104,060,473</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION YEAR ENDED JUNE 30, 2016

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	<u>Aspire University</u>	<u>CFC, Inc.</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
CHANGES IN UNRESTRICTED NET ASSETS				
SUPPORT AND REVENUE:				
Private grants and contributions	\$ 2,862,230	\$ -	\$ (1,574,697)	\$ 4,380,785
Donated equipment, materials, and services	-	-	-	158,925
Federal revenue	-	-	(648,573)	24,040,242
California State revenue				
State aid portion of general purpose funding	-	-	-	78,526,499
All other state revenue	-	-	-	15,587,478
Tennessee State revenue				
Basic education program funding	-	-	-	9,987,738
Local revenue:				
Cash in-lieu of property taxes	-	-	-	23,660,751
Interest income	-	6,859	-	27,185
All other local revenue	1,592,486	3,203,687	(5,687,758)	2,528,971
Subtotal	4,454,716	3,210,546	(7,911,028)	158,898,574
Net assets released from restrictions	501,746	-	-	56,353,133
Total support and revenue	4,956,462	3,210,546	(7,911,028)	215,251,707
EXPENSES AND LOSSES				
PROGRAM EXPENSES:				
Educational programs	-	7,280,022	(3,203,686)	153,444,883
SUPPORTING SERVICES:				
Site support	1,409,285	-	(2,260,262)	14,325,313
Development and expansion	1,590,751	-	(2,447,080)	8,156,221
Administration and general	584,852	-	-	4,819,793
Cost allocations	-	-	-	-
Total supporting services	3,584,888	-	(4,707,342)	27,301,327
Total expenses	3,584,888	7,280,022	(7,911,028)	180,746,210
Loss on debt extinguishment	-	15,753,640	-	15,753,640
Total expenses and losses	3,584,888	23,033,662	(7,911,028)	196,499,850
TRANSFERS BETWEEN AFFILIATES	-	8,057,276	-	-
Increase (Decrease) in Unrestricted Net Assets	1,371,574	(11,765,840)	-	18,751,857
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:				
Private grants and contributions	4,055,097	-	-	7,342,993
Federal and state revenue	-	-	-	39,492,808
Interfund transfers	-	-	-	-
Net assets released from restrictions	(501,746)	-	-	(56,353,133)
Increase (Decrease) in Temporarily Restricted Net Assets	3,553,351	-	-	(9,517,332)
INCREASE (DECREASE) IN NET ASSETS	4,924,925	(11,765,840)	-	9,234,525
NET ASSETS - Beginning of Year	-	5,650,410	(1,032,128)	92,603,315
NET ASSETS - End of Year	\$ 4,924,925	\$ (6,115,430)	\$ (1,032,128)	\$ 101,837,840

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2016

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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	\$ 1,265,272	\$ 1,566,967	\$ 3,153,569	\$ 552,020	\$ 2,274,060	\$ 135,149	\$ 28,571	\$ 808,272	\$ 3,884,743
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	723,316	1,080,592	1,088,876	463,438	768,699	345,001	587,093	872,365	451,893
Foundation grants receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	19,613	-	6,000	12,238	10,819	2,089	3,465	4,765	-
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	<u>2,008,201</u>	<u>2,647,559</u>	<u>4,248,445</u>	<u>1,027,696</u>	<u>3,053,578</u>	<u>482,239</u>	<u>619,129</u>	<u>1,685,402</u>	<u>4,336,636</u>
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	1,952,524	-	-	-	-	-	2,582,579
Foundation grants receivable, net	-	-	1,000,000	1,000,000	-	-	-	-	-
Deferred rent	-	84,839	68,018	-	-	-	-	102,227	-
Property and equipment, net	186,281	151,649	1,391,456	189,080	88,674	295,704	282,061	2,978,125	1,187,653
Other assets, net	-	-	-	-	-	-	-	-	-
Total non-current assets	<u>-</u>	<u>-</u>	<u>3,352,000</u>	<u>1,189,080</u>	<u>88,674</u>	<u>295,704</u>	<u>282,061</u>	<u>3,080,352</u>	<u>3,770,232</u>
TOTAL ASSETS	<u>\$ 2,194,482</u>	<u>\$ 2,884,047</u>	<u>\$ 8,660,443</u>	<u>\$ 2,216,776</u>	<u>\$ 3,142,252</u>	<u>\$ 777,943</u>	<u>\$ 901,190</u>	<u>\$ 4,765,754</u>	<u>\$ 8,106,868</u>
CURRENT LIABILITIES:									
Accounts payable	\$ 38,036	\$ 88,009	\$ 1,028,089	\$ 23,242	\$ 52,364	\$ 29,353	\$ 122,814	\$ 43,601	\$ 40,883
Accrued expenses	142,446	171,782	234,378	110,788	185,323	162,608	112,368	137,650	74,392
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	-	-	-	-	-	-	-	-	-
Intercompany payable	-	69,317	55,978	-	-	-	-	80,952	-
Total current liabilities	<u>180,482</u>	<u>329,108</u>	<u>1,318,445</u>	<u>134,030</u>	<u>237,687</u>	<u>191,961</u>	<u>235,182</u>	<u>262,203</u>	<u>115,275</u>
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	-	-	-	-	-	-	-	-	3,706,191
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,706,191</u>
TOTAL LIABILITIES	<u>180,482</u>	<u>329,108</u>	<u>1,318,445</u>	<u>134,030</u>	<u>237,687</u>	<u>191,961</u>	<u>235,182</u>	<u>262,203</u>	<u>3,821,466</u>
NET ASSETS:									
Unrestricted	1,803,602	2,291,496	3,046,722	1,007,753	2,693,617	585,982	619,989	4,293,403	441,074
Temporarily restricted	210,398	263,443	4,295,276	1,074,993	210,948	-	46,019	210,148	3,844,328
Total net assets	<u>2,014,000</u>	<u>2,554,939</u>	<u>7,341,998</u>	<u>2,082,746</u>	<u>2,904,565</u>	<u>585,982</u>	<u>666,008</u>	<u>4,503,551</u>	<u>4,285,402</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,194,482</u>	<u>\$ 2,884,047</u>	<u>\$ 8,660,443</u>	<u>\$ 2,216,776</u>	<u>\$ 3,142,252</u>	<u>\$ 777,943</u>	<u>\$ 901,190</u>	<u>\$ 4,765,754</u>	<u>\$ 8,106,868</u>

* On June 30, 2015, Aspire California College Prep Academy closed its charter, and on July 1, 2015 students transferred to the newly opened Aspire Richmond California College Prep Academy. Net assets from the former school of \$355,134 were transferred to the new school on July 1, 2015.

