

## Aspiration Financial, LLC

---

Report Pursuant to Rule 17a-5(d)  
Unaudited Financial Statement

As of and For the Six-Month Period from January 1, 2020 to June 30, 2020

*The Statement of Financial Condition of the most recent financial report of Aspiration Financial LLC is also available at our principal office and at the Securities and Exchange Commission Regional Office in Los Angeles, CA.*

# Aspiration Financial, LLC

---

## Contents

### Financial Statement

Statement of Financial Condition	1
Notes to Financial Statement	2-4

# Aspiration Financial, LLC

---

---

Statement of Financial Condition  
June 30, 2020

**ASSETS**

Cash	\$	3,162,884	
Cash - exclusive benefit of customers		1,500,000	
Interest receivable		41,879	
Fees receivable		263,307	<hr/>
Due from customers		505,391	
Other assets		<u>82,827</u>	
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>5,556,288</u></b>	

**LIABILITIES AND MEMBER'S EQUITY**

---

**LIABILITIES**

Accounts payable and accrued expenses	\$	1,344,971	
Deferred revenue		117,308	
Payable to customers		<u>662,067</u>	
<b>TOTAL LIABILITIES</b>		2,124,346	

**MEMBER'S EQUITY**

**TOTAL LIABILITIES AND MEMBER'S EQUITY**

3,431,942  
\$ 5,556,288

The accompanying notes are an integral part of this financial statement.

---

---

## Aspiration Financial, LLC

Notes to Financial Statement  
For the Six Month Period January 1, 2020 to June 30, 2020

### 1. Organization and Nature of Business

Aspiration Financial, LLC (the Company), is a wholly owned subsidiary of Aspiration Partners, Inc. The Company is a registered Broker Dealer pursuant to section 15(b) of the Securities Exchange Act of 1934. The Company is registered with the Securities and Exchange Commission (SEC or Commission) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's primary operations consist of maintaining sweep deposit accounts and a bank sweep program pursuant to SEC rule 15c3-3.

### 2. Summary of Significant Accounting Policies

#### a) Accounting Policies

The Company follows the accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets U.S. generally accepted accounting principles (GAAP) that the Company follows to ensure consistent reporting of the financial statements.

#### b) Cash and Cash Equivalents and Concentrations of Credit Risk

The Company considers money market funds and all investments purchased with an original maturity of three months or less to be cash equivalents. The Company's cash is held at financial institutions which are insured by the Federal Deposit Insurance Corporation and at times may exceed federally insured limits. The Company has not experienced losses in such accounts and believes it is not subject to any significant credit risk on cash.

The Company is subject to the SEC Customer Protection Rule (Rule 15c3-3). Cash segregated and on deposit for regulatory purposes consists of cash deposits in a special reserve bank account for the exclusive benefit of customers.

#### c) Receivable from and Payable to Customers

Receivable from and payable to customers arise primarily from the Company's operations of cash management accounts for customers. Receivables from customers consist primarily of customer overdrafts receivable. Payable to customers consist primarily of unsettled amounts in transit.

#### d) Use of Estimates

The preparation of financial statements in conformity with GAAP generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the statement of financial condition and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

---

---

## Aspiration Financial, LLC

Notes to Financial Statement  
For the Six Month Period January 1, 2020 to June 30, 2020

### 3. Contingent Liabilities

The Company is a party to legal and regulatory actions relating to customers' accounts and regulatory requirements as a normal part of carrying on its business. Management is of the opinion that resolution of these matters will not have a material adverse effect on the Company's financial condition or continuing operations.

### 4. Indemnifications

In the normal course of its business, the Company indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

The Company provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Company may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

---

---

## Aspiration Financial, LLC

Notes to Financial Statement  
For the Six Month Period January 1, 2020 to June 30, 2020

### **5. Related Party Transactions**

The Company has entered into an expense sharing arrangement with its Parent and incurs a monthly allocation of rent, wages and overhead costs.

The Company earns quarterly PWIF "Pay What is Fair" fees for servicing two affiliated funds.

### **6. Net Capital Requirement**

The Company is subject to the Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. Rule 15c3-1 requires that the Company maintain minimum net capital, as defined, of the greater of 2% of aggregate debits in the customer reserve formula, or \$250,000. As of June 30, 2020, the Company had net capital of \$2,842,540, which was \$2,592,540 in excess of its required net capital of \$250,000.

### **7. Lease Accounting**

In connection with new FASB standard 842 regarding leases, which takes effect as of the first day of the fiscal year after December 15, 2018, management has evaluated the financial impact the standards will have on the Company's financial statements using a modified retrospective transition approach. The Company has an expense sharing arrangement with its Parent, whereby the Parent allocates a percentage of the overall rent expense to the Company based upon occupancy. The Company does not possess control over the lease terms. As such, the Company does not have an obligation to record a right to use asset or an offsetting lease obligation. There is no impact to the Company's net capital.

### **8. Subsequent Events**

The Company has evaluated events and transactions subsequent to the statement of financial condition date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events or transactions which took place that would have a material impact on its financial statements.