

CONNECTICUT AFTER SCHOOL NETWORK, INC.
FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION AND
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2013

CONNECTICUT AFTER SCHOOL NETWORK, INC.

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October 31, 2013

Independent Auditor's Report

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To the Board of Directors of
Connecticut After School Network, Inc.
Branford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of Connecticut After School Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Connecticut After School Network, Inc. as of June 30, 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole.

Mahoney Sabol & Company, LLP

Certified Public Accountants

CONNECTICUT AFTER SCHOOL NETWORK, INC.

STATEMENT OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2013

ASSETS

CURRENT ASSETS:

Cash	\$ 257,491
Accounts receivable	2,439
Prepaid expenses and other assets	<u>9,465</u>
TOTAL CURRENT ASSETS	<u>269,395</u>

PROPERTY AND EQUIPMENT:

Furniture	2,729
Equipment	7,100
Resource library	<u>4,373</u>
	14,202
Less accumulated depreciation	<u>13,602</u>
TOTAL PROPERTY AND EQUIPMENT, net	<u>600</u>

SECURITY DEPOSIT

<u>2,118</u>
<u>\$ 272,113</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 22,318
Deferred revenue	<u>4,282</u>
TOTAL CURRENT LIABILITIES	26,600

NET ASSETS:

Unrestricted net assets	<u>245,513</u>
	<u>\$ 272,113</u>

See notes to financial statements.

CONNECTICUT AFTER SCHOOL NETWORK, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

UNRESTRICTED REVENUE AND SUPPORT:	
Grants and support fees	\$ 419,639
Conference and workshop fees	58,603
Donations and contributions	22,035
Membership fees	12,678
Other income	675
Interest income	<u>520</u>
 TOTAL UNRESTRICTED REVENUE AND SUPPORT	 514,150
EXPENSES:	
Program services:	
Grants and network services	303,447
Training and workshops	<u>136,004</u>
Total program service expenses	<u>439,451</u>
Support services:	
Fundraising	20,822
Management and general	<u>96,653</u>
Total support service expenses	<u>117,475</u>
 TOTAL EXPENSES	 <u>556,926</u>
 CHANGE IN UNRESTRICTED NET ASSETS	 (42,776)
UNRESTRICTED NET ASSETS:	
Beginning of year	<u>288,289</u>
 End of year	 <u>\$ 245,513</u>

See notes to financial statements.

CONNECTICUT AFTER SCHOOL NETWORK, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (42,776)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	900
Contributed fixed assets	(1,500)
Changes in current assets and liabilities:	
Decrease in grants receivable	6,140
Increase in accounts receivable	(559)
Increase in prepaid expenses	(2,843)
Increase in accounts payable and accrued expenses	944
Decrease in deferred revenue	<u>(36,862)</u>
NET CASH USED BY OPERATING ACTIVITIES	(76,556)
CASH:	
Beginning of year	<u>334,047</u>
End of year	<u>\$ 257,491</u>

See notes to financial statements.

CONNECTICUT AFTER SCHOOL NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

NOTE 1 – NATURE OF ACTIVITIES:

Connecticut After School Network, Inc., (the “Organization”) is a charitable nonprofit corporation incorporated in 1990. The Organization was formed to provide Connecticut children with the opportunity to participate in high-quality, affordable, after school programs. The Organization provides leadership, education and advocacy for excellence in the after school field by building professionalism, strengthening program quality, and increasing availability and affordability. The Organization conducts workshops and provides resources for professionals and advocates in Connecticut to increase funding to after school programs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The Organization prepares its financial statements in accordance with U.S. generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial Statement Presentation:

The financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three categories of net assets: unrestricted, temporarily restricted and permanently restricted. As of June 30, 2013, all net assets of the Organization are unrestricted.

Donated Services, Goods and Facilities:

Branford School Age Child Care donates office space for the Organization’s use. The facilities are recorded and reflected in the accompanying financial statements at their estimated fair value. Donated rent for the year ended June 30, 2013 was valued at \$12,000.

A substantial number of volunteers have contributed significant amounts of time to the activities of the Organization. No additional amounts have been reflected in the financial statements since the services do not require specialized skills.

Supplies and material received as donations are reflected in the accompanying financial statements at their fair values at the date of receipt.

CONNECTICUT AFTER SCHOOL NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Donations:

Donations received, including unconditional promises, are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any third-party restrictions. Support that is restricted by the donor is reported in the year in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Estimates:

The preparation of financial statements in conformity with U.S. generally accepted Accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Revenue:

Deposits and payments received for membership, workshops, and grants for the following fiscal year are deferred and recorded as revenue in the year they are earned.

Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on hand, on deposit and short-term investment accounts having an original maturity of 90 days or less. The Organization does not have any cash equivalents at June 30, 2013.

Concentrations of Credit and Market Risk:

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents. Cash equivalents are maintained at high-quality financial institutions and credit exposure is not limited to any one institution. The Organization has not experienced any losses on its cash equivalents. The Organization maintains their cash in bank deposits with two high credit quality financial institutions and the balances have not exceeded the federally insured limits.

Accounts Receivable:

Accounts receivable are carried at the original amount due less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by regularly evaluating past due balances. Individual accounts receivable are written off when determined uncollectible, with any future recoveries recorded as income when received. There was no allowance at June 30, 2013.

CONNECTICUT AFTER SCHOOL NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fair Value of Financial Instruments:

The Organization has a number of financial instruments and none are held for trading purposes. The Organization estimates that the fair value of all financial instruments as of June 30, 2013 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The Organization, using available market information and appropriate valuation methodologies, has determined the estimated fair value amounts. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

Property and Equipment:

Property and equipment of the Organization are carried at cost. For financial and income tax reporting purposes, depreciation is computed using the straight-line and accelerated methods over the estimated useful lives of the assets which range from 5-7 years. Expenditures for major renewals and betterments which exceed \$2,500 and extend the useful lives are capitalized; expenditures for maintenance and repairs are charged to expense as incurred.

The Organization records donated property and equipment at fair market value at the date of the gift. For the year ending June 30, 2013, a copier valued at \$1,500 was donated to the Organization.

Income Taxes:

The Organization is a Connecticut nonprofit corporation exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code.

The Organization follows FASB ASC 740-10. FASB ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

After review of the Organization's tax positions and in light of the fact that they are a tax-exempt organization under Section 501(c)(3), no liabilities were recorded for unrecognized tax benefits as of June 30, 2013.

The Organization recognizes interest accrued related to unrecognized tax benefits, if any, in interest expense and penalties in operating expense. During the year ended June 30, 2013, the Organization did not recognize any interest or penalties related to unrecognized tax benefits.

CONNECTICUT AFTER SCHOOL NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Subsequent Events:

Management has evaluated subsequent events through October 31, 2013, the date which the financial statements were available for issue.

NOTE 3 – LEASES:

The Organization entered into a lease agreement on April 1, 2008 for use of office space in Manchester, Connecticut. This lease was amended on February 17, 2011 to extend the lease term until April 30, 2014. The lease requires monthly rent payment, which changes annually. Total rent expense for this lease for the fiscal year ended June 30, 2013 was \$12,414. Future minimum rental payments required under the property lease for each of the years succeeding June 30, 2013 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2014	<u>\$ 10,590</u>

NOTE 4 – CONCENTRATION OF RISK-CONCENTRATION OF SUPPORT RECEIVED:

Grants and support fees provided by two agencies represented 69% and 18%, respectively, of the total amounts received by the Organization for the year ended June 30, 2013. In the event that this support were to be eliminated, it's likely that the Organization would need to reduce its current operations.

NOTE 5 – DEFERRED INCOME:

The Organization has deferred income of \$4,282 for the year ended June 30, 2013. The deferred income consists of advanced membership fees paid for the next fiscal year.

ADDITIONAL INFORMATION

CONNECTICUT AFTER SCHOOL NETWORK, INC.

SCHEDULE I – SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		
	<u>Grants and Network Services</u>	<u>Training and Workshops</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>TOTAL</u>
Personnel	\$ 173,185	\$ 60,313	\$ 11,998	\$ 34,909	\$ 280,405
Training and conferences	-	59,754	-	-	59,754
Program contracts	50,971	-	-	-	50,971
Payroll taxes and benefits	28,167	9,809	1,951	5,677	45,604
Travel	28,271	2,647	106	1,649	32,673
Occupancy	-	-	-	24,414	24,414
Meetings	3,391	2,297	5,904	3,019	14,611
Telecommunications and website	3,451	-	863	4,314	8,628
Office supplies and expenses	4,987	-	-	3,324	8,311
Legal and accounting	-	-	-	6,900	6,900
Printing	3,950	792	-	791	5,533
Dues	4,008	-	-	770	4,778
Miscellaneous	1,800	-	-	2,366	4,166
Utilities	-	-	-	4,148	4,148
Insurance	-	-	-	3,119	3,119
Postage	639	392	-	353	1,384
Depreciation	-	-	-	900	900
Books	627	-	-	-	627
TOTAL EXPENSES	<u>\$ 303,447</u>	<u>\$ 136,004</u>	<u>\$ 20,822</u>	<u>\$ 96,653</u>	<u>\$ 556,926</u>