ASPIRE! AFTERSCHOOL LEARNING

FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025, 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, 2025, 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

Reston, Virginia
December 1, 2025

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025

Assets	
Current assets	
Cash and cash equivalents	$ 892,107
Grants receivable, net	110,862
Other assets	4,076
Total current assets	1,007,045
Non-current assets	
Property and equipment, net	696,146
Right-of-use assets	82,501
Total non-current assets	778,647
Total assets	$ 1,785,692
Liabilities and Net Assets	
Current liabilities	
Accounts payable	$ 40,660
Accrued payroll	44,737
Lease liability, current	6,310
Total current liabilities	91,707
Non-current liabilities	
Lease liability, non-current	76,191
Total non-current liabilities	76,191
Total liabilities	167,898
Net assets	
Net assets without donor restrictions	1,308,994
Net assets with donor restrictions	308,800
Total net assets	1,617,794
Total liabilities and net assets	$ 1,785,692

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

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 830,213	$ 213,800	$ 1,044,013
Grants	798,782	-	798,782
Other income	9,469	-	9,469
Release from restrictions	97,500	(97,500)	-
Total revenue	1,735,964	116,300	1,852,264
Expenses			
Program services	1,373,134	-	1,373,134
Supporting services	231,906	-	231,906
Total expenses	1,605,040	-	1,605,040
Change in net assets	130,924	116,300	247,224
Nets assets, beginning	1,178,070	192,500	1,370,570
Net assets, ending	$ 1,308,994	$ 308,800	$ 1,617,794

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

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Cash flows from operating activities	
Change in net assets	$ 247,224
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation expense	65,318
(Increase)/decrease in assets:	
Grants receivable, net	28,922
Other assets	(3,582)
Right-of-use assets	6,102
(Decrease)/increase in liabilities:	
Accounts payable	28,563
Accrued payroll	13,940
Lease liability	(6,102)
Net cash provided by operating activities	380,385
Cash flows from investing activities	
Purchase of property and equipment	(119,474)
Net cash used in investing activities	(119,474)
Net increase in cash and cash equivalents	260,911
Cash and cash equivalents, beginning	631,196
Cash and cash equivalents, ending	$ 892,107
Supplemental cash flow information related to leases	
Right-of-use asset	$ 6,102
Lease Liability	$ (6,102)
Cash paid for operating leases	$ 8,952

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

ASPIRE! AFTERSCHOOL LEARNING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services			Supporting Services			
	Learning Rocks	Parent and Community Outreach	Program Services Total	Management & General	Fundraising	Supporting Services Total	Total
Payroll	$ 575,098	$ -	$ 575,098	$ 78,694	$ 60,313	$ 139,007	$ 714,105
Americorps members stipends	421,769	-	421,769	-	-	-	421,769
Fringe benefits	125,068	-	125,068	6,872	5,497	12,369	137,437
Program expenditures	66,437	1,239	67,676	-	-	-	67,676
Depreciation	65,318	-	65,318	-	-	-	65,318
Miscellaneous	12,500	-	12,500	-	41,252	41,252	53,752
Professional fees	38,025	-	38,025	4,474	2,237	6,711	44,736
Administrative expenses	30,417	-	30,417	2,340	669	3,009	33,426
Special events	-	-	-	-	24,470	24,470	24,470
Insurance	19,521	-	19,521	1,027	-	1,027	20,548
Dues and subscriptions	11,858	-	11,858	510	383	893	12,751
Printing and postage	5,884	-	5,884	-	3,168	3,168	9,052
	$ 1,371,895	$ 1,239	$ 1,373,134	$ 93,917	$ 137,989	$ 231,906	$ 1,605,040

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, 2025, 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, 2025.

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. Construction in progress is not depreciated until the construction is completed and the assets are put into service.

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:

Net assets without donor restrictions
- 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.

Net assets with donor restrictions: 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. State and federal grant revenues are recognized when services are rendered.

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 2021 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, 2025 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-year 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	$	892,107
Grants receivable, net		110,862
Total financial assets	$	1,002,969

3) CONCENTRATION OF RISK

Concentration of Credit Risk
Financial instruments that subject Aspire to a concentration of credit risk consist of bank deposits that exceed the National Credit Union Administration (NCUA) insurance limits of $250,000 per depositor per institution. At June 30, 2025 the Organization had cash with a combined total of $440,214 above the insured limit.

4) GRANTS RECEIVABLE

Grants receivable consists of the following as of June 30:

Grants receivable	$	122,877
Less: Allowance for doubtful accounts		(12,015)
Grants receivable, net	$	110,862

There was no bad debt expense for the fiscal year ended June 30, 2025.

During the fiscal year ending June 30, 2025, Aspire participated in the AmeriCorps State Learning Links program providing academic and social-emotional support to underserved students in Arlington County. The award granted federal funding of $457,181, covering a period of performance from August 14, 2024, through August 10, 2025. In April 2025, the federal government abruptly terminated or suspended many AmeriCorps grant awards, affecting over 1,000 programs nationwide. In June 2025, a federal court issued an injunction allowing partial restoration of AmeriCorps funding in certain states; however, the ultimate collectability and timing of reimbursement for costs incurred prior to the suspension remain uncertain. Management evaluated the uncertainty surrounding the federal action and recorded an allowance for doubtful accounts of $12,015.

5) PROPERTY AND EQUIPMENT

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

Leasehold improvements	$	959,003
Furniture, fixtures and equipment		101,311
Construction in progress		83,689
Computer equipment		5,502
Total		1,149,505
Less: Accumulated depreciation		(453,359)
Property and equipment, net	$	696,146

Depreciation expense for the fiscal year ended June 30, 2025 amounted to $65,318.

Construction in progress relates to costs associated with the Organization's planned Makerspace and flexible use area at the Arlington Mill Community Center. This space is intended to expand project-based experiential learning, support STEAM programming, and serve as a central hub for students and families. Management anticipates construction to be completed in the fiscal year ending June 30, 2026.

6) NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2025, Aspire had $308,800 of donor-restricted net assets. These funds were restricted for the following purposes:

- $148,050 donor-restricted funds for general operating use in the future.
- $160,750 restricted for Makerspace project construction, including $65,750 received in 2025.

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, 2025. The remaining lease term has a weighted average of 11 years, and the discount rate has a weighted average of 3.35%.

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

2026	$ 8,952
2027	8,952
2028	8,952
2029	8,952
2030	8,952
Thereafter	53,712
Total undiscounted lease payments	98,472
Less: present value discount	(15,971)
Total lease liabilities	$ 82,501

8) SUBSEQUENT EVENTS

On October 1, 2025, the federal government entered a shutdown after Congress and the Administration were unable to reach an agreement on a spending bill for the new fiscal year. The shutdown has delayed the processing of federal reimbursements and communications regarding unresolved AmeriCorps grant settlements. As discussed in Note 4, the Organization's federal AmeriCorps grant remains subject to uncertainty following the nationwide suspension and partial reinstatement of funding announced in June 2025.

Aspire has evaluated subsequent events through December 1, 2025, the date the financial statements were available to be issued. There were no additional events noted that required adjustments or disclosure in the financial statements.