ASPIRE! AFTERSCHOOL LEARNING

FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

AND INDEPENDENT AUDITORS' REPORT THEREON

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MillerMusmar
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Aspire! Afterschool Learning

Opinion

We have audited the accompanying financial statements of Aspire! Afterschool Learning (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspire! Afterschool Learning as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Aspire! Afterschool Learning and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Aspire! Afterschool Learning's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Aspire! Afterschool Learning's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Aspire! Afterschool Learning's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Miller Musmar

MillerMusmar

Reston, Virginia
November 12, 2024

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024

Assets		
Current assets		
Cash and cash equivalents	$	631,196
Grants receivable, net		139,784
Other assets		494
Total current assets		771,474
Non-current assets		
Property and equipment, net		641,990
Right-of-use assets		88,603
Total non-current assets		730,593
Total assets	$	1,502,067
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$	12,097
Accrued payroll		30,797
Lease liability, current		6,102
Total current liabilities		48,996
Non-current liabilities		
Lease liability, non-current		82,501
Total non-current liabilities		82,501
Total liabilities		131,497
Net assets		
Net assets without donor restrictions		1,178,070
Net assets with donor restrictions		192,500
Total net assets		1,370,570
Total liabilities and net assets	$	1,502,067

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

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 797,581	$ 117,500	$ 915,081
Grants	512,523	-	512,523
Other income	5,489	-	5,489
Release from restrictions	-	-	-
Total revenue	1,315,593	117,500	1,433,093
Expenses			
Program services	1,132,381	-	1,132,381
Supporting services	210,520	-	210,520
Total expenses	1,342,901	-	1,342,901
Change in net assets	(27,308)	117,500	90,192
Nets assets, beginning	1,205,378	75,000	1,280,378
Net assets, ending	$ 1,178,070	$ 192,500	$ 1,370,570

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

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash flows from operating activities		
Change in net assets	$	90,192
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense		74,900
(Increase)/decrease in assets:		
Grants receivable, net		(14,252)
Other assets		2,047
Right-of-use assets		5,901
(Decrease)/increase in liabilities:		
Accounts payable		1,075
Contributions collected for subsequent periods		(68,000)
Accrued payroll		8,388
Lease liability		(5,901)
Net cash provided by operating activities		94,350
Net increase in cash and cash equivalents		94,350
Cash and cash equivalents, beginning		536,846
Cash and cash equivalents, ending	$	631,196
Supplemental cash flow information related to leases		
Right-of-use asset	$	5,901
Lease Liability	$	(5,901)
Cash paid for operating leases	$	746

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

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services			
	Learning Rocks	Parent and Community Outreach	Program Services Total	Management & General	Fundraising	Supporting Services Total	Total
Payroll	$ 383,902	$ -	$ 383,902	$ 96,739	$ 50,708	$ 147,447	$ 531,349
Americorps members stipends	411,418	-	411,418	-	-	-	411,418
Fringe benefits	113,579	-	113,579	6,241	4,992	11,233	124,812
Depreciation	74,900	-	74,900	-	-	-	74,900
Program expenditures	44,953	81	45,034	-	-	-	45,034
Administrative expenses	27,851	-	27,851	6,206	928	7,134	34,985
Professional fees	40,647	-	40,647	4,783	2,392	7,175	47,822
Insurance	19,288	-	19,288	1,015	-	1,015	20,303
Special events	-	-	-	-	16,436	16,436	16,436
Miscellaneous	-	-	-	-	16,700	16,700	16,700
Dues and subscriptions	11,027	-	11,027	474	356	830	11,857
Printing and postage	4,735	-	4,735	-	2,550	2,550	7,285
	$ 1,132,300	$ 81	$ 1,132,381	$ 115,458	$ 95,062	$ 210,520	$ 1,342,901

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

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
Aspire! Afterschool Learning (Aspire) is a non-profit established in 1994 by the Arlington Community Foundation.