** Aspire Richmond Technology Academy was a new charter that opened in the 2015/16 school year. Net assets of \$258,889 were transferred from California Non Active Sites to Aspire Richmond Technology Academy on July 1, 2015.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

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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 Capitol Heights Academy
CURRENT ASSETS:									
Cash and cash equivalents	\$ 557,030	\$ 82,985	\$ 14,308,638	\$ 1,802,694	\$ 1,470,464	\$ 1,224,800	\$ 559,057	\$ 1,128,925	\$ 753,926
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	583,732	48,300	7,013,305	482,980	126,151	386,043	519,697	852,441	530,063
Foundation grants receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	11,000	48,300	118,289	6,000	8,311	28,696	6,257	8,500	13,765
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	1,151,762	179,585	21,440,232	2,291,674	1,604,926	1,639,539	1,085,011	1,989,866	1,297,754
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	4,535,103	-	-	-	-	-	-
Foundation grants receivable, net	1,000,000	-	3,000,000	-	-	-	-	-	-
Deferred rent	-	-	255,084	-	-	-	100,759	236,060	-
Property and equipment, net	263,909	-	7,014,592	403,982	76,281	324,094	163,590	81,045	89,016
Other assets, net	-	-	-	-	-	-	-	-	-
Total non-current assets	-	-	14,804,679	403,982	76,281	324,094	163,590	317,105	89,016
TOTAL ASSETS	\$ 2,415,671	\$ 179,585	\$ 36,245,011	\$ 2,695,656	\$ 1,681,207	\$ 1,963,633	\$ 1,349,360	\$ 2,306,971	\$ 1,386,770
CURRENT LIABILITIES:									
Accounts payable	\$ 57,393	\$ 70,750	\$ 1,594,534	\$ 38,083	\$ 49,425	\$ 121,698	\$ 39,297	\$ 51,037	\$ 86,497
Accrued expenses	94,636	61,903	1,488,274	101,814	58,732	106,411	106,438	119,830	85,418
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	-	-	-	-	-	-	-	-	-
Intercompany payable	-	-	206,247	-	-	-	-	-	-
Total current liabilities	152,029	132,653	3,289,055	139,897	108,157	228,109	145,735	170,867	171,915
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	-	-	3,706,191	-	-	-	-	-	-
Total long-term liabilities	-	-	3,706,191	-	-	-	-	-	-
NET ASSETS:									
Unrestricted	1,240,002	46,932	18,070,572	2,111,719	1,354,651	1,654,340	1,202,459	2,034,058	1,139,210
Temporarily restricted	1,023,640	-	11,179,193	444,040	218,399	81,184	1,166	102,046	75,645
Total net assets	2,263,642	46,932	29,249,765	2,555,759	1,573,050	1,735,524	1,203,625	2,136,104	1,214,855
TOTAL LIABILITIES AND NET ASSETS	\$ 2,415,671	\$ 179,585	\$ 36,245,011	\$ 2,695,656	\$ 1,681,207	\$ 1,963,633	\$ 1,349,360	\$ 2,306,971	\$ 1,386,770

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2016

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	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	Total Central Valley Region
CURRENT ASSETS:									
Cash and cash equivalents	\$ 2,111,878	\$ 1,943,025	\$ 1,908,086	\$ 636,869	\$ 1,130,782	\$ 748,580	\$ 730,939	\$ 292,709	\$ 16,442,734
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	466,722	988,352	547,665	248,555	590,351	627,035	468,794	40,234	6,875,083
Foundation grants receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	3,368	-	25,000	10,000	9,850	-	11,178	-	130,925
Intercompany receivable	-	-	-	-	29,893	-	-	-	29,893
Total current assets	2,581,968	2,931,377	2,480,751	895,424	1,760,876	1,375,615	1,210,911	332,943	23,478,635
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	-	124,279	74,724	-	73,650	59,612	-	-	669,084
Property and equipment, net	9,338,287	159,594	99,902	73,907	366,864	252,799	265,344	59,706	11,754,411
Other assets, net	-	-	-	-	-	-	-	-	-
Total non-current assets	-	124,279	74,724	73,907	366,864	252,799	265,344	59,706	11,754,411
TOTAL ASSETS	\$ 11,920,255	\$ 3,215,250	\$ 2,655,377	\$ 969,331	\$ 2,201,390	\$ 1,688,026	\$ 1,476,255	\$ 392,649	\$ 35,902,130
CURRENT LIABILITIES:									
Accounts payable	\$ 98,884	\$ 137,772	\$ 63,832	\$ 58,757	\$ 156,152	\$ 180,244	\$ 87,295	\$ 51,849	\$ 1,220,822
Accrued expenses	83,041	164,970	103,688	102,439	78,136	89,594	73,773	75,589	1,349,873
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	146,709	-	-	-	-	-	-	-	146,709
Intercompany payable	-	100,593	57,363	-	56,549	60,000	-	-	274,505
Total current liabilities	328,634	403,335	224,883	161,196	290,837	329,838	161,068	127,438	2,991,909
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	3,717,330	-	-	-	-	-	-	-	3,717,330
Total liabilities	4,045,964	403,335	224,883	161,196	290,837	329,838	161,068	127,438	6,709,239
NET ASSETS:									
Unrestricted	7,790,585	2,601,063	2,290,314	730,773	1,718,942	1,173,539	1,133,525	265,211	27,200,389
Temporarily restricted	83,706	210,852	140,180	77,362	191,611	184,649	181,662	-	1,992,502
Total net assets	7,874,291	2,811,915	2,430,494	808,135	1,910,553	1,358,188	1,315,187	265,211	29,192,891
TOTAL LIABILITIES AND NET ASSETS	\$ 11,920,255	\$ 3,215,250	\$ 2,655,377	\$ 969,331	\$ 2,201,390	\$ 1,688,026	\$ 1,476,255	\$ 392,649	\$ 35,902,130

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

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	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	Aspire Inskeep Academy
CURRENT ASSETS:									
Cash and cash equivalents	\$ 1,618,935	\$ 1,015,681	\$ 1,462,760	\$ 1,319,340	\$ 1,243,500	\$ 1,629,486	\$ 1,660,200	\$ 835,746	\$ 1,198,641
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	915,412	782,559	621,930	444,194	1,053,088	477,833	506,627	422,362	347,907
Foundation grants receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	-	14,790	3,245	-	2,225	3,033	3,570	-	-
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	2,534,347	1,813,030	2,087,935	1,763,534	2,298,813	2,110,352	2,170,397	1,258,108	1,546,548
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	-	-	59,825	61,313	31,360	-	-	-	-
Property and equipment, net	16,209,747	17,623,550	49,139	104,592	163,840	52,529	52,342	30,688	29,868
Other assets, net	-	-	-	-	-	-	-	-	-
Total non-current assets	16,209,747	17,623,550	49,139	104,592	163,840	52,529	52,342	30,688	29,868
TOTAL ASSETS	<u>\$ 18,744,094</u>	<u>\$ 19,436,580</u>	<u>\$ 2,196,899</u>	<u>\$ 1,929,439</u>	<u>\$ 2,494,013</u>	<u>\$ 2,162,881</u>	<u>\$ 2,222,739</u>	<u>\$ 1,288,796</u>	<u>\$ 1,576,416</u>
CURRENT LIABILITIES:									
Accounts payable	\$ 94,005	\$ 197,383	\$ 75,213	\$ 164,312	\$ 51,089	\$ 46,022	\$ 44,002	\$ 24,823	\$ 25,646
Accrued expenses	197,590	231,033	123,962	129,128	166,616	138,253	166,848	136,107	116,926
Line of credit	-	-	-	-	-	-	-	-	-
Debt, current	212,141	261,075	-	-	-	-	-	-	-
Intercompany payable	-	-	46,066	47,193	64,496	-	-	-	-
Total current liabilities	503,736	689,491	245,241	340,633	282,201	184,275	210,850	160,930	142,572
LONG-TERM LIABILITIES:									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	8,017,297	8,529,545	-	-	-	-	-	-	-
Total liabilities	<u>8,521,033</u>	<u>9,219,036</u>	<u>245,241</u>	<u>340,633</u>	<u>282,201</u>	<u>184,275</u>	<u>210,850</u>	<u>160,930</u>	<u>142,572</u>
NET ASSETS:									
Unrestricted	10,027,647	10,117,865	1,707,717	1,346,322	2,018,969	1,783,940	1,810,575	966,118	1,268,612
Temporarily restricted	195,414	99,679	243,941	242,484	192,843	194,666	201,314	161,748	165,232
Total net assets	<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>	<u>1,433,844</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,744,094</u>	<u>\$ 19,436,580</u>	<u>\$ 2,196,899</u>	<u>\$ 1,929,439</u>	<u>\$ 2,494,013</u>	<u>\$ 2,162,881</u>	<u>\$ 2,222,739</u>	<u>\$ 1,288,796</u>	<u>\$ 1,576,416</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2016

