

**ASPIRE PUBLIC SCHOOLS**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**  
**YEARS ENDED**  
**JUNE 30, 2018 AND 2017**

# 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, 2018 and 2017, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. 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, 2018 and 2017, 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.

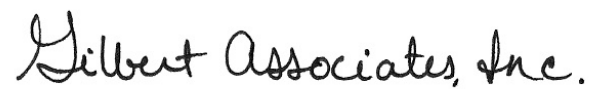
***Other Matter***

*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, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



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

**December 17, 2018**

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2018 AND 2017

ASSETS		
	2018	2017
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 41,008,458	\$ 40,680,958
Restricted cash and cash equivalents	4,014,247	3,786,617
Accounts receivable	22,773,247	19,737,193
Foundation grants receivable, current portion	3,919,091	6,057,613
Prepaid expenses and deposits	1,628,013	672,738
Total current assets	73,343,056	70,935,119
 <b>NON-CURRENT ASSETS:</b>		
Restricted cash and cash equivalents	10,338,704	11,500,054
Investments	136,619	10,104,496
Foundation grants receivable, net	24,358	1,430,726
Property and equipment, net	168,981,244	168,154,487
Other assets, net	380,877	425,717
 <b>TOTAL ASSETS</b>	 \$ 253,204,858	 \$ 262,550,599
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 5,772,805	\$ 7,232,189
Accrued expenses	10,847,195	10,538,946
Line of credit	2,200,000	200,000
Debt, current	2,392,336	2,187,497
Total current liabilities	21,212,336	20,158,632
 <b>LONG-TERM LIABILITIES:</b>		
Deferred rent	866,452	840,451
Debt, net	136,240,239	138,847,411
Total liabilities	158,319,027	159,846,494
 <b>NET ASSETS:</b>		
Unrestricted	78,486,315	76,056,261
Temporarily restricted	16,399,516	26,647,844
Total net assets	94,885,831	102,704,105
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 \$ 253,204,858	 \$ 262,550,599

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

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2018 AND 2017

<b>UNRESTRICTED NET ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>SUPPORT AND REVENUE:</b>		
Private grants and contributions	\$ 2,689,082	\$ 4,757,928
Donated equipment, materials, and services	-	1,560,578
Federal revenue	20,567,652	21,769,691
California state revenue:		
State aid portion of general purpose funding	91,329,707	86,072,101
All other state revenue	18,819,928	11,974,857
Tennessee state revenue:		
Basic education program funding	14,010,357	12,158,786
All other state revenue	382,149	178,563
Local revenue:		
Cash in-lieu of property taxes	28,616,003	27,089,377
Interest income	397,397	112,028
All other local revenue	2,600,053	2,601,457
Subtotal	<u>179,412,328</u>	<u>168,275,366</u>
Net assets released from restrictions	<u>39,793,662</u>	<u>36,369,525</u>
Total support and revenue	<u>219,205,990</u>	<u>204,644,891</u>
<b>EXPENSES AND LOSSES</b>		
<b>PROGRAM EXPENSES:</b>		
Educational programs	<u>185,782,127</u>	<u>175,456,851</u>
<b>SUPPORTING SERVICES:</b>		
Site support	15,774,016	15,624,149
Development and expansion	8,491,465	8,655,730
Administration and general	6,427,130	7,345,862
Total supporting services	<u>30,692,611</u>	<u>31,625,741</u>
Total expenses	216,474,738	207,082,592
Loss on deconsolidation	301,198	-
Total expenses and losses	<u>216,775,936</u>	<u>207,082,592</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>2,430,054</u>	<u>(2,437,701)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>		
Private grants and contributions	4,747,000	7,825,675
Federal and state revenue	27,394,309	31,847,816
Loss on deconsolidation	(2,595,975)	-
Net assets released from restrictions	<u>(39,793,662)</u>	<u>(36,369,525)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(10,248,328)</u>	<u>3,303,966</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(7,818,274)	866,265
<b>NET ASSETS - Beginning of Year</b>	<u>102,704,105</u>	<u>101,837,840</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 94,885,831</u>	<u>\$ 102,704,105</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, 2018 AND 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (7,818,274)	\$ 866,265
Adjustments to reconcile to net cash provided (used) by operating activities:		
Unrealized gain on investments	-	(1,544)
Depreciation	7,477,303	6,696,489
Amortization	44,840	47,499
Loss on disposal of property and equipment	-	299,232
Forgiveness of debt	(700,000)	(700,000)
Donated investments	-	(93,000)
Amortization of long-term debt costs	(339,001)	(415,144)
(Increase) decrease in assets:		
Accounts receivable	(3,036,054)	4,184,168
Foundation grants receivable	3,544,890	2,945,721
Prepaid expenses and deposits	(955,275)	259,486
Increase (decrease) in liabilities:		
Accounts payable	(2,650,807)	(605,552)
Accrued expenses	308,249	1,011,165
Deferred rent	26,001	43,115
Net cash provided (used) by operating activities	(4,098,128)	14,537,900
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	-	(10,009,952)
Proceeds from the sale of investments	9,967,877	-
Proceeds on sale of property and equipment	-	280,000
Purchases of property and equipment	(7,112,637)	(17,139,366)
Net cash provided (used) in investing activities	2,855,240	(26,869,318)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds (payments) from/on line of credit	2,000,000	(500,000)
Proceeds from debt	824,165	4,223,571
Principal payments on debt	(2,187,497)	(2,064,883)
Net cash provided by financing activities	636,668	1,658,688
Net decrease in cash and cash equivalents	(606,220)	(10,672,730)
Cash and cash equivalents, beginning of year	55,967,629	66,640,359
Cash and cash equivalents, end of year	\$ 55,361,409	\$ 55,967,629
Cash and cash equivalents	\$ 41,008,458	\$ 40,680,958
Restricted cash and cash equivalents	14,352,951	15,286,671
Total	\$ 55,361,409	\$ 55,967,629
<b>NON-CASH INVESTING ACTIVITIES:</b>		
Property and equipment financed through accounts payable	\$ 1,191,423	\$ 1,461,888
<b>NON-CASH FINANCING ACTIVITIES:</b>		
Forgiveness of debt	\$ 700,000	\$ 700,000
<b>CASH PAID FOR INTEREST (net of capitalized amount)</b>	\$ 6,366,369	\$ 4,655,443

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

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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### 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.

Alder Graduate School of Education (Alder) (formerly Aspire University, Inc.) was consolidated with the Organization as of June 30, 2017 since Aspire Public Schools was its sole corporate member. Alder is a separate California non-profit public benefit corporation that was founded in July 2015 with a mission to develop a high-caliber teacher, principal, and leader pipeline for the Organization and other education organizations. On July 1, 2017, Alder revised its bylaws to remove Aspire Public Schools as the sole corporate member and therefore, was deconsolidated from the Organization as of June 30, 2018, resulting in a loss of \$2,897,173 that is reflected in the *Consolidated Statement of Activities*.

For financial reporting purposes, CFC LLC, CFC II LLC, CFC INC, and TN LLC, are consolidated with Aspire Public Schools for the years ended June 30, 2018 and 2017.

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

- **Aspire Public Schools** - Aspire Public Schools operates thirty-six schools in California under thirty-five charters which are chartered by twelve charter authorizers (sponsoring districts) in seven counties. Charters were granted for each school for up to five years, with an opportunity for renewal. Charters may be revoked by the sponsoring district for material violations of the



# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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, 2018, the charter schools operated by Aspire Public Schools were as follows:

<u>Charter School Name</u>	<u>Charter School Number</u>	<u>Sponsoring District</u>	<u>*Charter Granted/Renewed</u>	<u>Charter Expiration</u>
Aspire Alexander Twilight College Preparatory Academy	1554	San Juan Unified	Nov 2015	6/30/21
Aspire Alexander Twilight Secondary Academy	1555	San Juan Unified Los Angeles County	Nov 2015	6/30/21
Aspire Antonio Maria Lugo Academy	694	Office of Education	April 2014	6/30/19
Aspire APEX Academy	1552	Stockton Unified	Jan 2018	6/30/23
Aspire Benjamin Holt College Preparatory Academy	565	Lodi Unified	Oct 2017	6/30/23
Aspire Benjamin Holt Middle School	1782	Lodi Unified	Nov 2015	6/30/21
Aspire Berkley Maynard Academy	726	Oakland Unified	Jan 2015	6/30/20
Aspire Capitol Heights Academy	598	Sacramento City Unified	Apr 2018	6/30/23
Aspire Centennial College Preparatory Academy	1436	Los Angeles Unified	Nov 2017	6/30/23
Aspire College Academy	1577	Oakland Unified	Jan 2018	6/30/23
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	Jan 2018	6/30/23
Aspire Inskip Academy	1332	Los Angeles Unified	Oct 2015	6/30/21
Aspire Junior Collegiate Academy	1551	Los Angeles Unified	Nov 2017	6/30/23
Aspire Langston Hughes Academy	1048	Stockton Unified	Jan 2018	6/30/23
Aspire Lionel Wilson College Preparatory Academy	465	Oakland Unified	Dec 2016	6/30/22
Aspire Monarch Academy	252	Oakland Unified Los Angeles County	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	Jan 2018	6/30/23
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 PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

Aspire Tate Academy	1331	Los Angeles Unified	Oct 2015	6/30/21
Aspire Titan Academy	1550	Los Angeles Unified	Nov 2017	6/30/23
Aspire Triumph Technology Academy	1663	Oakland Unified	Jan 2014	6/30/19
Aspire University Charter School	1026	Modesto City Schools	Jan 2018	6/30/23
Aspire Vanguard College Preparatory Academy	1125	Modesto City Schools	Nov 2013	6/30/19
Aspire Vincent Shalvey Academy	178	Lodi Unified	Feb 2014	6/30/19

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

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

Through June 30, 2018, the Organization had separately negotiated with all sponsoring districts for administrative fees and other services. Additionally, for some schools, transportation expenses and/or special education encroachment are paid by the Organization to the sponsoring districts.

- Aspire Public Schools TN, LLC** – TN LLC operates four schools under four charters in Shelby County, Tennessee. Charters were granted for each school for ten years, with an opportunity for renewal. Charters may be revoked by the charter authorizer (sponsoring district) for material violations of the charter, failure to meet or make progress toward student outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law. As of June 30, 2018, 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 Middle School	8024	TN Achievement School District	April 2013	6/30/23
Aspire Hanley Elementary School	8025	TN Achievement School District	April 2013	6/30/23
Aspire Coleman Elementary School	8050	TN Achievement School District	May 2014	6/30/24
Aspire East Academy	8175	Shelby County Schools	November 2014	6/30/26

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

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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- **College for Certain II, LLC** – CFC II LLC holds title to properties that are financed through the CSFA Charter School Revenue Refunding Bonds Series 2015 (2015 Bonds) where Aspire Public Schools operates three charter schools (two locations) and manages, operates, and leases the properties.
- **College for Certain, Inc.** – CFC INC is a supporting organization of Aspire Public Schools in that it facilitates and supports the development of charter schools for Aspire Public Schools. CFC INC is the sole member of CFC LLC and CFC II LLC and is the named borrower of the 2015 and 2016 Bonds outstanding.

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

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

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

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

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

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

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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**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, 2018 and 2017, in-kind contributions of \$0 and \$1,560,578 were received, respectively.

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

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

**Program development and expansion** – The Organization continually explores potential opportunities for expansion and growth; thus, costs are incurred to research the possibility of establishing new sites. The Organization capitalizes these preacquisition costs into 'Construction in progress' (Note 7) at the time incurred. If it is determined that a formal contractual commitment will not be entered into, the expenses are included in program development and expansion in the period that the determination is made.

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

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

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

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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

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

**Subsequent events** have been reviewed through Month \_\_, 2018, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2018 that require recognition or disclosure in the financial statements.

### 2. CONCENTRATIONS OF CASH

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

### 3. RESTRICTED CASH

Restricted cash consists of amounts that are required to be held for debt service 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, 2018 and 2017 was \$14,352,951 and \$15,286,671, respectively. The current portion of \$4,014,247 and \$3,786,617 as of June 30, 2018 and 2017, respectively, was restricted for current bond debt obligations. The noncurrent portion of \$10,338,704 at June 30, 2018 consisted of \$6,627,387 for debt service reserves and \$3,711,317 for investment in property and equipment. The noncurrent portion of \$11,500,054 at June 30, 2017 consisted of \$6,605,665 for debt service reserves and \$4,894,389 for investment in property and equipment.

### 4. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2018 and 2017 were \$22,773,247 and \$19,737,193, respectively. The balances were due entirely from grantor government agencies, aside from \$126,349 due from Alder for administrative services performed in the year ended June 30, 2018. Management deems all receivables to be collectible as of June 30, 2018.

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

### 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 2.64% and 2.52% at June 30, 2018 and 2017, respectively. For the years ended June 30, 2018 and 2017, foundation grant receivable balances of \$0 and \$1,000,000, respectively, which are expected to be received within one year, are classified with the non-current portion of the grant receivable balance as the contributions are restricted to be invested in property and equipment. All foundation grants receivable are judged by management to be collectible, and were as follows as of June 30:

	<b>2018</b>	<b>2017</b>
Gross foundation grants receivable	\$ 3,944,091	\$ 7,499,808
Less: Unamortized discount	(642)	(11,469)
Foundation grants receivable, net	\$ 3,943,449	\$ 7,488,339

Foundation grants receivable are due to be collected as follows:

	<b>2018</b>	<b>2017</b>
Within one year	\$ 3,919,091	\$ 7,057,613
One to five years	24,358	430,726
Foundation grants receivable, net	\$ 3,943,449	\$ 7,488,339

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:

<b>Purpose:</b>	<b>2018</b>	<b>2017</b>
Opening schools in specific locations	\$ 6,400,000	\$ 9,000,000
Teacher training	-	550,000
Implementation of blended learning at specific locations	-	225,000
Total	\$ 6,400,000	\$ 9,775,000

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

### 6. INVESTMENTS

Investments consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Government bonds	\$ -	\$ 9,970,125
Equity securities invested in education technology	93,000	93,000
Pooled funds with community foundation	<u>43,619</u>	<u>41,371</u>
Investments	<u>\$ 136,619</u>	<u>\$ 10,104,496</u>

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

The Organization also owns common stock of Schoolzilla, Inc. (Schoolzilla). Schoolzilla is a for-profit company that develops web-based data management platforms allowing teachers to synthesize data from multiple sources and create reports presenting their students' academic performances. The Organization owned more than 20% of the common stock until 2015. 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, 2018 and 2017, the investment was reflected at \$0 value due to losses previously recognized under the equity method. Schoolzilla did not declare any dividends as of June 30, 2018 and 2017.

### 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 34,819,639	\$ 34,819,639
Buildings and improvements	144,788,209	139,959,621
Construction in progress	4,886,429	15,941,489
Leasehold improvements	9,778,919	9,296,032
Equipment	11,010,451	10,125,397
Automobiles	<u>81,091</u>	<u>74,091</u>
Subtotal	218,520,335	210,216,269
Less accumulated depreciation	<u>(49,539,091)</u>	<u>(42,061,782)</u>
Property and equipment, net	<u>\$ 168,981,244</u>	<u>\$ 168,154,487</u>

Depreciation expense was \$7,477,303 and \$6,696,489 for the years ended June 30, 2018 and 2017, respectively. Various components of the land, buildings, and schools under construction shown above are pledged as collateral for the debt disclosed in Note 9.

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

### 8. OTHER ASSETS

Other assets consisted of the following at June 30:

	<b>2018</b>	<b>2017</b>
Indefinite-lived intangible assets	\$ 316,372	\$ 316,372
Amortizable intangible assets, net	64,505	109,345
Other assets, net	\$ 380,877	\$ 425,717

#### *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, 2018 and 2017, respectively.

Amortizable intangible assets consist of the following as of June 30, 2018:

	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Product and technology discount benefits	\$ 438,922	\$ 374,417	\$ 64,505
Rights to use certain assets	53,200	53,200	-
Service discount benefits	14,263	14,263	-
Total	\$ 506,385	\$ 441,880	\$ 64,505

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

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



# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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, 2018 and 2017 was \$44,840 and \$47,498, respectively.