Aspire provides afterschool and summer programs to upper elementary students, primarily from low-income, immigrant, and refugee households, fostering academic achievement and social-emotional development. Aspire actively collaborates with other organizations serving low-income Arlington communities, including sharing information to facilitate relevant, appropriate referrals for services, as well as best practices. Aspire's programs are as follows:

Learning ROCKS! Program provides an intensive, daily afterschool program for 3rd - 5th grade students at four sites located in Neighborhood Strategy/Focus Areas. The program heavily emphasizes reading and literature, as well as providing homework help, arts-based, and other enrichment activities. The program follows the school calendar and operates daily from the end of school until 6:00 p.m. The program continues with a full day summer camp during the summer recess from school to prevent "summer drop-off' in academic gains. This comprehensive program operates as follows:

- Learning ROCKS! Arlington Mill site: Provides 15 hours of afterschool programming each week at the Arlington Mill Community Center. Students attending the program at this site are enrolled at the following schools: Elementary-Carlin Springs, Claremont, Campbell, and Barcroft. Middle Schools: Kenmore and Gunston. Aspire provides one AmeriCorps Member to each school two mornings per week to serve in a direct capacity with children to provide continuity across school and afterschool.

- Learning ROCKS! Drew Elementary School site: Provides 15 hours of afterschool programming each week at the Dr. Charles R. Drew Elementary School. Aspire provides one AmeriCorps Member to each school two mornings per week to serve in a direct capacity with children to provide continuity across school and afterschool.

- Learning ROCKS! Randolph Elementary School: Provides 15 hours of afterschool programming each week at Randolph Elementary School. Aspire provides one AmeriCorps Member to each school two mornings per week to serve in a direct capacity with children to provide continuity across school and afterschool.

- Learning ROCKS! Summer Camp: Provides seven weeks of full-day programming to elementary students during the summer to prevent "drop-off' in academic gains. The program is operated at the Arlington Mill site and serves 100 rising 3rd, 4th, and 5th graders. The program continues the emphasis on reading and literature, more heavily incorporates other arts and humanities into the program, and adds additional enrichment activities and field trips.

Parent & Community Outreach recognizes the need for parent programming to supplement the educational after-school programs for children. Aspire sponsors workshops and community meetings that focus on Healthy Lifestyles, Positive Parenting, Education, and Community and Safety.

Basis of Accounting
Aspire prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents
Aspire considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At June 30, 2024, cash and cash equivalents consisted of checking accounts and money market accounts.

Contributions and Grants Receivable
Contributions and grants receivable are recorded at their net realizable value. All of Aspire's receivables are collectible within one year. Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional promises to give as of June 30, 2024. Aspire considers all contributions and grants receivable to be collectible, therefore has not recorded an allowance for doubtful accounts.

Property and Equipment
Buildings, building improvements and property are recorded at cost at the date of acquisition. Donations of property and equipment are recorded as support at their estimated fair value at the date of the gift. The assets are depreciated on a straight-line basis over their estimated useful lives.

Property and equipment are capitalized and stated at cost. Assets acquired through donation are recorded at their estimated fair value at the date of the gift. Assets with values greater than or equal to $1,000 and estimated useful lives extending beyond one year are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets which range from five years to thirty-nine years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense.

Net Assets
Aspire follows ASC 958, *Not-for-Profit Entities*. Under ASC 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, Aspire is required to report information regarding its financial position and activities according to the following classes:

<u>Net assets without donor restrictions</u>

- Undesignated net assets without donor restrictions: net assets whose use is not restricted by donors or designated by the board of directors.

- Board designated net assets: net assets designated by the board of directors for a specific purpose. Aspire did not have board designated net assets.

<u>Net assets with donor restrictions:</u> consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenue Recognition
Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

Donated Services
Aspire receives donated services from unpaid volunteers assisting Aspire to accomplish its mission. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, have not been satisfied.

Aspire recognizes revenue for donated services that meet the following criteria: (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Expense Allocation
The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefit.

Tax Exempt Status
Aspire is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Aspire’s tax exempt purpose is subject to taxation as unrelated business income. Currently, Aspire has no obligation for any unrelated business income tax.