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	Aspire Slauson Academy	Aspire Centennial College Preparatory Academy	LA Regional Office	Total LA Region	California Non Active Sites ***	National Office	Total Aspire Public Schools	Aspire Hanley School #1	Aspire Hanley School #2
CURRENT ASSETS:									
Cash and cash equivalents	\$ 979,553	\$ 2,007,395	\$ 360,097	\$ 15,331,334	\$ 1,185,677	\$ 221,138	\$ 47,489,521	\$ 87,780	\$ 37,580
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	401,984	663,983	-	6,637,879	128,639	875,277	21,530,183	754,919	859,617
Foundation grants receivable, current portion	-	-	-	-	-	156,250	156,250	-	-
Prepaid expenses and deposits	-	-	35,386	62,249	5,700	591,378	908,541	-	-
Intercompany receivable	-	-	-	-	-	1,092,795	1,122,688	48,951	36,242
Total current assets	<u>1,381,537</u>	<u>2,671,378</u>	<u>395,483</u>	<u>22,031,462</u>	<u>1,320,016</u>	<u>2,936,838</u>	<u>71,207,183</u>	<u>891,650</u>	<u>933,439</u>
NON-CURRENT ASSETS:									
Restricted cash and cash equivalents	-	-	-	-	-	-	4,535,103	-	-
Foundation grants receivable, net	-	-	-	-	-	-	3,000,000	-	-
Deferred rent	-	-	-	152,498	-	-	1,076,666	-	-
Property and equipment, net	28,130	354,224	50,812	34,749,461	2,821,328	306,634	56,646,426	362,901	306,990
Other assets, net	-	-	-	-	-	473,216	473,216	-	-
TOTAL ASSETS	<u>\$ 1,409,667</u>	<u>\$ 3,025,602</u>	<u>\$ 446,295</u>	<u>\$ 56,933,421</u>	<u>\$ 4,141,344</u>	<u>\$ 3,716,688</u>	<u>\$136,938,594</u>	<u>\$ 1,254,551</u>	<u>\$ 1,240,429</u>
CURRENT LIABILITIES:									
Accounts payable	\$ 32,669	\$ 35,221	\$ 24,011	\$ 814,396	\$ 235,668	\$ 1,018,206	\$ 4,883,626	\$ 62,086	\$ 49,201
Accrued expenses	102,987	235,953	98,682	1,844,085	24,103	2,011,958	6,718,293	163,467	123,566
Line of credit	-	-	-	-	-	-	-	350,000	350,000
Debt, current	-	-	-	473,216	-	-	619,925	-	-
Intercompany payable	-	-	-	157,755	-	121,125	759,632	-	-
Total current liabilities	<u>135,656</u>	<u>271,174</u>	<u>122,693</u>	<u>3,289,452</u>	<u>259,771</u>	<u>3,151,289</u>	<u>12,981,476</u>	<u>575,553</u>	<u>522,767</u>
LONG-TERM LIABILITIES:									
Deferred rent	-	797,336	-	797,336	209,718	-	1,007,054	-	-
Debt, net	-	-	-	16,546,842	-	1,400,000	25,370,363	-	-
Total liabilities	<u>135,656</u>	<u>1,068,510</u>	<u>122,693</u>	<u>20,633,630</u>	<u>469,489</u>	<u>4,551,289</u>	<u>39,358,893</u>	<u>575,553</u>	<u>522,767</u>
NET ASSETS:									
Unrestricted	1,111,648	1,922,805	323,602	34,405,820	3,671,855	(1,140,036)	82,208,600	602,723	717,662
Temporarily restricted	<u>162,363</u>	<u>34,287</u>	<u>-</u>	<u>1,893,971</u>	<u>-</u>	<u>305,435</u>	<u>15,371,101</u>	<u>76,275</u>	<u>-</u>
Total net assets	<u>1,274,011</u>	<u>1,957,092</u>	<u>323,602</u>	<u>36,299,791</u>	<u>3,671,855</u>	<u>(834,601)</u>	<u>97,579,701</u>	<u>678,998</u>	<u>717,662</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,409,667</u>	<u>\$ 3,025,602</u>	<u>\$ 446,295</u>	<u>\$ 56,933,421</u>	<u>\$ 4,141,344</u>	<u>\$ 3,716,688</u>	<u>\$136,938,594</u>	<u>\$ 1,254,551</u>	<u>\$ 1,240,429</u>

*** As noted on Page 46, beginning net assets of \$258,889 associated with Aspire Richmond Technology Academy were included in California Non Active Sites ending net assets at June 30, 2015. Additionally, on June 30, 2015 Aspire Huntington Park Charter School closed its charter and the ending net assets of \$886,436 were transferred to California Non Active Sites on July 1, 2015.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2016

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	Aspire Coleman Elementary School	Tennessee Non Active Sites	Tennessee Regional Office	Total Aspire TN, LLC	Aspire University	CFC, Inc.	Eliminations	Total Consolidated
CURRENT ASSETS:								
Cash and cash equivalents	\$ 571,697	\$ (574,549)	\$ 138,248	\$ 260,756	\$ 1,440,740	\$ -	\$ -	\$ 49,191,017
Restricted cash and cash equivalents	-	-	-	-	-	2,742,925	-	2,742,925
Accounts receivable	496,117	29,118	46,596	2,186,367	204,811	-	-	23,921,361
Foundation grants receivable, current portion	-	-	4,000,000	4,000,000	2,421,301	-	-	6,577,551
Prepaid expenses and deposits	595	12,188	600	13,383	10,300	-	-	932,224
Intercompany receivable	7,239	-	28,693	121,125	-	638,494	(1,882,307)	-
Total current assets	<u>1,075,648</u>	<u>(533,243)</u>	<u>4,214,137</u>	<u>6,581,631</u>	<u>4,077,152</u>	<u>3,381,419</u>	<u>(1,882,307)</u>	<u>83,365,078</u>
NON-CURRENT ASSETS:								
Restricted cash and cash equivalents	-	-	-	-	-	10,171,314	-	14,706,417
Foundation grants receivable, net	-	-	-	-	856,509	-	-	3,856,509
Deferred rent	-	-	-	-	-	-	(1,076,666)	-
Property and equipment, net	425,927	475,116	178,667	1,749,601	-	99,465,055	(1,032,128)	156,828,954
Other assets, net	-	-	-	-	-	-	-	473,216
TOTAL ASSETS	<u>\$ 1,501,575</u>	<u>\$ (58,127)</u>	<u>\$ 4,392,804</u>	<u>\$ 8,331,232</u>	<u>\$ 4,933,661</u>	<u>\$113,017,788</u>	<u>\$ (3,991,101)</u>	<u>\$259,230,174</u>
CURRENT LIABILITIES:								
Accounts payable	\$ 88,445	\$ 18,351	\$ 82,169	\$ 300,252	\$ 8,736	\$ 1,183,239	\$ -	\$ 6,375,853
Accrued expenses	157,823	13,547	351,662	810,065	-	1,999,423	-	9,527,781
Line of credit	-	-	-	700,000	-	-	-	700,000
Debt, current	-	-	-	-	-	1,450,000	-	2,069,925
Intercompany payable	-	-	40,143	40,143	-	1,082,532	(1,882,307)	-
Total current liabilities	<u>246,268</u>	<u>31,898</u>	<u>473,974</u>	<u>1,850,460</u>	<u>8,736</u>	<u>5,715,194</u>	<u>(1,882,307)</u>	<u>18,673,559</u>
LONG-TERM LIABILITIES:								
Deferred rent	-	-	-	-	-	866,948	(1,076,666)	797,336
Debt, net	-	-	-	-	-	112,551,076	-	137,921,439
Total liabilities	<u>246,268</u>	<u>31,898</u>	<u>473,974</u>	<u>1,850,460</u>	<u>8,736</u>	<u>119,133,218</u>	<u>(2,958,973)</u>	<u>157,392,334</u>
NET ASSETS:								
Unrestricted	211,750	(90,025)	619,236	2,061,346	1,371,574	(6,115,430)	(1,032,128)	78,493,962
Temporarily restricted	1,043,557	-	3,299,594	4,419,426	3,553,351	-	-	23,343,878
Total net assets	<u>1,255,307</u>	<u>(90,025)</u>	<u>3,918,830</u>	<u>6,480,772</u>	<u>4,924,925</u>	<u>(6,115,430)</u>	<u>(1,032,128)</u>	<u>101,837,840</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,501,575</u>	<u>\$ (58,127)</u>	<u>\$ 4,392,804</u>	<u>\$ 8,331,232</u>	<u>\$ 4,933,661</u>	<u>\$113,017,788</u>	<u>\$ (3,991,101)</u>	<u>\$259,230,174</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