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

2019	\$	36,860
2020		<u>27,645</u>
Total		<u>\$ 64,505</u>

### 9. DEBT

	2018	2017
College for Certain Series 2016 School Facility Revenue Refunding Bonds (2016 Bonds) in the amount of \$83,170,000 were issued effective February 1, 2016; with 4 bonds and bearing interest rates ranging from 2.00% - 5.00%. The bond proceeds were used for the refunding of the outstanding principal of the College for Certain Series 2010 School Facility Revenue Bonds. Associated with this bond is a premium of \$10,618,415 and debt issuance costs of \$1,410,454, which are being amortized to interest expense over the term of the bonds. Principal and interest payments are due annually. Final maturity is in August 2046.	\$ 80,550,000	\$ 81,780,000
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 a capital lease. Associated with this bond is a premium of \$2,005,317 and debt issuance costs of \$767,482, which are being amortized to interest expense over the term of the bonds. Principal and interest payments are due annually. Final maturity is in August 2045.	20,145,000	20,475,000
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 were due in 3 annual installments beginning in 2020 through 2022. This loan had the potential to be forgiven annually through 2017/18, if specific milestones are met. \$700,000 of this note was forgiven in both 2018 and 2017, resulting in \$0 outstanding as of June 30, 2018.	-	700,000

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
California School Finance Authority \$4,758,509 loan, effective June 27, 2007, bearing interest at 2.202%, for the construction of Rosa Parks Academy campus in Stockton under Proposition 47. Interest only payments of varying amounts are due annually. Principal and interest payments totaling \$231,795 are due annually. Final maturity is in 2037.	3,567,390	3,717,330
California School Finance Authority \$9,834,913 loan (\$457,251 issued in 2009/10, \$5,262,400 issued in 2010/11, and \$4,115,262 issued in 2012/13), bearing interest at 2%, for the construction of Aspire Ollin University College Preparatory campus in Los Angeles under Proposition 55. Interest only payments of varying amounts are due annually. In addition, a principal and interest payment of \$462,139 is due annually. Final maturity is in 2042.	8,263,249	8,529,545
California School Finance Authority \$8,229,438 loan (\$3,459,764 issued in 2013/14 and \$4,769,674 issued in 2015/16), bearing interest at 2%, for the construction of the Aspire Antonio Maria Lugo Academy campus in Los Angeles under Proposition 1D. Beginning July 2017, interest and principal payments of \$376,730 are due annually. Final Maturity is in 2045.	7,811,078	8,022,339
California School Finance Authority \$3,706,191 loan issued in 2015/16 for a new campus to be built for Aspire ERES Academy in Oakland under Proposition 1D. The interest rate will be approximately the state's borrowing rate and repayment will commence starting one-year after the new facility is opened. The principal will then be amortized over 30 years. Interest is not charged until the repayment period begins. The school is expected to be completed in the 2019/20 fiscal year.	3,706,191	3,706,191
Boston Community Loan Fund loan not to exceed \$4,595,331 issued in March 2017 to TN LLC, to be used for the construction of Aspire East Academy, bearing interest at a fixed rate of 5.50% until February 2027, at which time interest will reset based on the 10-year U.S Daily Treasury Yield Curve Rate. Principal and interest payments due monthly and are calculated based the total amount drawn on the loan. Associated with this loan is \$72,458 of issuance costs that are being amortized to interest expense over the term of the loan. As of June 30, 2018, \$4,547,736 has been drawn from the loan. Repayments are expected to begin in March 2019 with final maturity in February 2037.	4,547,736	4,223,571

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

	<b>2018</b>	<b>2017</b>
California School Finance Authority Charter School Revolving Fund Program \$250,000 loan, effective September 25, 2017, for supporting the operations of Aspire Richmond Technology Academy. Interest rate is 1.12%, due annually. Principal payments of \$50,000 are due annually beginning in the 2018/19 fiscal year. Final maturity is 2023.	250,000	-
California School Finance Authority Charter School Revolving Fund Program \$250,000 loan, effective September 25, 2017, for supporting the operations of Aspire Richmond California College Preparatory Academy. Interest rate is 1.12%, due annually. Principal payments of \$50,000 are due annually beginning in the 2018/19 fiscal year. Final maturity is 2023.	250,000	-
Subtotal	129,090,644	131,153,976
Unamortized premiums and debt issuance costs	9,541,931	9,880,932
Less current portions	(2,392,336)	(2,187,497)
Total Long-Term Debt	\$ 136,240,239	\$ 138,847,411

On February 25, 2016, the Organization issued \$83,170,000 of bonds (2016 Bonds), as mentioned above. The proceeds, in addition to the net premium of \$9,207,961, were used to advance refund \$83,360,000 of outstanding 2010 Bonds. The proceeds were deposited in an irrevocable trust with an escrow agent to pay the future debt service on the refunded bonds. As a result, the 2010 Bonds were considered defeased and the liability for those bonds was removed from the Consolidated Statement of Financial Position. The remaining proceeds were used to fund required reserve accounts. The reacquisition price (amount placed in escrow to repay the 2010 Bonds) exceeded the net carrying amount of those bonds and the unamortized portion of debt issuance costs, by \$15,753,640, which was reflected as a loss in 2016. At June 30, 2018 and 2017, the outstanding balance of the defeased 2010 Bonds were \$85,247,918 and \$90,501,293, respectively. The bonds will be redeemed on their January 1, 2019 call date.

Future payments relating to debt are as follows as of June 30, 2018:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 2,392,336	\$ 5,646,746	\$ 8,039,082
2020	2,495,048	5,624,841	8,119,889
2021	2,608,450	5,513,840	8,122,290
2022	2,721,938	5,489,256	8,211,194
2023	2,841,201	5,277,254	8,118,455
Thereafter	116,031,671	76,363,007	192,394,678
Total	\$ 129,090,644	\$ 103,914,944	\$ 233,005,588

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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Aspire Public Schools (the Obligated Group under the 2015 Bonds and 2016 Bonds) must meet several financial covenants as a requirement of the Bonds. The Organization was in compliance with all covenants as of June 30, 2018.

### *Revolving Line of Credit*

On October 28, 2014, the Organization obtained a \$10,000,000 revolving line of credit. Advances on the credit line were payable on demand and carried an interest rate equal to the greater of the Prime Rate or 3.25%. On December 12, 2016, the Organization modified the line of credit to \$15,000,000, with the interest rate modified to the greater of the Prime Rate or 3.5%, and a maturity date of October 31, 2017. The maturity date was extended to January 2019. The interest rate was 5% and 3.5% at June 30, 2018 and 2017, respectively. The line had an outstanding balance of \$2,200,000 and \$200,000 as of June 30, 2018 and 2017, respectively. The credit line is secured by school revenues of select schools which are not already secured by other debt. In September 2018, the line was amended to increase the maximum borrowing amount to \$20,000,000, and extend the maturity date to October 2019 with a one time option to extend the line by a further six months.

### **10. CAPITALIZATION OF CONSTRUCTION DEBT INTEREST**

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

The amount of capitalizable interest is determined by applying the debt interest rate to the average amount of accumulated expenditures for the building during the year. Interest costs of \$5,594,515 and \$5,579,662 were incurred related to debt during the years ended June 30, 2018 and 2017, respectively. During the years ended June 30, 2018 and 2017, \$127,226 and \$111,202 of interest was capitalized, respectively.

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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### 11. LEASE COMMITMENTS

#### *Operating leases*

The Organization leases buildings for administrative offices in Oakland and Stockton and leases land and buildings for school sites in Berkeley, East Palo Alto, Empire, Los Angeles, Modesto, Oakland, Sacramento, Stockton, and Memphis under various operating leases. The Organization also leases copiers at various school sites. It is unlikely that the Organization will cancel any of these leases before they expire. The aggregate minimum rental payments required under the terms of all operating leases as of June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Minimum Payments</u>
2019	\$ 3,865,395
2020	3,291,420
2021	1,263,805
2022	967,718
2023	446,419
Thereafter	<u>9,524,834</u>
Total	<u>\$ 19,359,591</u>

Rental expense under operating leases was \$4,700,358 and \$4,166,264 for the years ended June 30, 2018 and 2017, respectively.

#### *Capital lease*

The Organization has an agreement with TA Modesto 819 LP (TA) for Aspire Vanguard Academy and Aspire University Charter School campuses. TA is responsible for building the campuses and once completed will lease the facilities to the Organization. In August 2018, a capital lease commenced upon completion of construction by TA for an obligation of \$54,408,111 to be paid through June 30, 2049.

### 12. EMPLOYEE BENEFIT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California and Tennessee. Classified employees in California are members of the California Public Employees' Retirement System (CalPERS), and certificated employees working at California Schools are members of the California State Teachers' Retirement System (CalSTRS). Certificated employees working at Tennessee schools are members of the Tennessee Consolidated Retirement System (TCRS). The Organization also has three 403(b) plans as of the year ended June 30, 2018.

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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### 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:	\$60,998
Actuarial accrued liability:	\$84,871
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2017, 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](http://www.calpers.ca.gov).

### Benefits Provided

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

### Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Classic plan members, defined as a member who joined CalPERS prior to January 1, 2013, are required to contribute 7% of their salary. New members who joined CalPERS for the first time on or after January 1, 2013 are required to contribute 6.5% of their salary. The required employer contribution rate for fiscal years ended June 30, 2018 and 2017

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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were 15.531% and 13.888% of annual payroll, respectively. The contribution requirements of the plan members are established by state statute. For the fiscal year 2019, the Organization is required to contribute 18.062% 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:	\$179,689
Actuarial accrued liability:	\$286,950
Funded status:	50-65% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2017, 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](http://www.calstrs.com).

### Benefits Provided

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

### Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over seven years, effective July 1, 2014. School employer contributions will increase from 8.25% to a total of 19.1% of covered payroll over the seven-year period. Active plan members are required to contribute 9.205% or 10.25 % of their salary, depending on when they were hired. The required employer contribution rates for the fiscal years ended June 30, 2018 and 2017 were 14.43% and 12.58% of annual payroll, respectively. For the fiscal year 2019, the Organization is required to contribute 16.28% of annual payroll.

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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### 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:	\$22,331
Actuarial accrued liability:	\$22,841
Funded status:	At least 80% funded

The actuarial value of assets and accrued liability are expressed in billions and are valued as of June 30, 2017, 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, 2018 and 2017 was 9.08% of annual payroll. The contribution requirements of the plan members are established by state statute. For the fiscal year 2019, the Organization is required to contribute 9.08% of annual payroll.

#### Hybrid Plan:

Plan name:	TCRS Hybrid Pension Plan with Cost Controls
Plan's EIN:	62-6001445
Actuarial value of assets:	\$96,109
Actuarial accrued liability:	\$98,417
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, 2017, the most recent actuarial valuation date.



# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

### 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>2018</u>	<u>2017</u>
CalPERS	\$ 4,686,931	\$ 4,257,017
CalSTRS	\$ 9,742,655	\$ 7,984,452
TCRS Legacy	\$ 355,718	\$ 417,020
TCRS Hybrid	\$ 360,688	\$ 304,194

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

### **Other Defined Contribution Plans:**

The Organization offers a 403(b) retirement plan for California classified employees who are not eligible to participate in CalPERS, the Aspire Public Schools 403(b) CA Plan (CA Plan). Classified employees of Aspire Junior Collegiate Academy, Aspire Titan Academy, Aspire Centennial College Preparatory Academy, Aspire Richmond California College Preparatory Academy, and Aspire Richmond Technology Academy working 20 or more hours per week, and not eligible for CalSTRS, CalPERS or covered by another retirement plan, are eligible to receive discretionary employer contributions, determined on an annual basis. The Organization contributed \$108,968 and \$102,691 to the CA Plan in the years ended June 30, 2018 and 2017, respectively.

The Organization offers a 403(b) retirement plan for TN LLC employees, the Aspire Public Schools 403(b) TN Plan (TN Plan). All employees who normally work 20 or more hours per week and are based in Tennessee are eligible to participate in the plan, with those not already enrolled in the TCRS retirement plan eligible to receive discretionary employer contributions, determined on an annual basis. The Organization contributed \$56,317 and \$46,539 to the TN Plan for the years ended June 30, 2018 and 2017, respectively.

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

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

### 13. RESTRICTED NET ASSETS

At June 30, 2018 and 2017, temporarily restricted net assets consisted of unexpended grants restricted for various purposes. Temporarily restricted net assets are to be used for the following purposes:

	<u>2018</u>	<u>2017</u>
Construction of facilities	\$ 5,708,630	\$ 9,768,922
School expansion	4,703,419	4,857,926
Clean energy projects	5,172,173	5,914,337
School improvement programs	784,571	2,343,496
Aspire University development	-	2,245,976
Time restricted	-	1,300,000
Other school programs	-	217,187
Total	<u>\$ 16,368,793</u>	<u>\$ 26,647,844</u>

### 14. JOINT VENTURES

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

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

#### SUMMARY OF JPA COVERAGE

##### 1. General Liability

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

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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### 2. Property

Organization	
Deductible:	\$1,000
Coverage:	
Building:	\$148,951,804
Contents:	\$5,244,965
Data processing:	\$7,321,643
Extra expense:	\$5,000,000
Business income:	\$5,000,000
Excess Insurance:	None

### 3. Liability

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

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

SAFE 250 E. 1<sup>st</sup> Street, Suite 1000, Los Angeles, California 90012

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

	<b>June 30, 2018</b> <b>(Unaudited)</b>
Total Assets	\$ 28,139,685
Total Liabilities	\$ 21,494,257
Net Assets	<u>6,645,428</u>
Total Liabilities and Equity	<u>\$ 28,139,685</u>
Total Revenues	\$ 24,038,219
Total Expenses	<u>23,213,049</u>
Net Increase in Net Assets	<u>\$ 825,170</u>

# ASPIRE PUBLIC SCHOOLS

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

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### 15. CONTINGENCIES

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

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

### 16. AGREEMENT

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

### 17. RELATED-PARTY TRANSACTIONS

The Organization's CFO was a Board Member of charterSAFE (See Note 14) during the years ended June 30, 2018 and 2017. The Organization paid \$1,323,682 and \$1,029,585 in premiums to charterSAFE during the years ended June 30, 2018 and 2017.

## **SUPPLEMENTARY INFORMATION**

# ASPIRE PUBLIC SCHOOLS

## ORGANIZATION, GOVERNING BOARD, AND ADMINISTRATION YEAR ENDED JUNE 30, 2018

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### ORGANIZATION

Aspire Public Schools (the Organization) was formed to manage, guide, direct, and promote charter schools that provide quality education to youth in pre-K, primary, and secondary grades. The Organization was founded in California in 1998. See Note 1 for a list of charter schools managed by Aspire Public Schools.

### GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Jonathan Garfinkel	Board Chair	2023
Beth Hunkapiller	Member	2023
Warren Felson	Member	2020
Jim Boyd	Member	2021
Leslie Parker Hume	Member	2021
Kay Hong	Member	2020
Nisa Frank	Member	2022
Joaquin Torres	Member	2022

### ADMINISTRATION

Mala Batra  
Interim Chief Executive Officer

Mary Cha-Caswell  
Chief Operating Officer

Erik Brown  
Interim Chief Financial Officer

Casey Hoffman  
Interim Chief of Staff

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2018

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	<b>Second Period Report</b>	<b>Annual Report</b>
<b>Classroom-based ADA:</b>		
Aspire Monarch Academy:		
Grades K through 3	268.66	269.57
Grades 4 through 6	<u>122.92</u>	<u>122.83</u>
Total	<u><u>391.58</u></u>	<u><u>392.40</u></u>
Aspire Lionel Wilson College Preparatory Academy:		
Grades 4 through 6	76.92	77.96
Grades 7 and 8	154.74	154.52
Grades 9 through 12	<u>257.72</u>	<u>256.84</u>
Total	<u><u>489.38</u></u>	<u><u>489.32</u></u>
Aspire East Palo Alto Charter School:		
Grades K through 3	282.58	283.88
Grades 4 through 6	195.73	196.92
Grades 7 and 8	121.38	120.70
Grades 9 through 12	<u>99.33</u>	<u>98.22</u>
Total	<u><u>699.02</u></u>	<u><u>699.72</u></u>
Aspire Triumph Technology Academy:		
Grades K through 3	179.83	178.82
Grades 4 through 6	<u>89.88</u>	<u>89.61</u>
Total	<u><u>269.71</u></u>	<u><u>268.43</u></u>
Aspire Berkley Maynard Academy:		
Grades K through 3	270.89	269.41
Grades 4 through 6	166.99	166.40
Grades 7 and 8	<u>88.92</u>	<u>88.38</u>
Total	<u><u>526.80</u></u>	<u><u>524.19</u></u>
Aspire Richmond California College Preparatory Academy:		
Grade 6	87.55	87.87
Grades 7 and 8	171.88	172.38
Grades 9 through 12	<u>240.15</u>	<u>238.40</u>
Total	<u><u>499.58</u></u>	<u><u>498.65</u></u>

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2018

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	<b>Second Period Report</b>	<b>Annual Report</b>
Aspire Golden State College Preparatory Academy:		
Grades 4 through 6	90.94	90.55
Grades 7 and 8	176.51	175.26
Grades 9 through 12	<u>306.77</u>	<u>304.01</u>
Total	<u>574.22</u>	<u>569.82</u>
Aspire ERES Academy:		
Grades K through 3	86.08	86.07
Grades 4 through 6	79.16	79.23
Grades 7 and 8	<u>46.42</u>	<u>45.81</u>
Total	<u>211.66</u>	<u>211.11</u>
Aspire College Academy:		
Grades K through 3	170.51	168.97
Grades 4 through 6	<u>89.68</u>	<u>88.16</u>
Total	<u>260.19</u>	<u>257.13</u>
Aspire Richmond Technology Academy:		
Grades K through 3	210.52	210.50
Grades 4 through 6	<u>114.58</u>	<u>114.79</u>
Total	<u>325.10</u>	<u>325.29</u>
Aspire Vincent Shalvey Academy:		
Grades K through 3	278.34	279.03
Grades 4 through 6	<u>120.47</u>	<u>120.74</u>
Total	<u>398.81</u>	<u>399.77</u>
Aspire University Charter School:		
Grades K through 3	168.74	167.11
Grades 4 through 6	<u>69.81</u>	<u>69.81</u>
Total	<u>238.55</u>	<u>236.92</u>
Aspire Summit Charter Academy:		
Grades K through 3	294.05	295.75
Grades 4 through 6	<u>114.43</u>	<u>114.03</u>
Total	<u>408.48</u>	<u>409.78</u>



# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2018

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	<b>Second Period Report</b>	<b>Annual Report</b>
Aspire River Oaks Charter School:		
Grades K through 3	282.40	282.61
Grades 4 through 6	<u>125.84</u>	<u>125.61</u>
Total	<u>408.24</u>	<u>408.22</u>
Aspire Benjamin Holt Middle School:		
Grades 4 through 6	185.36	185.16
Grades 7 and 8	<u>307.45</u>	<u>307.40</u>
Total	<u>492.81</u>	<u>492.56</u>
Aspire Benjamin Holt College Preparatory Academy:		
Grades 9 through 12	<u>399.41</u>	<u>397.12</u>
Total	<u>399.41</u>	<u>397.12</u>
Aspire Capitol Heights Academy:		
Grades K through 3	170.94	167.72
Grades 4 through 6	<u>81.08</u>	<u>79.26</u>
Total	<u>252.02</u>	<u>246.98</u>
Aspire Rosa Parks Academy:		
Grades K through 3	256.04	255.33
Grades 4 through 6	<u>114.28</u>	<u>114.15</u>
Total	<u>370.32</u>	<u>369.48</u>
Aspire Langston Hughes Academy:		
Grades 4 through 6	122.75	122.10
Grades 7 and 8	243.50	240.97
Grades 9 through 12	<u>353.70</u>	<u>347.97</u>
Total	<u>719.95</u>	<u>711.04</u>
Aspire Port City Academy:		
Grades K through 3	264.14	264.25
Grades 4 through 6	<u>121.35</u>	<u>120.77</u>
Total	<u>385.49</u>	<u>385.02</u>

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2018

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	<b>Second Period Report</b>	<b>Annual Report</b>
Aspire Vanguard College Preparatory Academy:		
Grades 4 through 6	67.39	67.44
Grades 7 and 8	132.88	131.64
Grades 9 through 12	<u>131.09</u>	<u>128.46</u>
Total	<u><u>331.36</u></u>	<u><u>327.54</u></u>
Aspire Alexander Twilight College Preparatory Academy:		
Grades K through 3	280.05	280.90
Grades 4 through 6	<u>128.77</u>	<u>129.15</u>
Total	<u><u>408.82</u></u>	<u><u>410.05</u></u>
Aspire Alexander Twilight Secondary Academy:		
Grades 4 through 6	86.35	86.15
Grades 7 and 8	174.19	174.06
Grades 9 through 12	<u>141.67</u>	<u>138.87</u>
Total	<u><u>402.21</u></u>	<u><u>399.08</u></u>
Aspire APEX Academy:		
Grades K through 3	198.36	200.12
Grades 4 through 6	<u>109.93</u>	<u>109.28</u>
Total	<u><u>308.29</u></u>	<u><u>309.40</u></u>
Aspire Antonio Maria Lugo Academy:		
Grades K through 3	229.31	229.43
Grades 4 through 6	<u>155.79</u>	<u>156.05</u>
Total	<u><u>385.10</u></u>	<u><u>385.48</u></u>
Aspire Ollin College Preparatory Academy:		
Grade 6	32.94	32.97
Grades 7 and 8	94.91	94.73
Grades 9 through 12	<u>447.13</u>	<u>444.34</u>
Total	<u><u>574.98</u></u>	<u><u>572.04</u></u>
Aspire Junior Collegiate Academy:		
Grades K through 3	200.61	200.45
Grades 4 through 6	<u>119.65</u>	<u>119.74</u>
Total	<u><u>320.26</u></u>	<u><u>320.19</u></u>

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2018

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	<u>Second Period Report</u>	<u>Annual Report</u>
Aspire Titan Academy:		
Grades K through 3	202.09	201.60
Grades 4 through 6	<u>117.54</u>	<u>117.41</u>
Total	<u>319.63</u>	<u>319.01</u>
Aspire Pacific Academy:		
Grades 4 through 6	61.47	61.41
Grades 7 and 8	154.11	153.54
Grades 9 through 12	<u>285.85</u>	<u>283.56</u>
Total	<u>501.43</u>	<u>498.51</u>
Aspire Firestone Academy:		
Grades K through 3	249.98	249.32
Grades 4 through 6	<u>141.93</u>	<u>140.54</u>
Total	<u>391.91</u>	<u>389.86</u>
Aspire Gateway Academy:		
Grades K through 3	257.47	257.49
Grades 4 through 6	<u>139.95</u>	<u>140.04</u>
Total	<u>397.42</u>	<u>397.53</u>
Aspire Tate Academy:		
Grades K through 3	194.98	195.46
Grades 4 through 6	<u>166.60</u>	<u>166.31</u>
Total	<u>361.58</u>	<u>361.77</u>
Aspire Inskeep Academy:		
Grades K through 3	189.63	188.42
Grades 4 through 6	<u>137.70</u>	<u>137.55</u>
Total	<u>327.33</u>	<u>325.97</u>
Aspire Slauson Academy:		
Grades K through 3	190.06	189.73
Grades 4 through 6	<u>136.99</u>	<u>136.23</u>
Total	<u>327.05</u>	<u>325.96</u>

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2018

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	<u>Second Period Report</u>	<u>Annual Report</u>
Aspire Centennial College Preparatory Academy:		
Grades 4 through 6	175.42	175.61
Grades 7 through 8	<u>351.74</u>	<u>351.44</u>
Total	<u>527.16</u>	<u>527.05</u>
Combined Totals:		
Grades K through 3	5,376.26	5,371.94
Grades 4 through 6	3,948.14	3,941.83
Grades 7 and 8	2,218.63	2,210.83
Grades 9 through 12	<u>2,662.82</u>	<u>2,637.79</u>
Total	<u>14,205.85</u>	<u>14,162.39</u>

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2018

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization’s campuses with these requirements.

	<b>Instructional Days – Traditional Calendar</b>	<b>2017-18 Minutes</b>		
		<b>Requirement</b>	<b>Offered</b>	<b>Status</b>
<b>Aspire Monarch Academy:</b>				
Kindergarten	181 days	36,000	60,680	In Compliance
Grades 1 through 3	181 days	50,400	61,760	In Compliance
Grades 4 through 5	181 days	54,000	61,760	In Compliance
<b>Aspire Lionel Wilson College Preparatory Academy:</b>				
Grades 6 through 8	180 days	54,000	65,295	In Compliance
Grades 9 through 12	180 days	64,800	65,700	In Compliance
<b>Aspire East Palo Alto Charter School:</b>				
Kindergarten	181 days	36,000	50,700	In Compliance
Grades 1 through 3	181 days	50,400	57,740	In Compliance
Grades 4 through 5	181 days	54,000	58,800	In Compliance
Grades 6 through 8	181 days	54,000	67,030	In Compliance
Grades 9 through 12	181 days	64,800	67,030	In Compliance
<b>Aspire Triumph Technology Academy:</b>				
Kindergarten	181 days	36,000	59,315	In Compliance
Grades 1 through 3	181 days	50,400	59,315	In Compliance
Grades 4 through 5	181 days	54,000	59,315	In Compliance
<b>Aspire Berkley Maynard Academy:</b>				
Kindergarten	181 days	36,000	56,010	In Compliance
Grades 1 through 3	181 days	50,400	56,010	In Compliance
Grades 4 through 5	181 days	54,000	56,010	In Compliance
Grades 6 through 8	181 days	54,000	56,010	In Compliance

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2018

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization’s campuses with these requirements.

		<b>2017-18 Minutes</b>		
	<b>Instructional Days – Traditional Calendar</b>	<b>Requirement</b>	<b>Offered</b>	<b>Status</b>
Aspire Richmond California College Preparatory Academy:				
Grades 6 through 8	182 days	54,000	60,319	In Compliance
Grades 9 through 12	182 days	64,800	66,286	In Compliance
Aspire Golden State College Preparatory Academy:				
Grades 6 through 8	180 days	54,000	65,808	In Compliance
Grades 9 through 12	180 days	64,800	65,808	In Compliance
Aspire ERES Academy:				
Kindergarten	180 days	36,000	55,800	In Compliance
Grades 1 through 3	180 days	50,400	57,945	In Compliance
Grades 4 through 5	180 days	54,000	57,945	In Compliance
Grades 6 through 8	180 days	54,000	63,835	In Compliance
Aspire College Academy:				
Kindergarten	180 days	36,000	57,050	In Compliance
Grades 1 through 3	180 days	50,400	58,755	In Compliance
Grades 4 through 5	180 days	54,000	58,755	In Compliance
Aspire Richmond Technology Academy:				
Kindergarten	181 days	36,000	52,010	In Compliance
Grades 1 through 3	181 days	50,400	57,810	In Compliance
Grades 4 through 5	181 days	54,000	57,810	In Compliance
Aspire Vincent Shalvey Academy:				
Kindergarten	186 days	36,000	58,295	In Compliance
Grade 1	186 days	50,400	59,920	In Compliance
Grades 2 through 3	186 days	50,400	61,310	In Compliance
Grades 4 through 5	186 days	54,000	61,310	In Compliance

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2018

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

		<b>2017-18 Minutes</b>		
	<b>Instructional Days – Traditional Calendar</b>	<b>Requirement</b>	<b>Offered</b>	<b>Status</b>
Aspire University Charter School:				
Kindergarten	186 days	36,000	59,160	In Compliance
Grades 1 through 3	186 days	50,400	60,200	In Compliance
Grades 4 through 5	186 days	54,000	60,720	In Compliance
Aspire Summit Charter Academy:				
Kindergarten	186 days	36,000	53,710	In Compliance
Grade 1	186 days	50,400	55,140	In Compliance
Grades 2 through 3	186 days	50,400	55,830	In Compliance
Grades 4 through 5	186 days	54,000	57,900	In Compliance
Aspire River Oaks Charter School:				
Kindergarten	186 days	36,000	54,560	In Compliance
Grade 1	186 days	50,400	57,825	In Compliance
Grades 2 through 3	186 days	50,400	59,910	In Compliance
Grades 4 through 5	186 days	54,000	59,910	In Compliance
Aspire Benjamin Holt College Middle School:				
Grades 6 through 8	186 days	54,000	64,440	In Compliance
Aspire Benjamin Holt College Preparatory Academy:				
Grades 9 through 12	186 days	64,800	65,435	In Compliance
Aspire Capitol Heights Academy:				
Kindergarten	186 days	36,000	58,070	In Compliance
Grade 1	186 days	50,400	61,545	In Compliance
Grades 2 through 3	186 days	50,400	63,630	In Compliance
Grades 4 through 5	186 days	54,000	63,630	In Compliance

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2018

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

	<b>Instructional Days – Traditional Calendar</b>	<b>2017-18 Minutes</b>		
		<b>Requirement</b>	<b>Offered</b>	<b>Status</b>
<b>Aspire Rosa Parks Academy:</b>				
Kindergarten	186 days	36,000	59,660	In Compliance
Grade 1	186 days	50,400	59,660	In Compliance
Grades 2 through 3	186 days	50,400	61,030	In Compliance
Grades 4 through 5	186 days	54,000	62,100	In Compliance
<b>Aspire Langston Hughes Academy:</b>				
Grades 6 through 8	186 days	54,000	68,100	In Compliance
Grades 9 through 12	186 days	64,800	68,100	In Compliance
<b>Aspire Port City Academy:</b>				
Kindergarten	186 days	36,000	58,030	In Compliance
Grade 1	186 days	50,400	60,030	In Compliance
Grades 2 through 3	186 days	50,400	62,100	In Compliance
Grades 4 through 5	186 days	54,000	62,100	In Compliance
<b>Aspire Vanguard College Preparatory Academy:</b>				
Grades 6 through 8	186 days	54,000	66,702	In Compliance
Grades 9 through 12	186 days	64,800	66,702	In Compliance
<b>Aspire Alexander Twilight College Preparatory Academy:</b>				
Kindergarten	186 days	36,000	56,820	In Compliance
Grades 1 through 3	186 days	50,400	62,400	In Compliance
Grades 4 through 5	186 days	54,000	62,400	In Compliance



# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2018

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization's campuses with these requirements.

	<b>Instructional Days – Traditional Calendar</b>	<b>2017-18 Minutes</b>		
		<b>Requirement</b>	<b>Offered</b>	<b>Status</b>
<b>Aspire Alexander Twilight Secondary Academy:</b>				
Grades 6 through 8	186 days	54,000	64,735	In Compliance
Grades 9 through 12	186 days	64,800	72,595	In Compliance
<b>Aspire APEX Academy:</b>				
Kindergarten	186 days	36,000	63,870	In Compliance
Grades 1 through 3	186 days	50,400	63,870	In Compliance
Grades 4 through 5	186 days	54,000	63,870	In Compliance
<b>Aspire Antonio Maria Lugo Academy:</b>				
Kindergarten	180 days	36,000	56,580	In Compliance
Grades 1 through 3	180 days	50,400	57,660	In Compliance
Grades 4 through 5	180 days	54,000	57,660	In Compliance
<b>Aspire Ollin University Preparatory Academy:</b>				
Grades 7 through 8	180 days	54,000	65,420	In Compliance
Grades 9 through 12	180 days	64,800	65,420	In Compliance
<b>Aspire Junior Collegiate Academy:</b>				
Kindergarten	180 days	36,000	60,840	In Compliance
Grades 1 through 3	180 days	50,400	60,840	In Compliance
Grades 4 through 5	180 days	54,000	60,840	In Compliance
<b>Aspire Titan Academy:</b>				
Kindergarten	180 days	36,000	59,040	In Compliance
Grades 1 through 3	180 days	50,400	59,040	In Compliance
Grades 4 through 5	180 days	54,000	59,040	In Compliance

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2018

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of the Organization’s campuses with these requirements.