Management has assessed Aspire's tax positions and concluded that there are no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, year ending on or before 2020 are no longer subject to examination by federal and state taxing authorities.

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, which requires lessees to recognize almost all of their leases on the balance sheet by recording a right-of-use asset and lease liability. The guidance also requires improved disclosures to help users of the financial statements better understand the amount, timing, and uncertainty of cash flows arising from leases.

The Organization determines if an arrangement is a lease at its inception. Operating lease right-of-use ("ROU") assets are included in "Non-current assets," and operating lease liabilities are included in "Current liabilities" and "Non-current liabilities" as of June 30, 2024 on the statement of financial position.

A rate implicit in the lease, when readily determinable, is used in arriving at the present value of lease payments. As most of the Organization's leases do not provide an implicit rate, the Organization uses an incremental borrowing rate based on information available at lease commencement date for most of its leases. The incremental borrowing rate is based on the Organization's U.S. dollar denominated senior unsecured borrowing curves using public credit ratings adjusted down to a collateralized basis using a combination of recovery rate and credit notching approaches and translated into major contract currencies as applicable. Since the Organization's borrowing rate is not readily available, the Organization elected to use the risk-free rate, which is the 20 years US Treasury rate.

The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. The Organization does not separate lease components from non-lease components across all lease categories. Instead, each separate lease component and non-lease component are accounted for as a single lease component. Lease expense for operating leases is recognized on a straight-line basis. The Organization did not have variable leases or finance leases.

2) LIQUIDITY

Aspire has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Aspire's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	$	631,196
Grants receivable, net		139,784
Total financial assets	$	770,980

3) CONCENTRATION OF CREDIT RISK

Financial instruments that subject Aspire to a concentration of credit risk consist of bank deposits that exceed the Federal Deposit Insurance Aspire (FDIC) insurance limits of $250,000 per depositor per institution. Investment accounts held by brokers that exceed the Securities and Investors Protection Aspire (SIPC) insurance limit of $750,000 (including $250,000 for claims for cash) in the event of the Institutions insolvency and liquidation also subjects Aspire to a concentration of credit risk. As of June 30, 2024, the Organization had $233,391 of money market amounts which are not covered by the FDIC insurance, though covered by SIPC.

4) GRANTS RECEIVABLE

Grants receivable consists of the following as of June 30:

Grants receivable	$ 139,784
Less: Allowance for doubtful accounts	-
Grants receivable, net	$ 139,784

There was no bad debt expense for the fiscal year ended June 30, 2024.

5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

Leasehold improvements	$ 959,003
Furniture, fixtures and equipment	65,526
Computer equipment	5,502
Total	1,030,031
Less: Accumulated depreciation	(388,041)
Property and equipment, net	$ 641,990

Depreciation expense for the fiscal year ended June 30, 2024 amounted to $74,900.

6) NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2024, Aspire had $192,500 of donor-restricted net assets. These funds were restricted for the following purposes:

- $97,500 donor-restricted funds for general operating use in the future
- $95,000 restricted for Makerspace project construction, including $20,000 received in 2024

7) OPERATING LEASE

Aspire entered into a non-cancelable operating lease with Arlington County for the operation of their after school and summer programs at the Arlington Mill Community Center. The operating lease expires on June 30, 2036.

Total lease expense was $8,985 for the year ended June 30, 2024. The remaining lease term has a weighted average of 12 years, and the discount rate has a weighted average of 3.35%.

Future minimum lease payments under all operating leases are as follow:

2025	$	8,952
2026		8,952
2027		8,952
2028		8,952
2029		8,952
Thereafter		62,664
Total undiscounted lease payments		107,424
Less: present value discount		(18,821)
Total lease liabilities	$	88,603

8) SUBSEQUENT EVENTS

Aspire has evaluated subsequent events through November 12, 2024, the date the financial statements were available to be issued. There were no events noted that required adjustments or disclosure in the consolidated financial statements.