	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	\$ 1,295	\$ 10,650	\$ 469,225	\$ 1,565	\$ -	\$ 16,913	\$ 2,310	\$ 100	\$ 2,660
Donated equipment, materials, and services	-	-	147,867	-	-	-	-	-	-
Federal revenue	568,663	712,586	966,353	325,786	658,819	760,715	595,176	637,138	386,872
California State revenue:									
State aid portion of general purpose funding	2,275,709	3,054,646	4,827,852	1,813,769	2,725,070	1,421,684	1,447,594	3,200,130	1,148,258
All other state revenue	538,138	636,834	768,826	350,259	387,044	303,179	198,066	807,015	278,769
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	779,248	1,040,282	1,099,732	544,592	1,052,564	535,757	572,435	1,131,284	434,445
Interest income	-	-	17,566	752	-	-	-	-	-
All other local revenue	9,314	74,726	59,232	11,084	107,445	58,080	34,896	28,134	31,432
Subtotal	<u>4,172,367</u>	<u>5,529,724</u>	<u>8,356,653</u>	<u>3,047,807</u>	<u>4,930,942</u>	<u>3,096,328</u>	<u>2,850,477</u>	<u>5,803,801</u>	<u>2,282,436</u>
Net assets released from restrictions	963,367	1,288,850	1,771,280	504,666	1,037,166	364,334	575,277	6,682,383	633,054
Total support and revenue	<u>5,135,734</u>	<u>6,818,574</u>	<u>10,127,933</u>	<u>3,552,473</u>	<u>5,968,108</u>	<u>3,460,662</u>	<u>3,425,754</u>	<u>12,486,184</u>	<u>2,915,490</u>
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	4,174,828	5,315,244	8,701,428	2,836,395	4,897,107	3,493,147	2,635,394	6,093,555	2,472,901
SUPPORTING SERVICES:									
Site support	-	-	-	-	-	-	-	-	-
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	-	-	-	-	-	-	-	-	-
Cost allocations	692,054	877,028	595,428	312,968	599,736	(263,334)	204,260	78,588	200,158
Total supporting services	<u>692,054</u>	<u>877,028</u>	<u>595,428</u>	<u>312,968</u>	<u>599,736</u>	<u>(263,334)</u>	<u>204,260</u>	<u>78,588</u>	<u>200,158</u>
Total expenses	<u>4,866,882</u>	<u>6,192,272</u>	<u>9,296,856</u>	<u>3,149,363</u>	<u>5,496,843</u>	<u>3,229,813</u>	<u>2,839,654</u>	<u>6,172,143</u>	<u>2,673,059</u>
Loss on debt extinguishment	-	-	-	-	-	-	-	-	-
Total expenses and losses	<u>4,866,882</u>	<u>6,192,272</u>	<u>9,296,856</u>	<u>3,149,363</u>	<u>5,496,843</u>	<u>3,229,813</u>	<u>2,839,654</u>	<u>6,172,143</u>	<u>2,673,059</u>
TRANSFERS BETWEEN AFFILIATES	-	(15,450)	(15,450)	-	-	-	-	(2,933,762)	-
Increase (Decrease) in Unrestricted Net Assets	<u>268,852</u>	<u>610,852</u>	<u>815,627</u>	<u>403,110</u>	<u>471,265</u>	<u>230,849</u>	<u>586,100</u>	<u>3,380,279</u>	<u>242,431</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	10,000	-	31,265	1,000,000	-	-	-	-	-
Federal and state revenue	935,736	1,443,129	1,925,684	583,887	1,144,633	330,973	200,791	1,252,419	4,386,633
Interfund transfers	(46,792)	(1,316)	(88,005)	(106,970)	(63,118)	33,360	195,505	(68,167)	(26,110)
Net assets released from restrictions	(963,367)	(1,288,850)	(1,771,280)	(504,666)	(1,037,166)	(364,334)	(575,277)	(6,682,383)	(633,054)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(64,423)</u>	<u>152,963</u>	<u>97,664</u>	<u>972,251</u>	<u>44,349</u>	<u>(1)</u>	<u>(178,981)</u>	<u>(5,498,131)</u>	<u>3,727,469</u>
INCREASE (DECREASE) IN NET ASSETS	204,429	763,815	913,291	1,375,361	515,614	230,848	407,119	(2,117,852)	3,969,900
NET ASSETS - Beginning of Year	<u>1,809,571</u>	<u>1,791,124</u>	<u>6,428,707</u>	<u>707,385</u>	<u>2,388,951</u>	<u>355,134</u>	<u>258,889</u>	<u>6,621,403</u>	<u>315,502</u>
NET ASSETS - End of Year	<u>\$ 2,014,000</u>	<u>\$ 2,554,939</u>	<u>\$ 7,341,998</u>	<u>\$ 2,082,746</u>	<u>\$ 2,904,565</u>	<u>\$ 585,982</u>	<u>\$ 666,008</u>	<u>\$ 4,503,551</u>	<u>\$ 4,285,402</u>

* On June 30, 2015, Aspire California College Prep Academy closed its charter, and on July 1, 2015 students transferred to the newly opened Aspire Richmond California College Prep Academy. Net assets from the former school of \$355,134 were transferred to the new school on July 1, 2015.

** Aspire Richmond Technology Academy was a new charter that opened in the 2015/16 school year. Beginning net assets of \$258,889 were included in California Non Active Sites ending net assets at June 30, 2015.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