	<b>Instructional Days – Traditional Calendar</b>	<b>2017-18 Minutes</b>		
		<b>Requirement</b>	<b>Offered</b>	<b>Status</b>
<b>Aspire Pacific Academy:</b>				
Grades 6 through 8	180 days	54,000	64,966	In Compliance
Grades 9 through 12	180 days	64,800	64,966	In Compliance
<b>Aspire Firestone Academy:</b>				
Kindergarten	180 days	36,000	58,320	In Compliance
Grades 1 through 3	180 days	50,400	58,320	In Compliance
Grades 4 through 5	180 days	54,000	58,320	In Compliance
<b>Aspire Gateway Academy:</b>				
Kindergarten	180 days	36,000	58,320	In Compliance
Grades 1 through 3	180 days	50,400	58,320	In Compliance
Grades 4 through 5	180 days	54,000	58,320	In Compliance
<b>Aspire Tate Academy:</b>				
Kindergarten	180 days	36,000	61,380	In Compliance
Grades 1 through 3	180 days	50,400	61,380	In Compliance
Grades 4 through 6	180 days	54,000	61,380	In Compliance
<b>Aspire Inskeep Academy:</b>				
Kindergarten	180 days	36,000	61,380	In Compliance
Grades 1 through 3	180 days	50,400	61,380	In Compliance
Grades 4 through 6	180 days	54,000	61,380	In Compliance
<b>Aspire Slauson Academy:</b>				
Kindergarten	180 days	36,000	61,380	In Compliance
Grades 1 through 3	180 days	50,400	61,380	In Compliance
Grades 4 through 6	180 days	54,000	61,380	In Compliance
<b>Aspire Centennial College Preparatory Academy:</b>				
Grades 6 through 8	180 days	54,000	64,905	In Compliance

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION JUNE 30, 2018

Page 1 of 2

	School Operations				Administration	Total School Activity
	Bay Area Schools	Central Valley Schools	LA Schools	Tennessee Schools	National Office	
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	\$ 11,226,693	\$ 12,491,790	\$ 15,923,807	\$ 3,716,873	\$ (2,350,705)	\$ 41,008,458
Restricted cash and cash equivalents	-	-	-	-	-	-
Accounts receivable	8,487,687	8,743,786	4,240,163	1,220,269	81,342	22,773,247
Foundation grants receivable, current portion	194,091	-	-	2,600,000	1,125,000	3,919,091
Prepaid expenses and deposits	210,408	420,351	665,188	56,642	275,424	1,628,013
Intercompany receivable	-	29,893	-	37,354	1,097,586	1,164,833
Total current assets	20,118,879	21,685,820	20,829,158	7,631,138	228,647	70,493,642
<b>NON-CURRENT ASSETS:</b>						
Restricted cash and cash equivalents	3,482,907	-	-	-	-	3,482,907
Investments	-	-	-	-	136,619	136,619
Foundation grants receivable, net	-	-	-	-	24,358	24,358
Deferred rent	358,000	645,569	190,927	-	-	1,194,496
Property and equipment, net	13,600,339	15,471,472	33,523,899	6,325,358	311,797	69,232,865
Other assets, net	-	-	-	-	380,877	380,877
<b>TOTAL ASSETS</b>	<b>\$ 37,560,125</b>	<b>\$ 37,802,861</b>	<b>\$ 54,543,984</b>	<b>\$ 13,956,496</b>	<b>\$ 1,082,298</b>	<b>\$ 144,945,764</b>
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$ 1,355,608	\$ 1,678,716	\$ 550,620	\$ 343,453	\$ 1,844,408	\$ 5,772,805
Accrued expenses	1,860,584	1,892,067	2,381,163	799,524	1,822,739	8,756,077
Line of credit	500,000	1,700,000	-	-	-	2,200,000
Debt, current	100,000	153,241	487,130	41,965	-	782,336
Intercompany payable	-	-	-	44,947	37,354	82,301
Total current liabilities	3,816,192	5,424,024	3,418,913	1,229,889	3,704,501	17,593,519
<b>LONG-TERM LIABILITIES:</b>						
Deferred rent	-	248,679	1,039,564	-	-	1,288,243
Debt, net	4,106,191	3,414,149	15,587,197	4,436,996	-	27,544,533
Total liabilities	7,922,383	9,086,852	20,045,674	5,666,885	3,704,501	46,426,295
<b>NET ASSETS:</b>						
Unrestricted	22,867,805	26,994,013	31,792,568	3,586,190	(3,120,623)	82,119,953
Temporarily restricted	6,769,937	1,721,996	2,705,742	4,703,421	498,420	16,399,516
Total net assets	29,637,742	28,716,009	34,498,310	8,289,611	(2,622,203)	98,519,469
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 37,560,125</b>	<b>\$ 37,802,861</b>	<b>\$ 54,543,984</b>	<b>\$ 13,956,496</b>	<b>\$ 1,082,298</b>	<b>\$ 144,945,764</b>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION, BY REGION JUNE 30, 2018

Page 2 of 2

	Alder *	CFC, Inc.	Eliminations	Total Consolidated
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 41,008,458
Restricted cash and cash equivalents	-	4,014,247	-	4,014,247
Accounts receivable	-	-	-	22,773,247
Foundation grants receivable, current portion	-	-	-	3,919,091
Prepaid expenses and deposits	-	-	-	1,628,013
Intercompany receivable	-	-	(1,164,833)	-
Total current assets	-	4,014,247	(1,164,833)	73,343,056
<b>NON-CURRENT ASSETS:</b>				
Restricted cash and cash equivalents	-	6,855,797	-	10,338,704
Investments	-	-	-	136,619
Foundation grants receivable, net	-	-	-	24,358
Deferred rent	-	6,514	(1,201,010)	-
Property and equipment, net	-	100,780,507	(1,032,128)	168,981,244
Other assets, net	-	-	-	380,877
Total non-current assets	-	107,642,818	(1,201,010)	178,198,619
<b>TOTAL ASSETS</b>	\$ -	\$ 111,657,065	\$ (3,397,971)	\$ 253,204,858
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,772,805
Accrued expenses	-	2,091,118	-	10,847,195
Line of credit	-	-	-	2,200,000
Debt, current	-	1,610,000	-	2,392,336
Intercompany payable	-	1,082,532	(1,164,833)	-
Total current liabilities	-	4,783,650	(1,164,833)	21,212,336
<b>LONG-TERM LIABILITIES:</b>				
Deferred rent	-	779,219	(1,201,010)	866,452
Debt, net	-	108,695,706	-	136,240,239
Total liabilities	-	114,258,575	(2,365,843)	158,319,027
<b>NET ASSETS:</b>				
Unrestricted	-	(2,601,510)	(1,032,128)	78,486,315
Temporarily restricted	-	-	-	16,399,516
Total net assets	-	(2,601,510)	(1,032,128)	94,885,831
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ -	\$ 111,657,065	\$ (3,397,971)	\$ 253,204,858

\* See Note 1 regarding deconsolidation of Alder Graduate School of Education.

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION YEAR ENDED JUNE 30, 2018

Page 1 of 2

	School Operations			Administration		Total School Activity
	Bay Area Schools	Central Valley Schools	LA Schools	Tennessee Schools	National Office	
<b>UNRESTRICTED NET ASSETS</b>						
<b>SUPPORT AND REVENUE:</b>						
Private grants and contributions	\$ 525,429	\$ 53,139	\$ 35,879	\$ 85,198	\$ 1,989,437	\$ 2,689,082
Federal revenue	5,356,113	5,128,154	6,440,389	3,444,848	198,148	20,567,652
California State revenue						
State aid portion of general purpose funding	29,471,440	33,596,801	28,261,466	-	-	91,329,707
All other state revenue	6,092,842	7,858,021	4,869,065	-	-	18,819,928
Tennessee State revenue						
Basic education program funding	-	-	-	14,010,357	-	14,010,357
All other state revenue	-	-	-	382,149	-	382,149
Local revenue:						
Cash in-lieu of property taxes	8,511,570	8,976,208	11,128,225	-	-	28,616,003
Interest income	12,949	7,472	-	-	280,413	300,834
All other local revenue	1,076,163	969,269	288,771	86,315	835,412	3,255,930
Subtotal	51,046,506	56,589,064	51,023,795	18,008,867	3,303,410	179,971,642
Net assets released from restrictions	13,131,401	9,880,187	9,466,493	2,754,505	4,561,076	39,793,662
Total support and revenue	<u>64,177,907</u>	<u>66,469,251</u>	<u>60,490,288</u>	<u>20,763,372</u>	<u>7,864,486</u>	<u>219,765,304</u>
<b>EXPENSES AND LOSSES</b>						
<b>PROGRAM EXPENSES:</b>						
Educational programs	<u>53,967,620</u>	<u>59,032,027</u>	<u>55,046,470</u>	<u>17,078,971</u>	<u>-</u>	<u>185,125,088</u>
<b>SUPPORTING SERVICES:</b>						
Site support	1,320,097	1,548,062	2,073,097	1,696,470	9,136,290	15,774,016
Development and expansion	473,090	559,224	739,480	561,173	6,158,498	8,491,465
Administration and general	163,657	219,859	296,661	623,575	5,123,378	6,427,130
Cost allocations	3,272,474	3,938,891	3,486,754	-	(10,698,119)	-
Total supporting services	<u>5,229,318</u>	<u>6,266,036</u>	<u>6,595,992</u>	<u>2,881,218</u>	<u>9,720,047</u>	<u>30,692,611</u>
Total expenses	59,196,938	65,298,063	61,642,462	19,960,189	9,720,047	215,817,699
Loss on deconsolidation	-	-	-	-	-	-
Total expenses and losses	<u>59,196,938</u>	<u>65,298,063</u>	<u>61,642,462</u>	<u>19,960,189</u>	<u>9,720,047</u>	<u>215,817,699</u>
<b>TRANSFERS BETWEEN AFFILIATES</b>	(25,020)	(490,040)	(25,020)	-	-	(540,080)
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>4,955,949</u>	<u>681,148</u>	<u>(1,177,194)</u>	<u>803,183</u>	<u>(1,855,561)</u>	<u>3,407,525</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>						
Private grants and contributions	147,000	-	-	2,600,000	2,000,000	4,747,000
Federal and state revenue	8,269,140	9,042,776	10,082,393	-	-	27,394,309
Interfund transfers	(516,691)	(789,154)	(334,422)	-	1,640,267	-
Loss on deconsolidation	-	-	-	-	-	-
Net assets released from restrictions	(13,131,401)	(9,880,187)	(9,466,493)	(2,754,505)	(4,561,076)	(39,793,662)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(5,231,952)</u>	<u>(1,626,565)</u>	<u>281,478</u>	<u>(154,505)</u>	<u>(920,809)</u>	<u>(7,652,353)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(276,003)	(945,417)	(895,716)	648,678	(2,776,370)	(4,244,828)
<b>NET ASSETS - Beginning of Year</b>	29,913,745	29,661,426	35,394,026	7,640,933	154,167	102,764,297
<b>NET ASSETS - End of Year</b>	<u>\$ 29,637,742</u>	<u>\$ 28,716,009</u>	<u>\$ 34,498,310</u>	<u>\$ 8,289,611</u>	<u>\$ (2,622,203)</u>	<u>\$ 98,519,469</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES, BY REGION YEAR ENDED JUNE 30, 2018

Page 2 of 2

	Alder *	CFC, Inc.	Eliminations	Total Consolidated
<b>UNRESTRICTED NET ASSETS</b>				
<b>SUPPORT AND REVENUE:</b>				
Private grants and contributions	\$ -	\$ -	\$ -	\$ 2,689,082
Federal revenue	-	-	-	20,567,652
California State revenue				
State aid portion of general purpose funding	-	-	-	91,329,707
All other state revenue	-	-	-	18,819,928
Tennessee State revenue				
Basic education program funding	-	-	-	14,010,357
All other state revenue	-	-	-	382,149
Local revenue:				
Cash in-lieu of property taxes	-	-	-	28,616,003
Interest income	-	96,563	-	397,397
All other local revenue	-	6,713,758	(7,369,635)	2,600,053
Subtotal	-	6,810,321	(7,369,635)	179,412,328
Net assets released from restrictions	-	-	-	39,793,662
Total support and revenue	-	6,810,321	(7,369,635)	219,205,990
<b>EXPENSES AND LOSSES</b>				
<b>PROGRAM EXPENSES:</b>				
Educational programs	-	8,026,674	(7,369,635)	185,782,127
<b>SUPPORTING SERVICES:</b>				
Site support	-	-	-	15,774,016
Development and expansion	-	-	-	8,491,465
Administration and general	-	-	-	6,427,130
Cost allocations	-	-	-	-
Total supporting services	-	-	-	30,692,611
Total expenses	-	8,026,674	(7,369,635)	216,474,738
Loss on deconsolidation	301,198	-	-	301,198
Total expenses and losses	301,198	8,026,674	(7,369,635)	216,775,936
<b>TRANSFERS BETWEEN AFFILIATES</b>	-	540,080	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	(301,198)	(676,273)	-	2,430,054
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>				
Private grants and contributions	-	-	-	4,747,000
Federal and state revenue	-	-	-	27,394,309
Interfund transfers	-	-	-	-
Loss on deconsolidation	(2,595,975)	-	-	(2,595,975)
Net assets released from restrictions	-	-	-	(39,793,662)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	(2,595,975)	-	-	(10,248,328)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(2,897,173)	(676,273)	-	(7,818,274)
<b>NET ASSETS - Beginning of Year</b>	2,897,173	(1,925,237)	(1,032,128)	102,704,105
<b>NET ASSETS - End of Year</b>	\$ -	\$ (2,601,510)	\$ (1,032,128)	\$ 94,885,831

\* See Note 1 regarding deconsolidation of Alder Graduate School of Education.

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

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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
<b>CURRENT ASSETS:</b>									
Cash and cash equivalents	\$ 1,112,584	\$ 754,070	\$ 1,349,552	\$ 264,304	\$ 1,809,149	\$ 308,448	\$ 235,191	\$ 719,292	\$ 3,781,335
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	894,149	1,021,888	1,296,839	656,292	812,606	1,163,155	638,312	1,120,612	424,478
Foundation grants receivable, current portion	19,800	-	47,091	29,700	19,800	-	-	-	9,900
Prepaid expenses and deposits	48,056	1,503	2,814	30,514	9,768	44,695	29,338	1,915	11,381
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	<u>2,074,589</u>	<u>1,777,461</u>	<u>2,696,296</u>	<u>980,810</u>	<u>2,651,323</u>	<u>1,516,298</u>	<u>902,841</u>	<u>1,841,819</u>	<u>4,227,094</u>
<b>NON-CURRENT ASSETS:</b>									
Restricted cash and cash equivalents	-	-	-	1,000,000	-	-	-	-	1,482,907
Investments	-	-	-	-	-	-	-	-	-
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	-	113,697	87,041	-	-	-	-	157,262	-
Property and equipment, net	482,207	736,956	5,370,889	188,275	704,288	335,722	502,688	2,897,671	2,262,536
Other assets, net	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,556,796</u>	<u>\$ 2,628,114</u>	<u>\$ 8,154,226</u>	<u>\$ 2,169,085</u>	<u>\$ 3,355,611</u>	<u>\$ 1,852,020</u>	<u>\$ 1,405,529</u>	<u>\$ 4,896,752</u>	<u>\$ 7,972,537</u>
<b>CURRENT LIABILITIES:</b>									
Accounts payable	\$ 152,951	\$ 61,269	\$ 377,501	\$ 47,952	\$ 370,265	\$ 63,775	\$ 54,574	\$ 15,367	\$ 176,102
Accrued expenses	192,514	185,039	262,831	119,237	244,932	235,997	141,407	198,423	106,172
Line of credit	-	-	-	-	-	300,000	200,000	-	-
Debt, current	-	-	-	-	-	50,000	50,000	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>345,465</u>	<u>246,308</u>	<u>640,332</u>	<u>167,189</u>	<u>615,197</u>	<u>649,772</u>	<u>445,981</u>	<u>213,790</u>	<u>282,274</u>
<b>LONG-TERM LIABILITIES:</b>									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	-	-	-	-	-	200,000	200,000	-	3,706,191
Total liabilities	<u>345,465</u>	<u>246,308</u>	<u>640,332</u>	<u>167,189</u>	<u>615,197</u>	<u>849,772</u>	<u>645,981</u>	<u>213,790</u>	<u>3,988,465</u>
<b>NET ASSETS:</b>									
Unrestricted	1,931,073	2,275,360	7,271,609	918,762	2,721,281	949,604	707,567	4,669,924	268,282
Temporarily restricted	280,258	106,446	242,285	1,083,134	19,133	52,644	51,981	13,038	3,715,790
Total net assets	<u>2,211,331</u>	<u>2,381,806</u>	<u>7,513,894</u>	<u>2,001,896</u>	<u>2,740,414</u>	<u>1,002,248</u>	<u>759,548</u>	<u>4,682,962</u>	<u>3,984,072</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,556,796</u>	<u>\$ 2,628,114</u>	<u>\$ 8,154,226</u>	<u>\$ 2,169,085</u>	<u>\$ 3,355,611</u>	<u>\$ 1,852,020</u>	<u>\$ 1,405,529</u>	<u>\$ 4,896,752</u>	<u>\$ 7,972,537</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2018

