

**ARISE HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Revenue

Deferred revenue represents federal and state contract funds and local donations received, but not expended. These funds must be expended in accordance with the provisions of the contract to which they apply or refund if not expended under the terms of the contract.

I. Revenue sources and recognition

The Organization receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

The Organization primarily receives the funds from California Department of Education (CDE). Amounts received from the CDE are recognized by the Organization based on the average daily attendance (ADA) of students.

The Organization recognizes federal revenue to the extent that eligible expenditures have been incurred.

Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

J. Going concern

At fiscal year end June 30, 2014, the Organization had cash of \$234,491 and a net assets deficiency of \$173,083. The Organization will not be able to continue operations and fund its expenditures without any additional financing, and there can be no assurance it will be able to do so in the future year. During the subsequent year, the Organization dramatically cut expenses, allowing the Organization to continue operations in the 2014-2015 fiscal year.

NOTE 3 - CASH

Cash at June 30, 2014, consisted of the following:

Deposits:	
Cash in banks	\$ 234,491
Total cash	<u>\$ 234,491</u>

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. At June 30, 2014, the Organization did not have any uninsured funds.

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