	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 Capitol Heights Academy
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ 1,000	\$ -	\$ 505,718	\$ 61,802	\$ 584	\$ 1,095	\$ 21,097	\$ 8,608	\$ 5,729
Donated equipment, materials, and services	-	-	147,867	-	-	-	-	6,000	-
Federal revenue	335,991	72,002	6,020,101	145,157	79,859	384,371	436,763	408,644	328,015
California State revenue:									
State aid portion of general purpose funding	1,894,908	-	23,809,620	1,759,014	1,259,390	2,276,340	1,968,041	3,411,507	1,572,769
All other state revenue	399,128	-	4,667,258	491,617	186,419	578,796	547,886	964,975	328,293
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	561,304	-	7,751,643	593,834	354,824	327,396	602,016	1,117,302	485,390
Interest income	-	-	18,318	28	195	303	(54)	(52)	-
All other local revenue	634	-	414,977	90,957	25,112	102,713	63,885	169,107	48,573
Subtotal	<u>3,192,965</u>	<u>72,002</u>	<u>43,335,502</u>	<u>3,142,409</u>	<u>1,906,383</u>	<u>3,671,014</u>	<u>3,639,634</u>	<u>6,086,091</u>	<u>2,768,769</u>
Net assets released from restrictions	357,129	-	14,177,506	546,146	409,390	713,424	926,389	1,024,857	661,364
Total support and revenue	<u>3,550,094</u>	<u>72,002</u>	<u>57,513,008</u>	<u>3,688,555</u>	<u>2,315,773</u>	<u>4,384,438</u>	<u>4,566,023</u>	<u>7,110,948</u>	<u>3,430,133</u>
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	2,945,092	-	43,565,091	3,054,834	2,092,068	3,618,396	3,623,652	5,420,808	2,858,248
SUPPORTING SERVICES:									
Site support	-	1,023,429	1,023,429	-	-	-	-	-	-
Program development and expansion	-	349,075	349,075	-	-	-	-	-	-
Administration and general	-	139,161	139,161	-	-	-	-	-	-
Cost allocations	386,498	(2,001,387)	1,681,997	357,449	127,760	523,036	1,388,824	2,783,266	335,752
Total supporting services	<u>386,498</u>	<u>(489,722)</u>	<u>3,193,662</u>	<u>357,449</u>	<u>127,760</u>	<u>523,036</u>	<u>1,388,824</u>	<u>2,783,266</u>	<u>335,752</u>
Total expenses	<u>3,331,590</u>	<u>(489,722)</u>	<u>46,758,753</u>	<u>3,412,283</u>	<u>2,219,828</u>	<u>4,141,432</u>	<u>5,012,476</u>	<u>8,204,074</u>	<u>3,194,000</u>
Loss on debt extinguishment	-	-	-	-	-	-	-	-	-
Total expenses and losses	<u>3,331,590</u>	<u>(489,722)</u>	<u>46,758,753</u>	<u>3,412,283</u>	<u>2,219,828</u>	<u>4,141,432</u>	<u>5,012,476</u>	<u>8,204,074</u>	<u>3,194,000</u>
TRANSFERS BETWEEN AFFILIATES	-	-	(2,964,662)	-	-	-	670,765	(422,724)	-
Increase (Decrease) in Unrestricted Net Assets	<u>218,504</u>	<u>561,724</u>	<u>7,789,593</u>	<u>276,272</u>	<u>95,945</u>	<u>243,006</u>	<u>224,312</u>	<u>(1,515,850)</u>	<u>236,133</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	1,000,000	-	2,041,265	-	-	-	-	-	-
Federal and state revenue	414,291	-	12,618,176	992,805	613,065	793,292	925,031	1,158,843	721,174
Interfund transfers	(33,522)	-	(205,135)	(45,710)	(31,777)	(48,001)	(46,814)	(81,896)	(33,662)
Net assets released from restrictions	(357,129)	-	(14,177,506)	(546,146)	(409,390)	(713,424)	(926,389)	(1,024,857)	(661,364)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>1,023,640</u>	<u>-</u>	<u>276,800</u>	<u>400,949</u>	<u>171,898</u>	<u>31,867</u>	<u>(48,172)</u>	<u>52,090</u>	<u>26,148</u>
INCREASE (DECREASE) IN NET ASSETS	1,242,144	561,724	8,066,393	677,221	267,843	274,873	176,140	(1,463,760)	262,281
NET ASSETS - Beginning of Year	<u>1,021,498</u>	<u>(514,792)</u>	<u>21,183,372</u>	<u>1,878,538</u>	<u>1,305,207</u>	<u>1,460,651</u>	<u>1,027,485</u>	<u>3,599,864</u>	<u>952,574</u>
NET ASSETS - End 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>\$ 1,214,855</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

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	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	Total Central Valley Region
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ 897	\$ 475	\$ 288	\$ -	\$ 7,004	\$ 938	\$ 210	\$ -	\$ 108,727
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	6,000
Federal revenue	270,595	459,986	269,231	391,586	518,381	476,669	349,447	40,234	4,558,938
California State revenue:									
State aid portion of general purpose funding	2,493,277	4,523,837	2,343,212	1,416,963	1,943,764	1,831,781	1,772,354	-	28,572,249
All other state revenue	254,940	986,428	561,311	215,350	616,184	562,698	399,314	-	6,694,211
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	391,220	726,565	410,606	714,793	735,109	675,260	309,150	-	7,443,465
Interest income	295	547	303	174	59	-	234	-	2,032
All other local revenue	44,156	123,083	102,033	89,567	65,522	41,755	24,994	-	991,457
Subtotal	<u>3,455,380</u>	<u>6,820,921</u>	<u>3,686,984</u>	<u>2,828,433</u>	<u>3,886,023</u>	<u>3,589,101</u>	<u>2,855,703</u>	<u>40,234</u>	<u>48,377,079</u>
Net assets released from restrictions	637,801	1,221,213	1,087,214	616,640	921,531	907,456	569,888	-	10,243,313
Total support and revenue	<u>4,093,181</u>	<u>8,042,134</u>	<u>4,774,198</u>	<u>3,445,073</u>	<u>4,807,554</u>	<u>4,496,557</u>	<u>3,425,591</u>	<u>40,234</u>	<u>58,620,392</u>
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	3,242,822	6,225,690	3,916,405	2,849,727	3,968,157	3,718,073	2,657,494	-	47,246,374
SUPPORTING SERVICES:									
Site support	-	-	-	-	-	-	-	835,076	835,076
Program development and expansion	-	-	-	-	-	-	-	288,676	288,676
Administration and general	-	-	-	-	-	-	-	125,128	125,128
Cost allocations	242,344	629,853	345,659	288,263	367,457	155,110	474,649	(3,576,162)	4,443,260
Total supporting services	<u>242,344</u>	<u>629,853</u>	<u>345,659</u>	<u>288,263</u>	<u>367,457</u>	<u>155,110</u>	<u>474,649</u>	<u>(2,327,282)</u>	<u>5,692,140</u>
Total expenses	<u>3,485,166</u>	<u>6,855,543</u>	<u>4,262,064</u>	<u>3,137,990</u>	<u>4,335,614</u>	<u>3,873,183</u>	<u>3,132,143</u>	<u>(2,327,282)</u>	<u>52,938,514</u>
Loss on debt extinguishment	-	-	-	-	-	-	-	-	-
Total expenses and losses	<u>3,485,166</u>	<u>6,855,543</u>	<u>4,262,064</u>	<u>3,137,990</u>	<u>4,335,614</u>	<u>3,873,183</u>	<u>3,132,143</u>	<u>(2,327,282)</u>	<u>52,938,514</u>
TRANSFERS BETWEEN AFFILIATES	-	(15,450)	(15,450)	-	(15,450)	(15,450)	-	-	186,241
Increase (Decrease) in Unrestricted Net Assets	<u>608,015</u>	<u>1,171,141</u>	<u>496,684</u>	<u>307,083</u>	<u>456,490</u>	<u>607,924</u>	<u>293,448</u>	<u>2,367,516</u>	<u>5,868,119</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions	-	-	-	-	-	-	-	-	-
Federal and state revenue	710,667	1,353,047	1,220,805	674,430	1,003,968	983,935	633,377	-	11,784,439
Interfund transfers	(40,441)	(84,553)	(44,472)	(28,856)	(47,915)	(46,300)	(36,168)	-	(616,565)
Net assets released from restrictions	(637,801)	(1,221,213)	(1,087,214)	(616,640)	(921,531)	(907,456)	(569,888)	-	(10,243,313)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>32,425</u>	<u>47,281</u>	<u>89,119</u>	<u>28,934</u>	<u>34,522</u>	<u>30,179</u>	<u>27,321</u>	<u>-</u>	<u>924,561</u>
INCREASE (DECREASE) IN NET ASSETS	640,440	1,218,422	585,803	336,017	491,012	638,103	320,769	2,367,516	6,792,680
NET ASSETS - Beginning of Year	<u>7,233,851</u>	<u>1,593,493</u>	<u>1,844,691</u>	<u>472,118</u>	<u>1,419,541</u>	<u>720,085</u>	<u>994,418</u>	<u>(2,102,305)</u>	<u>22,400,211</u>
NET ASSETS - End of Year	<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>	<u>\$ 29,192,891</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