Page 2 of 6

	Aspire College Academy	Bay Area Regional Office	Total Bay Area Region	Aspire Vincent Shalvey Academy	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Benjamin Holt Middle School
<b>CURRENT ASSETS:</b>									
Cash and cash equivalents	\$ 476,074	\$ 416,694	\$ 11,226,693	\$ 1,497,099	\$ 591,919	\$ 1,080,963	\$ 165,514	\$ 1,278,132	\$ 72,886
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	438,603	20,753	8,487,687	593,105	217,779	440,529	745,084	745,189	719,665
Foundation grants receivable, current portion	19,800	48,000	194,091	-	-	-	-	-	-
Prepaid expenses and deposits	28,812	1,612	210,408	16,390	134,375	36,533	1,363	788	1,005
Intercompany receivable	-	-	-	-	-	-	-	-	-
Total current assets	<u>963,289</u>	<u>487,059</u>	<u>20,118,879</u>	<u>2,106,594</u>	<u>944,073</u>	<u>1,558,025</u>	<u>911,961</u>	<u>2,024,109</u>	<u>793,556</u>
<b>NON-CURRENT ASSETS:</b>									
Restricted cash and cash equivalents	1,000,000	-	3,482,907	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	-	-	358,000	-	-	-	183,837	58,327	-
Property and equipment, net	103,202	15,905	13,600,339	240,622	86,442	406,167	615,278	430,036	359,043
Other assets, net	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,066,491</u>	<u>\$ 502,964</u>	<u>\$ 37,560,125</u>	<u>\$ 2,347,216</u>	<u>\$ 1,030,515</u>	<u>\$ 1,964,192</u>	<u>\$ 1,711,076</u>	<u>\$ 2,512,472</u>	<u>\$ 1,152,599</u>
<b>CURRENT LIABILITIES:</b>									
Accounts payable	\$ 32,400	\$ 3,452	\$ 1,355,608	\$ 121,716	\$ 34,836	\$ 91,005	\$ 140,694	\$ 164,093	\$ 254,032
Accrued expenses	95,242	78,790	1,860,584	124,086	84,520	142,025	123,844	134,243	129,412
Line of credit	-	-	500,000	-	-	-	-	-	-
Debt, current	-	-	100,000	-	-	-	-	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>127,642</u>	<u>82,242</u>	<u>3,816,192</u>	<u>245,802</u>	<u>119,356</u>	<u>233,030</u>	<u>264,538</u>	<u>298,336</u>	<u>383,444</u>
<b>LONG-TERM LIABILITIES:</b>									
Deferred rent	-	-	-	-	-	-	-	-	248,679
Debt, net	-	-	4,106,191	-	-	-	-	-	-
Total liabilities	<u>127,642</u>	<u>82,242</u>	<u>7,922,383</u>	<u>245,802</u>	<u>119,356</u>	<u>233,030</u>	<u>264,538</u>	<u>298,336</u>	<u>632,123</u>
<b>NET ASSETS:</b>									
Unrestricted	919,049	235,294	22,867,805	1,855,666	911,158	1,469,981	1,417,083	2,202,918	467,869
Temporarily restricted	1,019,800	185,428	6,769,937	245,748	1	261,181	29,455	11,218	52,607
Total net assets	<u>1,938,849</u>	<u>420,722</u>	<u>29,637,742</u>	<u>2,101,414</u>	<u>911,159</u>	<u>1,731,162</u>	<u>1,446,538</u>	<u>2,214,136</u>	<u>520,476</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,066,491</u>	<u>\$ 502,964</u>	<u>\$ 37,560,125</u>	<u>\$ 2,347,216</u>	<u>\$ 1,030,515</u>	<u>\$ 1,964,192</u>	<u>\$ 1,711,076</u>	<u>\$ 2,512,472</u>	<u>\$ 1,152,599</u>



# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2018

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	Aspire Capitol Heights Academy	Aspire Rosa Parks Academy	Aspire Langston Hughes Academy	Aspire Port City Academy	Aspire Vanguard College Prep Academy	Aspire Alexander Twilight College Prep Academy	Aspire Alexander Twilight Secondary Academy	Aspire APEX Academy	Central Valley Regional Office
<b>CURRENT ASSETS:</b>									
Cash and cash equivalents	\$ 417,283	\$ 1,898,421	\$ 2,003,958	\$ 1,731,563	\$ 195,081	\$ 317,483	\$ 255,889	\$ 363,004	\$ 622,595
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	614,438	461,550	1,292,292	633,885	333,055	699,739	578,518	645,521	23,437
Foundation grants receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	17,205	1,548	1,783	26,222	144,881	9,849	1,385	14,792	12,232
Intercompany receivable	-	-	-	-	-	29,893	-	-	-
Total current assets	1,048,926	2,361,519	3,298,033	2,391,670	673,017	1,056,964	835,792	1,023,317	658,264
<b>NON-CURRENT ASSETS:</b>									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	-	-	155,483	117,772	-	116,081	14,069	-	-
Property and equipment, net	569,888	8,940,271	588,904	371,203	112,986	1,233,900	1,217,555	222,518	76,659
Other assets, net	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	\$ 1,618,814	\$ 11,301,790	\$ 4,042,420	\$ 2,880,645	\$ 786,003	\$ 2,406,945	\$ 2,067,416	\$ 1,245,835	\$ 734,923
<b>CURRENT LIABILITIES:</b>									
Accounts payable	\$ 268,973	\$ 94,388	\$ 173,218	\$ 75,367	\$ 100,102	\$ 24,661	\$ 33,376	\$ 68,110	\$ 34,145
Accrued expenses	120,110	120,167	214,739	151,705	110,714	110,759	123,250	121,268	81,225
Line of credit	200,000	-	-	-	-	700,000	800,000	-	-
Debt, current	-	153,241	-	-	-	-	-	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	589,083	367,796	387,957	227,072	210,816	835,420	956,626	189,378	115,370
<b>LONG-TERM LIABILITIES:</b>									
Deferred rent	-	-	-	-	-	-	-	-	-
Debt, net	-	3,414,149	-	-	-	-	-	-	-
Total liabilities	589,083	3,781,945	387,957	227,072	210,816	835,420	956,626	189,378	115,370
<b>NET ASSETS:</b>									
Unrestricted	766,605	7,366,652	3,622,886	2,587,251	575,186	1,392,487	943,412	795,306	619,553
Temporarily restricted	263,126	153,193	31,577	66,322	1	179,038	167,378	261,151	-
Total net assets	1,029,731	7,519,845	3,654,463	2,653,573	575,187	1,571,525	1,110,790	1,056,457	619,553
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 1,618,814	\$ 11,301,790	\$ 4,042,420	\$ 2,880,645	\$ 786,003	\$ 2,406,945	\$ 2,067,416	\$ 1,245,835	\$ 734,923

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2018

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	<b>Total Central Valley Region</b>	<b>Aspire Antonio Maria Lugo Academy</b>	<b>Aspire Ollin University Preparatory Academy</b>	<b>Aspire Junior Collegiate Academy</b>	<b>Aspire Titan Academy</b>	<b>Aspire Pacific Academy</b>	<b>Aspire Firestone Academy</b>	<b>Aspire Gateway Academy</b>	<b>Aspire Tate Academy</b>
<b>CURRENT ASSETS:</b>									
Cash and cash equivalents	\$ 12,491,790	\$ 1,658,600	\$ 986,320	\$ 1,458,271	\$ 1,086,057	\$ 634,974	\$ 1,996,233	\$ 1,957,383	\$ 1,368,999
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	8,743,786	316,821	487,180	417,695	444,390	600,575	238,931	271,215	269,843
Foundation grants receivable, current portion	-	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	420,351	1,666	1,480	1,136	1,136	1,285	10,265	5,402	1,113
Intercompany receivable	29,893	-	-	-	-	-	-	-	-
Total current assets	<u>21,685,820</u>	<u>1,977,087</u>	<u>1,474,980</u>	<u>1,877,102</u>	<u>1,531,583</u>	<u>1,236,834</u>	<u>2,245,429</u>	<u>2,234,000</u>	<u>1,639,955</u>
<b>NON-CURRENT ASSETS:</b>									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Foundation grants receivable, net	-	-	-	-	-	-	-	-	-
Deferred rent	645,569	-	-	94,291	96,636	-	-	-	-
Property and equipment, net	15,471,472	15,239,870	16,756,229	218,765	279,342	395,071	59,944	59,733	24,283
Other assets, net	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 37,802,861</u>	<u>\$ 17,216,957</u>	<u>\$ 18,231,209</u>	<u>\$ 2,190,158</u>	<u>\$ 1,907,561</u>	<u>\$ 1,631,905</u>	<u>\$ 2,305,373</u>	<u>\$ 2,293,733</u>	<u>\$ 1,664,238</u>
<b>CURRENT LIABILITIES:</b>									
Accounts payable	\$ 1,678,716	\$ 80,504	\$ 214,423	\$ 45,033	\$ 28,296	\$ 26,950	\$ 26,954	\$ 13,647	\$ 23,248
Accrued expenses	1,892,067	263,461	252,744	146,400	166,785	245,954	164,839	194,211	199,160
Line of credit	1,700,000	-	-	-	-	-	-	-	-
Debt, current	153,241	215,508	271,622	-	-	-	-	-	-
Intercompany payable	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>5,424,024</u>	<u>559,473</u>	<u>738,789</u>	<u>191,433</u>	<u>195,081</u>	<u>272,904</u>	<u>191,793</u>	<u>207,858</u>	<u>222,408</u>
<b>LONG-TERM LIABILITIES:</b>									
Deferred rent	248,679	-	-	-	-	173,113	-	-	-
Debt, net	3,414,149	7,595,570	7,991,627	-	-	-	-	-	-
Total liabilities	<u>9,086,852</u>	<u>8,155,043</u>	<u>8,730,416</u>	<u>191,433</u>	<u>195,081</u>	<u>446,017</u>	<u>191,793</u>	<u>207,858</u>	<u>222,408</u>
<b>NET ASSETS:</b>									
Unrestricted	26,994,013	8,766,478	9,215,444	1,769,190	1,488,655	1,105,163	1,838,150	1,810,634	1,169,443
Temporarily restricted	1,721,996	295,436	285,349	229,535	223,825	80,725	275,430	275,241	272,387
Total net assets	<u>28,716,009</u>	<u>9,061,914</u>	<u>9,500,793</u>	<u>1,998,725</u>	<u>1,712,480</u>	<u>1,185,888</u>	<u>2,113,580</u>	<u>2,085,875</u>	<u>1,441,830</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 37,802,861</u>	<u>\$ 17,216,957</u>	<u>\$ 18,231,209</u>	<u>\$ 2,190,158</u>	<u>\$ 1,907,561</u>	<u>\$ 1,631,905</u>	<u>\$ 2,305,373</u>	<u>\$ 2,293,733</u>	<u>\$ 1,664,238</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

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	Aspire Inskeep Academy	Aspire Slauson Academy	Aspire Centennial College Preparatory Academy	LA Regional Office	Total LA Region	National Office	Total Aspire Public Schools	Aspire Hanley Middle School	Aspire Hanley Elementary School
<b>CURRENT ASSETS:</b>									
Cash and cash equivalents	\$ 1,148,239	\$ 1,393,573	\$ 1,461,403	\$ 773,755	\$ 15,923,807	\$ (2,350,705)	\$ 37,291,585	\$ 579,990	\$ 407,560
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Accounts receivable	241,681	220,059	703,509	28,264	4,240,163	81,342	21,552,978	111,033	430,574
Foundation grants receivable, current portion	-	-	-	-	-	1,125,000	1,319,091	615,000	850,000
Prepaid expenses and deposits	1,200	1,016	599,423	40,066	665,188	275,424	1,571,371	1,843	1,156
Intercompany receivable	-	-	-	-	-	1,097,586	1,127,479	-	-
Total current assets	<u>1,391,120</u>	<u>1,614,648</u>	<u>2,764,335</u>	<u>842,085</u>	<u>20,829,158</u>	<u>228,647</u>	<u>62,862,504</u>	<u>1,307,866</u>	<u>1,689,290</u>
<b>NON-CURRENT ASSETS:</b>									
Restricted cash and cash equivalents	-	-	-	-	-	-	3,482,907	-	-
Investments	-	-	-	-	-	136,619	136,619	-	-
Foundation grants receivable, net	-	-	-	-	-	24,358	24,358	-	-
Deferred rent	-	-	-	-	190,927	-	1,194,496	-	-
Property and equipment, net	22,280	21,643	398,240	48,499	33,523,899	311,797	62,907,507	244,026	197,861
Other assets, net	-	-	-	-	-	380,877	380,877	-	-
<b>TOTAL ASSETS</b>	<u>\$ 1,413,400</u>	<u>\$ 1,636,291</u>	<u>\$ 3,162,575</u>	<u>\$ 890,584</u>	<u>\$ 54,543,984</u>	<u>\$ 1,082,298</u>	<u>\$130,989,268</u>	<u>\$ 1,551,892</u>	<u>\$ 1,887,151</u>
<b>CURRENT LIABILITIES:</b>									
Accounts payable	\$ 21,454	\$ 16,063	\$ 39,605	\$ 14,443	\$ 550,620	\$ 1,844,408	\$ 5,429,352	\$ 36,643	\$ 122,378
Accrued expenses	187,227	155,075	287,996	117,311	2,381,163	1,822,739	7,956,553	73,190	148,665
Line of credit	-	-	-	-	-	-	2,200,000	-	-
Debt, current	-	-	-	-	487,130	-	740,371	-	-
Intercompany payable	-	-	-	-	-	37,354	37,354	-	-
Total current liabilities	<u>208,681</u>	<u>171,138</u>	<u>327,601</u>	<u>131,754</u>	<u>3,418,913</u>	<u>3,704,501</u>	<u>16,363,630</u>	<u>109,833</u>	<u>271,043</u>
<b>LONG-TERM LIABILITIES:</b>									
Deferred rent	-	-	866,451	-	1,039,564	-	1,288,243	-	-
Debt, net	-	-	-	-	15,587,197	-	23,107,537	-	-
Total liabilities	<u>208,681</u>	<u>171,138</u>	<u>1,194,052</u>	<u>131,754</u>	<u>20,045,674</u>	<u>3,704,501</u>	<u>40,759,410</u>	<u>109,833</u>	<u>271,043</u>
<b>NET ASSETS:</b>									
Unrestricted	931,993	1,193,465	1,745,123	758,830	31,792,568	(3,120,623)	78,533,763	786,536	680,560
Temporarily restricted	272,726	271,688	223,400	-	2,705,742	498,420	11,696,095	655,523	935,548
Total net assets	<u>1,204,719</u>	<u>1,465,153</u>	<u>1,968,523</u>	<u>758,830</u>	<u>34,498,310</u>	<u>(2,622,203)</u>	<u>90,229,858</u>	<u>1,442,059</u>	<u>1,616,108</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,413,400</u>	<u>\$ 1,636,291</u>	<u>\$ 3,162,575</u>	<u>\$ 890,584</u>	<u>\$ 54,543,984</u>	<u>\$ 1,082,298</u>	<u>\$130,989,268</u>	<u>\$ 1,551,892</u>	<u>\$ 1,887,151</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