	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
CHANGES IN UNRESTRICTED NET ASSETS									
SUPPORT AND REVENUE:									
Private grants and contributions	\$ -	\$ -	\$ 300	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -
Donated equipment, materials, and services	-	-	-	-	-	-	-	-	-
Federal revenue	1,014,467	594,121	642,783	542,700	958,374	552,408	621,176	484,855	501,293
California State revenue:									
State aid portion of general purpose funding	2,340,855	3,519,254	1,689,592	1,820,607	2,898,950	2,263,018	2,259,761	2,002,697	1,824,447
All other state revenue	177,516	404,333	436,502	473,655	659,898	293,790	287,522	249,317	257,843
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	800,397	1,071,613	575,134	615,408	907,697	778,029	774,726	681,372	625,124
Interest income	-	-	-	-	-	-	-	-	-
All other local revenue	39,133	29,995	8,807	9,273	70,462	46,104	58,250	5,047	2,709
Subtotal	<u>4,372,368</u>	<u>5,619,316</u>	<u>3,353,118</u>	<u>3,461,643</u>	<u>5,495,481</u>	<u>3,933,349</u>	<u>4,001,435</u>	<u>3,423,288</u>	<u>3,211,416</u>
Net assets released from restrictions	6,729,842	1,310,182	639,336	569,167	1,122,798	1,041,859	938,937	825,954	784,593
Total support and revenue	<u>11,102,210</u>	<u>6,929,498</u>	<u>3,992,454</u>	<u>4,030,810</u>	<u>6,618,279</u>	<u>4,975,208</u>	<u>4,940,372</u>	<u>4,249,242</u>	<u>3,996,009</u>
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	4,755,974	6,580,956	3,273,136	3,460,024	5,656,279	3,881,878	3,901,396	3,369,590	3,262,285
SUPPORTING SERVICES:									
Site support	-	-	-	-	-	-	-	-	-
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	-	-	-	-	-	-	-	-	-
Cost allocations	(412,551)	314,383	203,681	270,900	328,946	570,927	563,556	474,183	473,157
Total supporting services	<u>(412,551)</u>	<u>314,383</u>	<u>203,681</u>	<u>270,900</u>	<u>328,946</u>	<u>570,927</u>	<u>563,556</u>	<u>474,183</u>	<u>473,157</u>
Total expenses	<u>4,343,423</u>	<u>6,895,339</u>	<u>3,476,817</u>	<u>3,730,924</u>	<u>5,985,225</u>	<u>4,452,805</u>	<u>4,464,952</u>	<u>3,843,773</u>	<u>3,735,442</u>
Loss on debt extinguishment	-	-	-	-	-	-	-	-	-
Total expenses and losses	4,343,423	6,895,339	3,476,817	3,730,924	5,985,225	4,452,805	4,464,952	3,843,773	3,735,442
TRANSFERS BETWEEN AFFILIATES	-	-	(15,450)	(15,450)	(15,450)	-	-	-	-
Increase (Decrease) in Unrestricted Net Assets	<u>6,758,787</u>	<u>34,159</u>	<u>500,187</u>	<u>284,436</u>	<u>617,604</u>	<u>522,403</u>	<u>475,420</u>	<u>405,469</u>	<u>260,567</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions									
Federal and state revenue	5,692,601	1,423,263	755,529	730,568	1,208,083	1,029,543	983,515	867,388	823,530
Interfund transfers	(303,251)	(68,941)	(85,516)	(113,608)	(54,708)	(48,739)	(11,767)	(38,629)	(40,124)
Net assets released from restrictions	(6,729,842)	(1,310,182)	(639,336)	(569,167)	(1,122,798)	(1,041,859)	(938,937)	(825,954)	(784,593)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(1,340,492)</u>	<u>44,140</u>	<u>30,677</u>	<u>47,793</u>	<u>30,577</u>	<u>(61,055)</u>	<u>32,811</u>	<u>2,805</u>	<u>(1,187)</u>
INCREASE (DECREASE) IN NET ASSETS	5,418,295	78,299	530,864	332,229	648,181	461,348	508,231	408,274	259,380
NET ASSETS - Beginning of Year	<u>4,804,766</u>	<u>10,139,245</u>	<u>1,420,794</u>	<u>1,256,577</u>	<u>1,563,631</u>	<u>1,517,258</u>	<u>1,503,658</u>	<u>719,592</u>	<u>1,174,464</u>
NET ASSETS - End of Year	<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>	<u>\$ 1,433,844</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

	Aspire Slauson Academy	Aspire Centennial College Prep Academy	LA Regional Office	Total LA Region	California Non Active Sites ***	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	\$ -	\$ 450	\$ -	\$ 850	\$ -	\$ 2,243,579	\$ 2,858,874	\$ 55,874	\$ 77,991
Donated equipment, materials, and services	-	-	-	-	-	5,058	158,925	-	-
Federal revenue	465,520	542,805	70,886	6,991,388	148,094	4,705,783	22,424,304	781,065	733,360
California State revenue:									
State aid portion of general purpose funding	1,841,518	3,683,931	-	26,144,630	-	-	78,526,499	-	-
All other state revenue	241,043	742,341	-	4,223,760	2,249	-	15,587,478	-	-
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	3,509,509	2,897,822
Local revenue:									
Cash in-lieu of property taxes	627,133	1,009,010	-	8,465,643	-	-	23,660,751	-	-
Interest income	-	-	-	-	-	(24)	20,326	-	-
All other local revenue	17,296	5,722	-	292,798	43	1,357,855	3,057,130	10,825	8,639
Subtotal	<u>3,192,510</u>	<u>5,984,259</u>	<u>70,886</u>	<u>46,119,069</u>	<u>150,386</u>	<u>8,312,251</u>	<u>146,294,287</u>	<u>4,357,273</u>	<u>3,717,812</u>
Net assets released from restrictions	796,280	555,619	-	15,314,567	-	12,484,699	52,220,085	598,730	555,000
Total support and revenue	<u>3,988,790</u>	<u>6,539,878</u>	<u>70,886</u>	<u>61,433,636</u>	<u>150,386</u>	<u>20,796,950</u>	<u>198,514,372</u>	<u>4,956,003</u>	<u>4,272,812</u>
EXPENSES AND LOSSES									
PROGRAM EXPENSES:									
Educational programs	3,186,203	5,394,605	-	46,722,326	404,982	-	137,938,773	4,082,957	3,422,490
SUPPORTING SERVICES:									
Site support	-	-	884,501	884,501	-	9,326,261	12,069,267	412,052	339,755
Program development and expansion	-	-	290,647	290,647	-	6,883,921	7,812,319	-	-
Administration and general	-	-	110,926	110,926	-	3,346,901	3,722,116	-	-
Cost allocations	461,371	582,407	(3,244,248)	586,712	(3,060,015)	(3,651,954)	-	412,650	339,999
Total supporting services	<u>461,371</u>	<u>582,407</u>	<u>(1,958,174)</u>	<u>1,872,786</u>	<u>(3,060,015)</u>	<u>15,905,129</u>	<u>23,603,702</u>	<u>824,702</u>	<u>679,754</u>
Total expenses	<u>3,647,574</u>	<u>5,977,012</u>	<u>(1,958,174)</u>	<u>48,595,112</u>	<u>(2,655,033)</u>	<u>15,905,129</u>	<u>161,542,475</u>	<u>4,907,659</u>	<u>4,102,244</u>
Loss on debt extinguishment	-	-	-	-	-	-	-	-	-
Total expenses and losses	<u>3,647,574</u>	<u>5,977,012</u>	<u>(1,958,174)</u>	<u>48,595,112</u>	<u>(2,655,033)</u>	<u>15,905,129</u>	<u>161,542,475</u>	<u>4,907,659</u>	<u>4,102,244</u>
TRANSFERS BETWEEN AFFILIATES	-	-	-	(46,350)	-	(5,232,505)	(8,057,276)	-	-
Increase (Decrease) in Unrestricted Net Assets	<u>341,216</u>	<u>562,866</u>	<u>2,029,060</u>	<u>12,792,174</u>	<u>2,805,419</u>	<u>(340,684)</u>	<u>28,914,621</u>	<u>48,344</u>	<u>170,568</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:									
Private grants and contributions						557,106	2,598,371	-	-
Federal and state revenue	816,356	648,758	-	14,979,134	1,059		39,382,808	55,000	55,000
Interfund transfers	(22,365)	(58,853)	-	(846,501)	(1,059)	1,669,260	-	500,000	500,000
Net assets released from restrictions	(796,280)	(555,619)	-	(15,314,567)	-	(12,484,699)	(52,220,085)	(598,730)	(555,000)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(2,289)</u>	<u>34,286</u>	<u>-</u>	<u>(1,181,934)</u>	<u>-</u>	<u>(10,258,333)</u>	<u>(10,238,906)</u>	<u>(43,730)</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	338,927	597,152	2,029,060	11,610,240	2,805,419	(10,599,017)	18,675,715	4,614	170,568
NET ASSETS - Beginning of Year	<u>935,084</u>	<u>1,359,940</u>	<u>(1,705,458)</u>	<u>24,689,551</u>	<u>866,436</u>	<u>9,764,416</u>	<u>78,903,986</u>	<u>674,384</u>	<u>547,094</u>
NET ASSETS - End of Year	<u>\$ 1,274,011</u>	<u>\$ 1,957,092</u>	<u>\$ 323,602</u>	<u>\$ 36,299,791</u>	<u>\$ 3,671,855</u>	<u>\$ (834,601)</u>	<u>\$ 97,579,701</u>	<u>\$ 678,998</u>	<u>\$ 717,662</u>

*** As noted on Page 46, beginning net assets of \$258,889 associated with Aspire Richmond Technology Academy were included in California Non Active Sites ending net assets at June 30, 2015. Additionally, on June 30, 2015 Aspire Huntington Park Charter School closed its charter and net assets of \$886,436 were transferred to California Non Active Sites on July 1, 2015.

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

	Aspire Coleman Elementary School	Tennessee Non Active Sites	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	\$ 75,707	\$ -	\$ 24,806	\$ 234,378	\$ 2,862,230	\$ -	\$ (1,574,697)	\$ 4,380,785
Donated equipment, materials, and services	-	-	-	-	-	-	-	158,925
Federal revenue	420,583	84,110	245,393	2,264,511	-	-	(648,573)	24,040,242
California State revenue:								
State aid portion of general purpose funding	-	-	-	-	-	-	-	78,526,499
All other state revenue	-	-	-	-	-	-	-	15,587,478
Tennessee State revenue:								
Basic education program funding	3,580,407	-	-	9,987,738	-	-	-	9,987,738
Local revenue:								
Cash in-lieu of property taxes	-	-	-	-	-	-	-	23,660,751
Interest income	-	-	-	-	-	6,859	-	27,185
All other local revenue	13,651	-	330,311	363,426	1,592,486	3,203,687	(5,687,758)	2,528,971
Subtotal	4,090,348	84,110	600,510	12,850,053	4,454,716	3,210,546	(7,911,028)	158,898,574
Net assets released from restrictions	58,537	-	2,419,035	3,631,302	501,746	-	-	56,353,133
Total support and revenue	4,148,885	84,110	3,019,545	16,481,355	4,956,462	3,210,546	(7,911,028)	215,251,707
EXPENSES AND LOSSES								
PROGRAM EXPENSES:								
Educational programs	3,750,192	174,135	-	11,429,774	-	7,280,022	(3,203,686)	153,444,883
SUPPORTING SERVICES:								
Site support	420,764	-	1,934,452	3,107,023	1,409,285	-	(2,260,262)	14,325,313
Program development and expansion	-	-	1,200,231	1,200,231	1,590,751	-	(2,447,080)	8,156,221
Administration and general	-	-	512,825	512,825	584,852	-	-	4,819,793
Cost allocations	421,924	-	(1,174,573)	-	-	-	-	-
Total supporting services	842,688	-	2,472,935	4,820,079	3,584,888	-	(4,707,342)	27,301,327
Total expenses	4,592,880	174,135	2,472,935	16,249,853	3,584,888	7,280,022	(7,911,028)	180,746,210
Loss on debt extinguishment	-	-	-	-	-	15,753,640	-	15,753,640
Total expenses and losses	4,592,880	174,135	2,472,935	16,249,853	3,584,888	23,033,662	(7,911,028)	196,499,850
TRANSFERS BETWEEN AFFILIATES	-	-	-	-	-	8,057,276	-	-
Increase (Decrease) in Unrestricted Net Assets	(443,995)	(90,025)	546,610	231,502	1,371,574	(11,765,840)	-	18,751,857
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:								
Private grants and contributions	-	-	689,525	689,525	4,055,097	-	-	7,342,993
Federal and state revenue	-	-	-	110,000	-	-	-	39,492,808
Interfund transfers	-	-	(1,000,000)	-	-	-	-	-
Net assets released from restrictions	(58,537)	-	(2,419,035)	(3,631,302)	(501,746)	-	-	(56,353,133)
Increase (Decrease) in Temporarily Restricted Net Assets	(58,537)	-	(2,729,510)	(2,831,777)	3,553,351	-	-	(9,517,332)
INCREASE (DECREASE) IN NET ASSETS	(502,532)	(90,025)	(2,182,900)	(2,600,275)	4,924,925	(11,765,840)	-	9,234,525
NET ASSETS - Beginning of Year	1,757,839	-	6,101,730	9,081,047	-	5,650,410	(1,032,128)	92,603,315
NET ASSETS - End 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

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2016

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	\$ 1,637,082	\$ 2,066,376	\$ 3,395,133	\$ 1,212,208	\$ 2,238,685	\$ 1,578,194	\$ 1,000,141	\$ 2,296,702	\$ 1,057,229	\$ 1,238,656	\$ 17,720,406	\$ 1,512,857
Classified salaries	707,013	720,873	1,367,444	540,928	741,895	435,123	369,311	733,495	420,897	403,809	6,440,788	258,012
Employee benefits	651,995	768,595	1,349,439	460,459	875,414	478,526	302,591	825,807	374,137	458,753	6,545,716	497,256
Books and supplies	627,636	586,044	1,018,021	279,896	521,417	235,160	378,536	447,123	285,704	370,058	4,749,595	280,604
Services and other operating expenses	503,812	1,146,020	1,508,440	299,680	464,525	716,585	523,668	1,666,186	317,425	392,905	7,539,246	390,727
Depreciation and amortization	47,290	27,336	62,951	43,224	55,171	49,559	61,147	124,242	17,509	80,911	569,340	115,378
Total	<u>\$ 4,174,828</u>	<u>\$ 5,315,244</u>	<u>\$ 8,701,428</u>	<u>\$ 2,836,395</u>	<u>\$ 4,897,107</u>	<u>\$ 3,493,147</u>	<u>\$ 2,635,394</u>	<u>\$ 6,093,555</u>	<u>\$ 2,472,901</u>	<u>\$ 2,945,092</u>	<u>\$ 43,565,091</u>	<u>\$ 3,054,834</u>