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	Aspire Coleman Elementary School	Aspire East Academy	Tennessee Regional Office	Total Aspire TN, LLC	Alder *	CFC, Inc.	Eliminations	Total Consolidated
<b>CURRENT ASSETS:</b>								
Cash and cash equivalents	\$ 398,924	\$ 1,252,661	\$ 1,077,738	\$ 3,716,873	\$ -	\$ -	\$ -	\$ 41,008,458
Restricted cash and cash equivalents	-	-	-	-	-	4,014,247	-	4,014,247
Accounts receivable	452,822	119,458	106,382	1,220,269	-	-	-	22,773,247
Foundation grants receivable, current portion	350,000	250,000	535,000	2,600,000	-	-	-	3,919,091
Prepaid expenses and deposits	3,744	2,001	47,898	56,642	-	-	-	1,628,013
Intercompany receivable	-	-	37,354	37,354	-	-	(1,164,833)	-
Total current assets	1,205,490	1,624,120	1,804,372	7,631,138	-	4,014,247	(1,164,833)	73,343,056
<b>NON-CURRENT ASSETS:</b>								
Restricted cash and cash equivalents	-	-	-	-	-	6,855,797	-	10,338,704
Investments	-	-	-	-	-	-	-	136,619
Foundation grants receivable, net	-	-	-	-	-	-	-	24,358
Deferred rent	-	-	-	-	-	6,514	(1,201,010)	-
Property and equipment, net	325,178	5,442,893	115,400	6,325,358	-	100,780,507	(1,032,128)	168,981,244
Other assets, net	-	-	-	-	-	-	-	380,877
<b>TOTAL ASSETS</b>	<b>\$ 1,530,668</b>	<b>\$ 7,067,013</b>	<b>\$ 1,919,772</b>	<b>\$ 13,956,496</b>	<b>\$ -</b>	<b>\$111,657,065</b>	<b>\$ (3,397,971)</b>	<b>\$253,204,858</b>
<b>CURRENT LIABILITIES:</b>								
Accounts payable	\$ 65,024	\$ 64,585	\$ 54,823	\$ 343,453	\$ -	\$ -	\$ -	\$ 5,772,805
Accrued expenses	164,339	70,679	342,651	799,524	-	2,091,118	-	10,847,195
Line of credit	-	-	-	-	-	-	-	2,200,000
Debt, current	-	41,965	-	41,965	-	1,610,000	-	2,392,336
Intercompany payable	-	-	44,947	44,947	-	1,082,532	(1,164,833)	-
Total current liabilities	229,363	177,229	442,421	1,229,889	-	4,783,650	(1,164,833)	21,212,336
<b>LONG-TERM LIABILITIES:</b>								
Deferred rent	-	-	-	-	-	779,219	(1,201,010)	866,452
Debt, net	-	4,436,996	-	4,436,996	-	108,695,706	-	136,240,239
Total liabilities	229,363	4,614,225	442,421	5,666,885	-	114,258,575	(2,365,843)	158,319,027
<b>NET ASSETS:</b>								
Unrestricted	862,035	392,015	865,044	3,586,190	-	(2,601,510)	(1,032,128)	78,486,315
Temporarily restricted	439,270	2,060,773	612,307	4,703,421	-	-	-	16,399,516
Total net assets	1,301,305	2,452,788	1,477,351	8,289,611	-	(2,601,510)	(1,032,128)	94,885,831
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,530,668</b>	<b>\$ 7,067,013</b>	<b>\$ 1,919,772</b>	<b>\$ 13,956,496</b>	<b>\$ -</b>	<b>\$111,657,065</b>	<b>\$ (3,397,971)</b>	<b>\$253,204,858</b>

\* See Note 1 regarding deconsolidation of Alder Graduate School of Education.

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	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
<b>UNRESTRICTED NET ASSETS</b>									
<b>SUPPORT AND REVENUE:</b>									
Private grants and contributions	\$ 607	\$ -	\$ 403,453	\$ 5,993	\$ -	\$ 9,660	\$ 1,309	\$ 16,798	\$ 1,459
Federal revenue	899,346	504,523	884,087	375,716	636,527	357,774	382,237	604,907	377,716
California State revenue:									
State aid portion of general purpose funding	2,464,359	3,245,058	6,105,724	1,981,269	3,077,504	3,515,373	2,141,593	3,755,497	1,270,973
All other state revenue	674,310	653,470	820,109	820,655	382,661	712,514	415,597	712,551	409,777
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	873,698	1,090,117	195,952	603,384	1,175,875	1,355,310	884,383	1,282,581	471,784
Interest income	-	-	12,949	-	-	-	-	-	-
All other local revenue	17,225	300,073	109,644	5,002	92,097	104,399	77,365	351,154	14,295
Subtotal	4,929,545	5,793,241	8,531,918	3,792,019	5,364,664	6,055,030	3,902,484	6,723,488	2,546,004
Net assets released from restrictions	685,896	1,486,253	5,829,022	408,183	1,365,804	376,116	355,055	1,655,983	554,917
Total support and revenue	<u>5,615,441</u>	<u>7,279,494</u>	<u>14,360,940</u>	<u>4,200,202</u>	<u>6,730,468</u>	<u>6,431,146</u>	<u>4,257,539</u>	<u>8,379,471</u>	<u>3,100,921</u>
<b>EXPENSES AND LOSSES</b>									
<b>PROGRAM EXPENSES:</b>									
Educational programs	5,064,848	6,420,062	9,250,397	4,038,738	5,954,229	5,511,438	3,863,640	7,174,211	3,019,207
<b>SUPPORTING SERVICES:</b>									
Site support	-	-	-	-	-	-	-	-	-
Program development and expansion	-	-	-	-	-	-	-	-	-
Administration and general	-	-	-	-	-	-	-	-	-
Cost allocations	518,988	676,320	924,520	302,969	670,610	637,488	397,066	768,946	187,675
Total supporting services	<u>518,988</u>	<u>676,320</u>	<u>924,520</u>	<u>302,969</u>	<u>670,610</u>	<u>637,488</u>	<u>397,066</u>	<u>768,946</u>	<u>187,675</u>
Total expenses	5,583,836	7,096,382	10,174,917	4,341,707	6,624,839	6,148,926	4,260,706	7,943,157	3,206,882
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Total expenses and losses	5,583,836	7,096,382	10,174,917	4,341,707	6,624,839	6,148,926	4,260,706	7,943,157	3,206,882
<b>TRANSFERS BETWEEN AFFILIATES</b>	-	(8,340)	(8,340)	-	-	-	-	(8,340)	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>31,605</u>	<u>174,772</u>	<u>4,177,683</u>	<u>(141,505)</u>	<u>105,629</u>	<u>282,220</u>	<u>(3,167)</u>	<u>427,974</u>	<u>(105,961)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>									
Private grants and contributions	19,800	-	-	29,700	19,800	-	-	-	9,900
Federal and state revenue	710,458	1,330,733	1,685,985	426,809	1,192,422	378,252	367,042	1,355,101	391,889
Interfund transfers	(60,479)	(75,644)	(107,015)	(41,107)	(82,550)	(77,135)	(50,015)	(87,328)	(32,928)
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	(685,896)	(1,486,253)	(5,829,022)	(408,183)	(1,365,804)	(376,116)	(355,055)	(1,655,983)	(554,917)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(16,117)</u>	<u>(231,164)</u>	<u>(4,250,052)</u>	<u>7,219</u>	<u>(236,132)</u>	<u>(74,999)</u>	<u>(38,028)</u>	<u>(388,210)</u>	<u>(186,056)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	15,488	(56,392)	(72,369)	(134,286)	(130,503)	207,221	(41,195)	39,764	(292,017)
<b>NET ASSETS - Beginning of Year</b>	<u>2,195,843</u>	<u>2,438,198</u>	<u>7,586,263</u>	<u>2,136,182</u>	<u>2,870,917</u>	<u>795,027</u>	<u>800,743</u>	<u>4,643,198</u>	<u>4,276,089</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 2,211,331</u>	<u>\$ 2,381,806</u>	<u>\$ 7,513,894</u>	<u>\$ 2,001,896</u>	<u>\$ 2,740,414</u>	<u>\$ 1,002,248</u>	<u>\$ 759,548</u>	<u>\$ 4,682,962</u>	<u>\$ 3,984,072</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	Aspire College Academy	Bay Area Regional Office	Total Bay Area Region	Aspire Vincent Shalvey Academy	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Benjamin Holt Middle School
<b>UNRESTRICTED NET ASSETS</b>									
<b>SUPPORT AND REVENUE:</b>									
Private grants and contributions	\$ 1,000	\$ 85,150	\$ 525,429	\$ 39,220	\$ -	\$ -	\$ 1,355	\$ 2,670	\$ -
Federal revenue	333,280	-	5,356,113	169,000	182,389	394,556	442,855	183,136	259,269
California State revenue:									
State aid portion of general purpose funding	1,914,090	-	29,471,440	2,014,743	1,230,217	2,612,722	2,310,395	2,364,274	3,015,305
All other state revenue	491,198	-	6,092,842	358,653	298,383	650,195	718,772	571,727	693,537
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	578,486	-	8,511,570	693,326	402,419	385,363	709,909	694,335	856,419
Interest income	-	-	12,949	714	205	310	798	604	661
All other local revenue	4,909	-	1,076,163	111,947	27,869	99,023	60,031	82,357	123,791
Subtotal	<u>3,322,963</u>	<u>85,150</u>	<u>51,046,506</u>	<u>3,387,603</u>	<u>2,141,482</u>	<u>4,142,169</u>	<u>4,244,115</u>	<u>3,899,103</u>	<u>4,948,982</u>
Net assets released from restrictions	414,172	-	13,131,401	593,354	431,388	621,999	695,355	826,564	128,779
Total support and revenue	<u>3,737,135</u>	<u>85,150</u>	<u>64,177,907</u>	<u>3,980,957</u>	<u>2,572,870</u>	<u>4,764,168</u>	<u>4,939,470</u>	<u>4,725,667</u>	<u>5,077,761</u>
<b>EXPENSES AND LOSSES</b>									
<b>PROGRAM EXPENSES:</b>									
Educational programs	3,670,850	-	53,967,620	3,725,469	2,631,821	4,312,896	4,147,555	3,928,605	4,032,252
<b>SUPPORTING SERVICES:</b>									
Site support	-	1,320,097	1,320,097	-	-	-	-	-	-
Program development and expansion	-	473,090	473,090	-	-	-	-	-	-
Administration and general	-	163,657	163,657	-	-	-	-	-	-
Cost allocations	295,374	(2,107,482)	3,272,474	388,153	238,834	446,354	445,391	437,230	550,849
Total supporting services	<u>295,374</u>	<u>(150,638)</u>	<u>5,229,318</u>	<u>388,153</u>	<u>238,834</u>	<u>446,354</u>	<u>445,391</u>	<u>437,230</u>	<u>550,849</u>
Total expenses	3,966,224	(150,638)	59,196,938	4,113,622	2,870,655	4,759,250	4,592,946	4,365,835	4,583,101
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Total expenses and losses	<u>3,966,224</u>	<u>(150,638)</u>	<u>59,196,938</u>	<u>4,113,622</u>	<u>2,870,655</u>	<u>4,759,250</u>	<u>4,592,946</u>	<u>4,365,835</u>	<u>4,583,101</u>
<b>TRANSFERS BETWEEN AFFILIATES</b>	-	-	(25,020)	-	-	-	(8,340)	(228,340)	(220,000)
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>(229,089)</u>	<u>235,788</u>	<u>4,955,949</u>	<u>(132,665)</u>	<u>(297,785)</u>	<u>4,918</u>	<u>338,184</u>	<u>131,492</u>	<u>274,660</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>									
Private grants and contributions	19,800	48,000	147,000	-	-	-	-	-	-
Federal and state revenue	430,449	-	8,269,140	462,872	251,185	655,963	786,921	666,135	181,386
Interfund transfers	(39,918)	137,428	(516,691)	(61,586)	(37,372)	(62,944)	(62,424)	(61,172)	-
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	(414,172)	-	(13,131,401)	(593,354)	(431,388)	(621,999)	(695,355)	(826,564)	(128,779)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(3,841)</u>	<u>185,428</u>	<u>(5,231,952)</u>	<u>(192,068)</u>	<u>(217,575)</u>	<u>(28,980)</u>	<u>29,142</u>	<u>(221,601)</u>	<u>52,607</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(232,930)</u>	<u>421,216</u>	<u>(276,003)</u>	<u>(324,733)</u>	<u>(515,360)</u>	<u>(24,062)</u>	<u>367,326</u>	<u>(90,109)</u>	<u>327,267</u>
<b>NET ASSETS - Beginning of Year</b>	<u>2,171,779</u>	<u>(494)</u>	<u>29,913,745</u>	<u>2,426,147</u>	<u>1,426,519</u>	<u>1,755,224</u>	<u>1,079,212</u>	<u>2,304,245</u>	<u>193,209</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 1,938,849</u>	<u>\$ 420,722</u>	<u>\$ 29,637,742</u>	<u>\$ 2,101,414</u>	<u>\$ 911,159</u>	<u>\$ 1,731,162</u>	<u>\$ 1,446,538</u>	<u>\$ 2,214,136</u>	<u>\$ 520,476</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	Aspire Capitol Heights Academy	Aspire Rosa Parks Academy	Aspire Langston Hughes Academy	Aspire Port City Academy	Aspire Vanguard College Prep Academy	Aspire Alexander Twilight College Prep Academy	Aspire Alexander Twilight Secondary Academy	Aspire APEX Academy	Central Valley Regional Office
<b>UNRESTRICTED NET ASSETS</b>									
<b>SUPPORT AND REVENUE:</b>									
Private grants and contributions	\$ 515	\$ 2,750	\$ 1,079	\$ 4,050	\$ -	\$ -	\$ -	\$ 1,500	\$ -
Federal revenue	838,904	282,971	460,626	265,908	462,532	530,191	420,550	235,267	-
California State revenue:									
State aid portion of general purpose funding	1,509,759	2,748,693	5,221,755	2,553,113	1,611,861	2,130,027	2,169,973	2,103,964	-
All other state revenue	385,526	248,084	1,190,703	660,931	143,587	732,530	703,913	501,480	-
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	516,851	445,385	865,939	463,999	849,695	867,602	854,296	370,670	-
Interest income	-	919	1,553	784	240	-	-	684	-
All other local revenue	30,003	17,435	78,714	79,383	86,993	34,465	49,714	13,815	73,729
Subtotal	<u>3,281,558</u>	<u>3,746,237</u>	<u>7,820,369</u>	<u>4,028,168</u>	<u>3,154,908</u>	<u>4,294,815</u>	<u>4,198,446</u>	<u>3,227,380</u>	<u>73,729</u>
Net assets released from restrictions	566,752	606,890	1,455,081	880,862	629,175	807,155	1,035,927	530,547	70,359
Total support and revenue	<u>3,848,310</u>	<u>4,353,127</u>	<u>9,275,450</u>	<u>4,909,030</u>	<u>3,784,083</u>	<u>5,101,970</u>	<u>5,234,373</u>	<u>3,757,927</u>	<u>144,088</u>
<b>EXPENSES AND LOSSES</b>									
<b>PROGRAM EXPENSES:</b>									
Educational programs	3,557,187	4,056,297	7,660,262	4,254,505	3,582,795	4,723,686	4,887,244	3,531,453	-
<b>SUPPORTING SERVICES:</b>									
Site support	-	-	-	-	-	-	-	-	1,548,062
Program development and expansion	-	-	-	-	-	-	-	-	559,224
Administration and general	-	-	-	-	-	-	-	-	219,859
Cost allocations	359,755	482,297	882,583	445,184	366,259	450,925	480,885	367,081	(2,402,889)
Total supporting services	<u>359,755</u>	<u>482,297</u>	<u>882,583</u>	<u>445,184</u>	<u>366,259</u>	<u>450,925</u>	<u>480,885</u>	<u>367,081</u>	<u>(75,744)</u>
Total expenses	3,916,942	4,538,594	8,542,845	4,699,689	3,949,054	5,174,611	5,368,129	3,898,534	(75,744)
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Total expenses and losses	3,916,942	4,538,594	8,542,845	4,699,689	3,949,054	5,174,611	5,368,129	3,898,534	(75,744)
<b>TRANSFERS BETWEEN AFFILIATES</b>	-	-	(8,340)	(8,340)	-	(8,340)	(8,340)	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>(68,632)</u>	<u>(185,467)</u>	<u>724,265</u>	<u>201,001</u>	<u>(164,971)</u>	<u>(80,981)</u>	<u>(142,096)</u>	<u>(140,607)</u>	<u>219,832</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>									
Private grants and contributions	-	-	-	-	-	-	-	-	-
Federal and state revenue	586,248	571,717	1,281,430	907,095	319,413	836,126	985,045	551,240	-
Interfund transfers	(45,644)	(59,050)	(110,878)	(59,743)	(51,951)	(63,493)	(64,882)	(48,015)	-
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	(566,752)	(606,890)	(1,455,081)	(880,862)	(629,175)	(807,155)	(1,035,927)	(530,547)	(70,359)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(26,148)</u>	<u>(94,223)</u>	<u>(284,529)</u>	<u>(33,510)</u>	<u>(361,713)</u>	<u>(34,522)</u>	<u>(115,764)</u>	<u>(27,322)</u>	<u>(70,359)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(94,780)	(279,690)	439,736	167,491	(526,684)	(115,503)	(257,860)	(167,929)	149,473
<b>NET ASSETS - Beginning of Year</b>	<u>1,124,511</u>	<u>7,799,535</u>	<u>3,214,727</u>	<u>2,486,082</u>	<u>1,101,871</u>	<u>1,687,028</u>	<u>1,368,650</u>	<u>1,224,386</u>	<u>470,080</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 1,029,731</u>	<u>\$ 7,519,845</u>	<u>\$ 3,654,463</u>	<u>\$ 2,653,573</u>	<u>\$ 575,187</u>	<u>\$ 1,571,525</u>	<u>\$ 1,110,790</u>	<u>\$ 1,056,457</u>	<u>\$ 619,553</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	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
<b>UNRESTRICTED NET ASSETS</b>									
<b>SUPPORT AND REVENUE:</b>									
Private grants and contributions	\$ 53,139	\$ -	\$ 12,990	\$ 192	\$ -	\$ 10,244	\$ 2,023	\$ 430	\$ -
Federal revenue	5,128,154	658,836	751,991	418,178	487,530	551,787	528,869	576,648	601,726
California State revenue:									
State aid portion of general purpose funding	33,596,801	2,334,842	4,099,945	1,943,556	1,954,897	3,293,154	2,366,934	2,408,713	2,190,556
All other state revenue	7,858,021	293,475	389,033	547,520	536,642	901,153	289,320	292,921	289,205
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	-	-
All other state revenue	-	-	-	-	-	-	-	-	-
Local revenue:									
Cash in-lieu of property taxes	8,976,208	967,425	1,449,173	803,871	802,390	1,252,083	984,479	997,922	907,952
Interest income	7,472	-	-	-	-	-	-	-	-
All other local revenue	969,269	46,467	97,053	23,666	8,181	32,893	6,683	22,716	8,238
Subtotal	<u>56,589,064</u>	<u>4,301,045</u>	<u>6,800,185</u>	<u>3,736,983</u>	<u>3,789,640</u>	<u>6,041,314</u>	<u>4,178,308</u>	<u>4,299,350</u>	<u>3,997,677</u>
Net assets released from restrictions	9,880,187	766,809	1,245,185	685,772	623,814	1,434,348	807,147	810,886	730,516
Total support and revenue	<u>66,469,251</u>	<u>5,067,854</u>	<u>8,045,370</u>	<u>4,422,755</u>	<u>4,413,454</u>	<u>7,475,662</u>	<u>4,985,455</u>	<u>5,110,236</u>	<u>4,728,193</u>
<b>EXPENSES AND LOSSES</b>									
<b>PROGRAM EXPENSES:</b>									
Educational programs	59,032,027	5,165,492	7,419,955	3,901,831	3,810,186	6,854,848	4,452,669	4,689,018	4,247,795
<b>SUPPORTING SERVICES:</b>									
Site support	1,548,062	-	-	-	-	-	-	-	-
Program development and expansion	559,224	-	-	-	-	-	-	-	-
Administration and general	219,859	-	-	-	-	-	-	-	-
Cost allocations	3,938,891	559,957	909,320	456,920	452,692	760,946	560,955	572,385	518,989
Total supporting services	<u>6,266,036</u>	<u>559,957</u>	<u>909,320</u>	<u>456,920</u>	<u>452,692</u>	<u>760,946</u>	<u>560,955</u>	<u>572,385</u>	<u>518,989</u>
Total expenses	65,298,063	5,725,449	8,329,275	4,358,751	4,262,878	7,615,794	5,013,624	5,261,403	4,766,784
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Total expenses and losses	<u>65,298,063</u>	<u>5,725,449</u>	<u>8,329,275</u>	<u>4,358,751</u>	<u>4,262,878</u>	<u>7,615,794</u>	<u>5,013,624</u>	<u>5,261,403</u>	<u>4,766,784</u>
<b>TRANSFERS BETWEEN AFFILIATES</b>	(490,040)	-	-	(8,340)	(8,340)	(8,340)	-	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>681,148</u>	<u>(657,595)</u>	<u>(283,905)</u>	<u>55,664</u>	<u>142,236</u>	<u>(148,472)</u>	<u>(28,169)</u>	<u>(151,167)</u>	<u>(38,591)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>									
Private grants and contributions	-	-	-	-	-	-	-	-	-
Federal and state revenue	9,042,776	923,261	1,444,778	720,383	654,003	1,316,687	836,878	841,027	896,287
Interfund transfers	(789,154)	(59,161)	(88,925)	(49,017)	(48,848)	(77,215)	(60,308)	(61,673)	(55,131)
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	<u>(9,880,187)</u>	<u>(766,809)</u>	<u>(1,245,185)</u>	<u>(685,772)</u>	<u>(623,814)</u>	<u>(1,434,348)</u>	<u>(807,147)</u>	<u>(810,886)</u>	<u>(730,516)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(1,626,565)</u>	<u>97,291</u>	<u>110,668</u>	<u>(14,406)</u>	<u>(18,659)</u>	<u>(194,876)</u>	<u>(30,577)</u>	<u>(31,532)</u>	<u>110,640</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(945,417)	(560,304)	(173,237)	41,258	123,577	(343,348)	(58,746)	(182,699)	72,049
<b>NET ASSETS - Beginning of Year</b>	<u>29,661,426</u>	<u>9,622,218</u>	<u>9,674,030</u>	<u>1,957,467</u>	<u>1,588,903</u>	<u>1,529,236</u>	<u>2,172,326</u>	<u>2,268,574</u>	<u>1,369,781</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 28,716,009</u>	<u>\$ 9,061,914</u>	<u>\$ 9,500,793</u>	<u>\$ 1,998,725</u>	<u>\$ 1,712,480</u>	<u>\$ 1,185,888</u>	<u>\$ 2,113,580</u>	<u>\$ 2,085,875</u>	<u>\$ 1,441,830</u>



# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	Aspire Inskeep Academy	Aspire Slauson Academy	Aspire Centennial College Prep Academy	LA Regional Office	Total LA Region	National Office	Total Aspire Public Schools	Aspire Hanley Middle School	Aspire Hanley Elementary School
<b>UNRESTRICTED NET ASSETS</b>									
<b>SUPPORT AND REVENUE:</b>									
Private grants and contributions	\$ -	\$ -	\$ 10,000	\$ -	\$ 35,879	\$ 1,989,437	\$ 2,603,884	\$ 1,064	\$ 24,084
Federal revenue	514,309	575,534	774,981	-	6,440,389	198,148	17,122,804	529,156	1,147,870
California State revenue:									
State aid portion of general purpose funding	1,988,576	1,990,694	3,689,599	-	28,261,466	-	91,329,707	-	-
All other state revenue	268,569	265,782	795,445	-	4,869,065	-	18,819,928	-	-
Tennessee State revenue:									
Basic education program funding	-	-	-	-	-	-	-	2,178,277	4,759,257
All other state revenue	-	-	-	-	-	-	-	99,059	132,217
Local revenue:									
Cash in-lieu of property taxes	821,984	821,397	1,319,549	-	11,128,225	-	28,616,003	-	-
Interest income	-	-	-	-	-	280,413	300,834	-	-
All other local revenue	14,374	1,561	26,939	-	288,771	835,412	3,169,615	20,981	31,121
Subtotal	<u>3,607,812</u>	<u>3,654,968</u>	<u>6,616,513</u>	<u>-</u>	<u>51,023,795</u>	<u>3,303,410</u>	<u>161,962,775</u>	<u>2,828,537</u>	<u>6,094,549</u>
Net assets released from restrictions	693,566	700,030	468,544	499,876	9,466,493	4,561,076	37,039,157	569,231	604,344
Total support and revenue	<u>4,301,378</u>	<u>4,354,998</u>	<u>7,085,057</u>	<u>499,876</u>	<u>60,490,288</u>	<u>7,864,486</u>	<u>199,001,932</u>	<u>3,397,768</u>	<u>6,698,893</u>
<b>EXPENSES AND LOSSES</b>									
<b>PROGRAM EXPENSES:</b>									
Educational programs	4,146,462	3,858,317	6,499,897	-	55,046,470	-	168,046,117	2,662,633	5,747,622
<b>SUPPORTING SERVICES:</b>									
Site support	-	-	-	2,073,097	2,073,097	9,136,290	14,077,546	-	-
Program development and expansion	-	-	-	739,480	739,480	6,158,498	7,930,292	-	-
Administration and general	-	-	-	296,661	296,661	5,123,378	5,803,555	-	-
Cost allocations	473,846	478,132	731,258	(2,988,646)	3,486,754	(10,698,119)	-	290,462	695,217
Total supporting services	<u>473,846</u>	<u>478,132</u>	<u>731,258</u>	<u>120,592</u>	<u>6,595,992</u>	<u>9,720,047</u>	<u>27,811,393</u>	<u>290,462</u>	<u>695,217</u>
Total expenses	4,620,308	4,336,449	7,231,155	120,592	61,642,462	9,720,047	195,857,510	2,953,095	6,442,839
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Total expenses and losses	<u>4,620,308</u>	<u>4,336,449</u>	<u>7,231,155</u>	<u>120,592</u>	<u>61,642,462</u>	<u>9,720,047</u>	<u>195,857,510</u>	<u>2,953,095</u>	<u>6,442,839</u>
<b>TRANSFERS BETWEEN AFFILIATES</b>	-	-	-	-	(25,020)	-	(540,080)	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>(318,930)</u>	<u>18,549</u>	<u>(146,098)</u>	<u>379,284</u>	<u>(1,177,194)</u>	<u>(1,855,561)</u>	<u>2,604,342</u>	<u>444,673</u>	<u>256,054</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>									
Private grants and contributions	-	-	-	-	-	2,000,000	2,147,000	615,000	850,000
Federal and state revenue	851,269	859,912	737,908	-	10,082,393	-	27,394,309	-	-
Interfund transfers	(50,209)	(50,559)	(80,252)	346,876	(334,422)	1,640,267	-	-	-
Loss on deconsolidation	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	(693,566)	(700,030)	(468,544)	(499,876)	(9,466,493)	(4,561,076)	(37,039,157)	(569,231)	(604,344)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>107,494</u>	<u>109,323</u>	<u>189,112</u>	<u>(153,000)</u>	<u>281,478</u>	<u>(920,809)</u>	<u>(7,497,848)</u>	<u>45,769</u>	<u>245,656</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(211,436)</u>	<u>127,872</u>	<u>43,014</u>	<u>226,284</u>	<u>(895,716)</u>	<u>(2,776,370)</u>	<u>(4,893,506)</u>	<u>490,442</u>	<u>501,710</u>
<b>NET ASSETS - Beginning of Year</b>	<u>1,416,155</u>	<u>1,337,281</u>	<u>1,925,509</u>	<u>532,546</u>	<u>35,394,026</u>	<u>154,167</u>	<u>95,123,364</u>	<u>951,617</u>	<u>1,114,398</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 1,204,719</u>	<u>\$ 1,465,153</u>	<u>\$ 1,968,523</u>	<u>\$ 758,830</u>	<u>\$ 34,498,310</u>	<u>\$ (2,622,203)</u>	<u>\$ 90,229,858</u>	<u>\$ 1,442,059</u>	<u>\$ 1,616,108</u>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	Aspire Coleman Elementary School	Aspire East Academy	Tennessee Regional Office	Total Aspire TN, LLC	Alder *	CFC, Inc.	Eliminations	Total Consolidated
<b>UNRESTRICTED NET ASSETS</b>								
<b>SUPPORT AND REVENUE:</b>								
Private grants and contributions	\$ -	\$ -	\$ 60,050	\$ 85,198	\$ -	\$ -	\$ -	\$ 2,689,082
Federal revenue	1,029,395	409,753	328,674	3,444,848	-	-	-	20,567,652
California State revenue:								
State aid portion of general purpose funding	-	-	-	-	-	-	-	91,329,707
All other state revenue	-	-	-	-	-	-	-	18,819,928
Tennessee State revenue:								
Basic education program funding	5,431,513	1,641,310	-	14,010,357	-	-	-	14,010,357
All other state revenue	130,863	20,010	-	382,149	-	-	-	382,149
Local revenue:								
Cash in-lieu of property taxes	-	-	-	-	-	-	-	28,616,003
Interest income	-	-	-	-	-	96,563	-	397,397
All other local revenue	18,463	12,761	2,989	86,315	-	6,713,758	(7,369,635)	2,600,053
Subtotal	<u>6,610,234</u>	<u>2,083,834</u>	<u>391,713</u>	<u>18,008,867</u>	<u>-</u>	<u>6,810,321</u>	<u>(7,369,635)</u>	<u>179,412,328</u>
Net assets released from restrictions	597,297	495,229	488,404	2,754,505	-	-	-	39,793,662
Total support and revenue	<u>7,207,531</u>	<u>2,579,063</u>	<u>880,117</u>	<u>20,763,372</u>	<u>-</u>	<u>6,810,321</u>	<u>(7,369,635)</u>	<u>219,205,990</u>
<b>EXPENSES AND LOSSES</b>								
<b>PROGRAM EXPENSES:</b>								
Educational programs	6,083,911	2,584,805	-	17,078,971	-	8,026,674	(7,369,635)	185,782,127
<b>SUPPORTING SERVICES:</b>								
Site support	-	-	1,696,470	1,696,470	-	-	-	15,774,016
Program development and expansion	-	-	561,173	561,173	-	-	-	8,491,465
Administration and general	-	-	623,575	623,575	-	-	-	6,427,130
Cost allocations	809,071	244,468	(2,039,218)	-	-	-	-	-
Total supporting services	<u>809,071</u>	<u>244,468</u>	<u>842,000</u>	<u>2,881,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,692,611</u>
Total expenses	6,892,982	2,829,273	842,000	19,960,189	-	8,026,674	(7,369,635)	216,474,738
Loss on deconsolidation	-	-	-	-	301,198	-	-	301,198
Total expenses and losses	6,892,982	2,829,273	842,000	19,960,189	301,198	8,026,674	(7,369,635)	216,775,936
<b>TRANSFERS BETWEEN AFFILIATES</b>	-	-	-	-	-	540,080	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>314,549</u>	<u>(250,210)</u>	<u>38,117</u>	<u>803,183</u>	<u>(301,198)</u>	<u>(676,273)</u>	<u>-</u>	<u>2,430,054</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>								
Private grants and contributions	350,000	250,000	535,000	2,600,000	-	-	-	4,747,000
Federal and state revenue	-	-	-	-	-	-	-	27,394,309
Interfund transfers	-	-	-	-	-	-	-	-
Loss on deconsolidation	-	-	-	-	(2,595,975)	-	-	(2,595,975)
Net assets released from restrictions	(597,297)	(495,229)	(488,404)	(2,754,505)	-	-	-	(39,793,662)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(247,297)</u>	<u>(245,229)</u>	<u>46,596</u>	<u>(154,505)</u>	<u>(2,595,975)</u>	<u>-</u>	<u>-</u>	<u>(10,248,328)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	67,252	(495,439)	84,713	648,678	(2,897,173)	(676,273)	-	(7,818,274)
<b>NET ASSETS - Beginning of Year</b>	<u>1,234,053</u>	<u>2,948,227</u>	<u>1,392,638</u>	<u>7,640,933</u>	<u>2,897,173</u>	<u>(1,925,237)</u>	<u>(1,032,128)</u>	<u>102,704,105</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 1,301,305</u>	<u>\$ 2,452,788</u>	<u>\$ 1,477,351</u>	<u>\$ 8,289,611</u>	<u>\$ -</u>	<u>\$ (2,601,510)</u>	<u>\$ (1,032,128)</u>	<u>\$ 94,885,831</u>

\* See Note 1 regarding deconsolidation of Alder Graduate School of Education.

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2018

Program Expenses												
	Aspire Monarch Academy	Aspire Lionel Wilson College Prep Academy	Aspire East Palo Alto Charter School	Aspire Triumph Technology Academy	Aspire Berkley Maynard Academy	Richmond California College Prep Academy	Aspire Richmond Technology Academy	Aspire Golden State College Prep Academy	Aspire ERES Academy	Aspire College Academy	Total Bay Area Region	Aspire Vincent Shalvey Academy
Certificated salaries	\$ 2,265,125	\$ 2,706,483	\$ 3,743,287	\$ 1,654,646	\$ 2,726,586	\$ 2,356,159	\$ 1,486,734	\$ 2,858,070	\$ 1,321,147	\$ 1,588,038	\$ 22,706,275	\$ 1,725,541
Classified salaries	642,742	807,989	1,231,123	599,599	1,001,255	768,533	594,073	1,148,768	564,429	500,123	7,858,634	371,949
Employee benefits	909,417	1,056,899	1,537,004	677,330	1,201,783	799,657	520,745	1,174,939	551,781	668,775	9,098,330	697,152
Books and supplies	405,353	500,184	689,583	283,469	488,074	328,026	348,100	440,859	287,121	305,528	4,076,297	303,120
Services and other operating expenses	728,645	1,284,648	1,779,899	688,028	498,042	1,178,301	763,234	1,345,020	272,410	538,522	9,076,749	463,576
Depreciation and amortization	113,566	63,859	269,501	135,666	38,489	80,762	150,754	206,555	22,319	69,864	1,151,335	164,131
<b>Total</b>	<b><u>\$ 5,064,848</u></b>	<b><u>\$ 6,420,062</u></b>	<b><u>\$ 9,250,397</u></b>	<b><u>\$ 4,038,738</u></b>	<b><u>\$ 5,954,229</u></b>	<b><u>\$ 5,511,438</u></b>	<b><u>\$ 3,863,640</u></b>	<b><u>\$ 7,174,211</u></b>	<b><u>\$ 3,019,207</u></b>	<b><u>\$ 3,670,850</u></b>	<b><u>\$ 53,967,620</u></b>	<b><u>\$ 3,725,469</u></b>

Program Expenses												
	Aspire University Charter School	Aspire Summit Charter Academy	Aspire River Oaks Charter School	Aspire Benjamin Holt College Prep Academy	Aspire Benjamin Holt Middle School	Aspire Capitol Heights Academy	Aspire Rosa Parks Academy	Aspire Langston Hughes Academy	Aspire Port City Academy	Aspire Vanguard College Prep Academy	Aspire Alexander Twilight College Prep	Alexander Twilight Secondary Academy
Certificated salaries	\$ 1,195,719	\$ 1,795,083	\$ 1,855,915	\$ 1,374,393	\$ 1,658,172	\$ 1,379,651	\$ 1,738,371	\$ 2,882,664	\$ 1,778,454	\$ 1,588,451	\$ 1,842,896	\$ 1,890,476
Classified salaries	285,079	719,345	446,178	489,936	422,099	575,520	529,487	947,378	667,879	401,702	632,879	565,352
Employee benefits	522,598	786,115	739,866	670,094	714,463	665,314	720,701	1,352,075	804,647	658,191	865,628	856,003
Books and supplies	256,584	373,579	370,467	231,967	349,794	454,795	290,338	602,375	242,061	330,565	494,689	488,307
Services and other operating expenses	351,786	527,844	700,580	1,126,792	835,850	458,921	397,121	1,839,284	737,637	576,531	806,380	1,005,785
Depreciation and amortization	20,055	110,930	34,549	35,423	51,874	22,986	380,279	36,486	23,827	27,355	81,214	81,321
<b>Total</b>	<b><u>\$ 2,631,821</u></b>	<b><u>\$ 4,312,896</u></b>	<b><u>\$ 4,147,555</u></b>	<b><u>\$ 3,928,605</u></b>	<b><u>\$ 4,032,252</u></b>	<b><u>\$ 3,557,187</u></b>	<b><u>\$ 4,056,297</u></b>	<b><u>\$ 7,660,262</u></b>	<b><u>\$ 4,254,505</u></b>	<b><u>\$ 3,582,795</u></b>	<b><u>\$ 4,723,686</u></b>	<b><u>\$ 4,887,244</u></b>

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2018

	Program Expenses											
	Aspire APEX Academy	Total Central Valley Region	Aspire Antonio Maria Lugo Academy	Aspire Ollin College Prep Academy	Aspire Junior Collegiate Academy	Aspire Titan Academy	Aspire Pacific Academy	Aspire Firestone Academy	Aspire Gateway Academy	Aspire Tate Academy	Aspire Inskeep Academy	Aspire Slauson Academy
Certificated salaries	\$ 1,475,368	\$24,181,154	\$ 1,926,771	\$ 2,723,029	\$ 1,418,675	\$ 1,415,707	\$ 2,351,556	\$ 1,787,664	\$ 2,027,685	\$ 1,563,233	\$ 1,583,518	\$ 1,459,755
Classified salaries	587,846	7,642,629	801,324	1,318,825	651,054	680,405	1,293,514	820,368	740,163	981,993	886,034	820,608
Employee benefits	658,115	10,710,962	806,255	1,265,190	558,101	555,957	1,126,841	853,990	867,120	758,849	748,019	701,000
Books and supplies	308,005	5,096,646	505,902	494,775	472,495	344,372	500,993	505,890	516,452	512,722	526,409	484,710
Services and other operating expenses	441,017	10,269,104	610,657	1,033,073	780,791	770,783	1,523,281	471,649	524,621	422,422	393,315	383,599
Depreciation and amortization	61,102	1,131,532	514,583	585,063	20,715	42,962	58,663	13,108	12,977	8,576	9,167	8,645
<b>Total</b>	<b>\$ 3,531,453</b>	<b>\$59,032,027</b>	<b>\$ 5,165,492</b>	<b>\$ 7,419,955</b>	<b>\$ 3,901,831</b>	<b>\$ 3,810,186</b>	<b>\$ 6,854,848</b>	<b>\$ 4,452,669</b>	<b>\$ 4,689,018</b>	<b>\$ 4,247,795</b>	<b>\$ 4,146,462</b>	<b>\$ 3,858,317</b>

	Program Expenses											
	Aspire Centennial College Prep Academy	Total LA Region	Aspire Public Schools Program Expenses	Aspire Hanley School #1	Aspire Hanley School #2	Aspire Coleman Elementary School	Aspire East Academy	Aspire TN, LLC Program Expenses	CFC Inc.	Eliminations	Total Program Expenses	
Certificated salaries	\$ 2,609,441	\$ 20,867,034	\$ 67,754,463	\$ 1,075,299	\$ 2,425,652	\$ 2,761,097	\$ 921,203	\$ 7,183,251	\$ -	\$ -	\$ 74,937,714	
Classified salaries	949,135	9,943,423	25,444,686	326,897	584,089	471,052	252,065	1,634,103	-	-	27,078,789	
Employee benefits	947,869	9,189,191	28,998,483	437,963	936,119	1,077,019	358,461	2,809,562	-	-	31,808,045	
Books and supplies	825,417	5,690,137	14,863,080	299,002	536,438	551,400	284,028	1,670,868	-	-	16,533,948	
Services and other operating expenses	1,097,690	8,011,881	27,357,734	452,602	1,202,416	1,156,693	622,252	3,433,963	4,663,072	(7,369,635)	28,085,134	
Depreciation and amortization	70,345	1,344,804	3,627,671	70,870	62,908	66,650	146,796	347,224	3,363,602	-	7,338,497	
<b>Total</b>	<b>\$ 6,499,897</b>	<b>\$ 55,046,470</b>	<b>\$168,046,117</b>	<b>\$ 2,662,633</b>	<b>\$ 5,747,622</b>	<b>\$ 6,083,911</b>	<b>\$ 2,584,805</b>	<b>\$17,078,971</b>	<b>\$ 8,026,674</b>	<b>\$ (7,369,635)</b>	<b>\$185,782,127</b>	

# ASPIRE PUBLIC SCHOOLS

## CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2018

	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	CFC Inc	Eliminations	Total Supporting Services
Certificated salaries	\$ 3,475,750	\$ 1,555,393	\$ 565,542	\$ 5,596,685	\$ 612,232	\$ 163,333	\$ 122,234	\$ 897,799	\$ -	\$ -	\$ 6,494,484
Classified salaries	5,000,272	3,542,919	1,732,682	10,275,873	460,249	127,485	77,795	665,529	-	-	10,941,402
Employee benefits	2,961,799	1,449,603	610,146	5,021,548	308,068	78,968	71,166	458,202	-	-	5,479,750
Books and supplies	662,309	-	662,309	1,324,618	45,307	-	45,307	90,614	-	-	1,415,232
Services and other operating expenses	1,925,648	1,322,525	2,181,108	5,429,281	260,257	181,030	296,402	737,689	-	-	6,166,970
Depreciation and amortization	<u>51,768</u>	<u>59,852</u>	<u>51,768</u>	<u>163,388</u>	<u>10,357</u>	<u>10,357</u>	<u>10,671</u>	<u>31,385</u>	<u>-</u>	<u>-</u>	<u>194,773</u>
<b>Total</b>	<b><u>\$ 14,077,546</u></b>	<b><u>\$ 7,930,292</u></b>	<b><u>\$ 5,803,555</u></b>	<b><u>\$ 27,811,393</u></b>	<b><u>\$ 1,696,470</u></b>	<b><u>\$ 561,173</u></b>	<b><u>\$ 623,575</u></b>	<b><u>\$ 2,881,218</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 30,692,611</u></b>

# ASPIRE PUBLIC SCHOOLS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2018

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>U.S. Department of Education:</b>				
Replication and Expansion of High-Quality Charter Schools	84.282M	N/A	\$ 707,011	\$ 950,356
Teacher Incentive Fund	84.374A	N/A		2,667,012
Passed Through California Department of Education (CDE):				
Title I, Part A, Basic Grant	84.010	14329		5,496,998
Special Education: IDEA Basic Local Assistance, Part B	84.027	13379		2,038,121
IASA Title II, Part A, Teacher Quality	84.367	14341		634,209
IASA Title III, Limited English Proficiency	84.365	14346		400,605
Total Dept of Education Passed Through CDE				<u>8,569,933</u>
Passed Through California School Finance Authority:				
State Charter Schools Facilities Incentive Grant	84.282D	N/A		900,817
<b>U.S. Department of Agriculture:</b>				
Passed Through California Department of Education (CDE):				
Child Nutrition Cluster:				
Child Nutrition: National School Lunch Program	10.555	13391		3,724,126
Child Nutrition: School Programs (School Breakfast Basic)	10.553	13390		782,568
Total Child Nutrition Cluster				<u>4,506,694</u>
Child & Adult Care Food Program	10.558	13666		598,819
Fresh Fruit and Vegetable Program	10.582	14968		101,810
Total Dept of Agriculture Passed Through CDE				<u>5,207,323</u>
<b>U.S. Department of Health and Human Services:</b>				
Passed Through California Department of Education (CDE):				
Medical Assistance Program	93.778	10013		146,296
<b>Total Expenditures of Federal Awards</b>			<u>\$ 707,011</u>	<u>\$ 18,441,737</u>

# ASPIRE PUBLIC SCHOOLS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2018

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### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Aspire Public Schools, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The expenditures of federal awards issued directly to Aspire Public Schools TN, LLC (TN LLC) in the amount of \$2,738,685 are not included on the accompanying schedule of expenditures of federal awards. These expenditures are presented with TN LLC's separately issued financial statements which is required by the Tennessee Department of Education.

### 2. INDIRECT COST RATE

Aspire Public Schools did not elect to use the 10% de minimis indirect cost rate for federal programs.

### 3. PASS-THROUGH AWARDS

Aspire Public Schools passed-through \$707,011 to Aspire Public Schools TN, LLC related to the Replication and Expansion of High-Quality Charter Schools – CFDA #84.282M.

**OTHER INDEPENDENT AUDITOR'S REPORTS**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Aspire Public Schools, a non-profit public benefit corporation, and affiliates (collectively, the Organization) which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Gilbert Associates, Inc.*

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

**December 17, 2018**

**REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN  
ACCORDANCE WITH 2017-18 GUIDE FOR ANNUAL AUDITS OF  
K-12 LOCAL EDUCATION AGENCIES AND  
STATE COMPLIANCE REPORTING**

**Independent Auditor's Report**

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

**Report on State Compliance**

We have audited Aspire Public Schools' (the Organization) compliance with the types of compliance requirements described in the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the Organization's programs identified in the below schedule for the school year ended June 30, 2018.

***Management's Responsibility***

Compliance with the requirements referred to above is the responsibility of the Organization's management.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards and the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the programs identified in the below schedule occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination on the Organization's compliance with those requirements.

In connection with the requirements referred to above, we selected and tested transactions and records to determine the Organization’s compliance with the applicable programs identified below:

<b>Compliance Requirements</b>	<b>Procedures Performed</b>
<b>SCHOOL DISTRICTS, COUNTY OFFICE OF EDUCATION, AND CHARTER SCHOOLS</b>	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
<b>CHARTER SCHOOLS</b>	
Attendance	Yes
Mode of Instruction	Yes
Non-classroom-Based Instruction/Independent Study for Charter Schools	Not Applicable
Determination of Funding for Non-classroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

***Opinion on State Compliance***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the State programs for the school year ended June 30, 2018.

*Gilbert Associates, Inc.*

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

**December 17, 2018**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal Program**

We have audited Aspire Public Schools' (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2018. The Organization's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Aspire Public Schools' basic financial statements include the operations of Aspire Public Schools TN, LLC, which received \$2,738,685 in federal awards which is not included in the schedule during the year ended June 30, 2018. Our audit described below did not include the operations of Aspire Public Schools TN, LLC because a separate audit was performed in accordance with Uniform Guidance as required by the Tennessee Department of Education.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Gilbert Associates, Inc.*

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

**December 17, 2018**

## **FINDINGS AND QUESTIONED COSTS**

# ASPIRE PUBLIC SCHOOLS

## FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2018

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### A. SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor's report issued: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?  Yes  No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Child Nutrition Cluster	10.553, 10.555
Charter School Facilities Incentive Grant Program	84.282D
Teacher Incentive Fund	84.374A

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No



# ASPIRE PUBLIC SCHOOLS

## FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2018

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### State Awards

Internal control over state programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor's report issued on compliance for state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Audits of California K-12 Local Education Agencies?  Yes  No

# **ASPIRE PUBLIC SCHOOLS**

## **FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2018**

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### **FINANCIAL STATEMENT FINDINGS**

There were no findings for the year ended June 30, 2018.

### **STATE COMPLIANCE FINDINGS**

There were no findings for the year ended June 30, 2018.

### **FEDERAL COMPLIANCE FINDINGS**

There were no findings for the year ended June 30, 2018.

# ASPIRE PUBLIC SCHOOLS

## STATUS OF PRIOR YEAR FINDINGS YEAR ENDED JUNE 30, 2018

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### STATUS OF PRIOR YEAR FINDINGS:

#### FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended June 30, 2017.

#### STATE COMPLIANCE FINDINGS

<u>Finding &amp; Recommendation</u>	<u>Current Status</u>	<u>Authority Explanation If Not Implemented</u>
2017-001. UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS – CDDC # 40000  <b>Finding:</b>  The Organization's "1.18 – FRPM / English Learner / Foster Youth – Student List" incorrectly reported students designated as English Learner (EL) at the following sites  Aspire East Palo Alto Charter School (Charter #125) Aspire Richmond California College Preparatory Academy (Charter #1739) Aspire Ollin University Preparatory Academy (Charter #693)  <b>Recommendation:</b>  We recommend the Organization implement procedures to verify the data automatically uploaded to CalPADS is accurate based on the Organization's data within their Student Information System portal.	Implemented. No such instances of noncompliance noted.	N/A

#### FEDERAL COMPLIANCE FINDINGS

There were no findings for the year ended June 30, 2017.