Program Expenses												
	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Capitol Heights Academy	Aspire Rosa Parks Academy	Aspire Langston Hughes Academy	Aspire Port City Academy	Aspire Vanguard College Prep Academy	Aspire Alexander Twilight College Prep	Alexander Twilight Secondary Academy	Aspire APEX Academy
Certificated salaries	\$ 974,637	\$ 1,603,658	\$ 1,587,547	\$ 2,146,688	\$ 1,251,751	\$ 1,408,786	\$ 2,505,838	\$ 1,485,694	\$ 1,372,430	\$ 1,529,124	\$ 1,531,964	\$ 1,109,150
Classified salaries	213,608	467,384	431,813	549,603	388,989	398,353	685,257	585,539	222,713	527,409	418,532	351,098
Employee benefits	342,997	584,437	557,895	764,608	497,121	518,171	945,736	633,557	492,114	575,201	581,076	437,259
Books and supplies	192,164	435,425	398,930	454,209	406,916	222,415	615,586	367,766	229,340	545,438	477,828	227,693
Services and other operating expenses	355,609	490,832	579,146	1,013,605	296,718	335,849	1,445,560	818,318	519,128	759,308	690,515	390,476
Depreciation and amortization	13,053	36,660	68,321	492,095	16,753	359,248	27,713	25,531	14,002	31,677	18,158	141,818
Total	<u>\$ 2,092,068</u>	<u>\$ 3,618,396</u>	<u>\$ 3,623,652</u>	<u>\$ 5,420,808</u>	<u>\$ 2,858,248</u>	<u>\$ 3,242,822</u>	<u>\$ 6,225,690</u>	<u>\$ 3,916,405</u>	<u>\$ 2,849,727</u>	<u>\$ 3,968,157</u>	<u>\$ 3,718,073</u>	<u>\$ 2,657,494</u>

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2016

	Program Expenses											
	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	Aspire Centennial College Prep Academy
Certificated salaries	\$ 20,020,124	\$ 1,871,330	\$ 2,337,561	\$ 1,263,617	\$ 1,320,055	\$ 2,083,207	\$ 1,602,206	\$ 1,701,694	\$ 1,317,532	\$ 1,331,040	\$ 1,306,350	\$ 2,189,515
Classified salaries	5,498,310	570,577	1,063,728	472,278	440,974	862,048	695,441	603,841	724,819	643,827	622,664	748,710
Employee benefits	7,427,428	654,816	968,477	431,679	435,467	802,060	651,107	647,287	509,132	527,071	511,231	753,562
Books and supplies	4,854,314	758,803	750,612	445,078	494,011	579,763	545,325	559,994	546,716	474,333	471,123	694,375
Services and other operating expenses	8,085,791	418,374	891,116	643,378	743,822	1,284,676	377,392	378,211	257,546	271,290	260,691	963,746
Depreciation and amortization	<u>1,360,407</u>	<u>482,074</u>	<u>569,462</u>	<u>17,106</u>	<u>25,695</u>	<u>44,525</u>	<u>10,407</u>	<u>10,369</u>	<u>13,845</u>	<u>14,724</u>	<u>14,144</u>	<u>44,697</u>
Total	<u>\$ 47,246,374</u>	<u>\$ 4,755,974</u>	<u>\$ 6,580,956</u>	<u>\$ 3,273,136</u>	<u>\$ 3,460,024</u>	<u>\$ 5,656,279</u>	<u>\$ 3,881,878</u>	<u>\$ 3,901,396</u>	<u>\$ 3,369,590</u>	<u>\$ 3,262,285</u>	<u>\$ 3,186,203</u>	<u>\$ 5,394,605</u>

	Program Expenses											
	Total Los Angeles Region	Total California Non Active Sites	Aspire Public Schools Program Expenses	Aspire Hanley School #1	Aspire Hanley School #2	Aspire Coleman Elementary School	Total Tennessee Non Active Sites	Aspire TN, LLC Program Expenses	CFC Inc.	Eliminations	Total Expenses	
Certificated salaries	\$ 18,324,107	\$ 3,876	\$ 56,068,513	\$ 1,792,570	\$ 1,461,016	\$ 1,760,787	\$ 65,124	\$ 5,079,497	\$ -	\$ -	\$ 61,148,010	
Classified salaries	7,448,907	13,057	19,401,062	443,781	495,839	348,713	20,199	1,308,532	-	-	20,709,594	
Employee benefits	6,891,889	13,746	20,878,779	774,922	615,809	683,124	27,195	2,101,050	-	-	22,979,829	
Books and supplies	6,320,133	162,557	16,086,599	319,719	155,883	199,139	32,539	707,280	-	-	16,793,879	
Services and other operating expenses	6,490,242	221,445	22,336,724	686,808	633,454	700,398	29,078	2,049,738	4,545,189	(3,203,686)	25,727,965	
Depreciation and amortization	<u>1,247,048</u>	<u>(9,699)</u>	<u>3,167,096</u>	<u>65,157</u>	<u>60,489</u>	<u>58,031</u>	<u>-</u>	<u>183,677</u>	<u>2,734,833</u>	<u>-</u>	<u>6,085,606</u>	
Total	<u>\$ 46,722,326</u>	<u>\$ 404,982</u>	<u>\$137,938,773</u>	<u>\$ 4,082,957</u>	<u>\$ 3,422,490</u>	<u>\$ 3,750,192</u>	<u>\$ 174,135</u>	<u>\$ 11,429,774</u>	<u>\$ 7,280,022</u>	<u>\$ (3,203,686)</u>	<u>\$153,444,883</u>	

ASPIRE PUBLIC SCHOOLS

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2016

	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	\$ 3,361,734	\$ 1,171,283	\$ 588,230	\$ 5,121,247	\$ 681,797	\$ 199,982	\$ 81,851	\$ 963,630
Classified salaries	4,146,824	3,056,092	1,267,901	8,470,817	563,031	173,375	42,906	779,312
Employee benefits	2,188,541	1,155,640	512,004	3,856,185	383,342	115,024	38,126	536,492
Books and supplies	582,740	-	582,740	1,165,480	32,623	-	32,623	65,246
Services and other operating expenses	1,717,426	2,358,411	699,239	4,775,076	1,436,496	702,116	307,290	2,445,902
Depreciation and amortization	<u>72,002</u>	<u>70,893</u>	<u>72,002</u>	<u>214,897</u>	<u>9,734</u>	<u>9,734</u>	<u>10,029</u>	<u>29,497</u>
Total	<u>\$ 12,069,267</u>	<u>\$ 7,812,319</u>	<u>\$ 3,722,116</u>	<u>\$ 23,603,702</u>	<u>\$ 3,107,023</u>	<u>\$ 1,200,231</u>	<u>\$ 512,825</u>	<u>\$ 4,820,079</u>
	Aspire University							
	Site support	Development and expansion	Administrative and general	Total Aspire University Supporting Expenses	CFC Inc	Eliminations	Total Consolidated	
Certificated salaries	\$ 471,757	\$ 701,797	\$ 94,351	\$ 1,267,905	\$ -	\$ -	\$ 7,352,782	
Classified salaries	341,347	392,388	68,269	802,004	-	-	10,052,133	
Employee benefits	273,794	295,406	60,157	629,357	-	-	5,022,034	
Books and supplies	33,192	-	33,192	66,384	-	-	1,297,110	
Services and other operating expenses	289,195	201,160	328,883	819,238	-	(4,707,342)	3,332,874	
Depreciation and amortization	-	-	-	-	-	-	244,394	
Total	<u>\$ 1,409,285</u>	<u>\$ 1,590,751</u>	<u>\$ 584,852</u>	<u>\$ 3,584,888</u>	<u>\$ -</u>	<u>\$ (4,707,342)</u>	<u>\$ 27,301,327</u>	