

Connecticut After School Network, Inc.

Financial Statements

June 30, 2016

INDEPENDENT AUDITORS' REPORT

Board of Directors Connecticut After School Network, Inc.

We have audited the accompanying financial statements of Connecticut After School Network, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, 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.

Auditors' 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 includes 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, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

October 27, 2016

Connecticut After School Network, Inc.

Statement of Financial Position

June 30, 2016

ASSETS

Current Assets

| | |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 138,996 |
| Grants receivable | 153,671 |
| Prepaid expenses | <u>6,567</u> |
| Total Current Assets | 299,234 |

| | |
|--------------------------|-----------------|
| Furniture and equipment | 14,202 |
| Accumulated depreciation | <u>(14,202)</u> |

\$ 299,234

LIABILITIES AND NET ASSETS

Current Liabilities

| | |
|---------------------------|----------------|
| Accounts payable | \$ 5,790 |
| Accrued expenses | 4,919 |
| Deferred Revenue | <u>121,380</u> |
| Total Current Liabilities | <u>132,089</u> |

| | |
|-------------------------|----------------|
| Unrestricted Net Assets | <u>167,145</u> |
|-------------------------|----------------|

\$ 299,234

See Notes to Financial Statements

Connecticut After School Network, Inc.

Statement of Activities
Year Ended June 30, 2016

REVENUE AND SUPPORT

| | | |
|------------------------------|----|----------------|
| Grants | \$ | 445,830 |
| Conference and workshop fees | | 50,624 |
| Other income | | 18,375 |
| Contributions | | 3,589 |
| Membership fees | | <u>10,267</u> |
| Total Revenue and Support | | <u>528,685</u> |

EXPENSES

| | | |
|-----------------------------|--|----------------|
| Program Services | | |
| Grants and network services | | 299,086 |
| Trainings and workshops | | <u>110,024</u> |
| Total Program Services | | 409,110 |
| Management and General | | 93,795 |
| Fundraising | | <u>26,397</u> |
| Total Expenses | | <u>529,302</u> |

Change in net assets (617)

UNRESTRICTED NET ASSETS

| | | |
|-------------------|----|----------------|
| Beginning of year | | <u>167,762</u> |
| End of year | \$ | <u>167,145</u> |

See Notes to Financial Statements

Connecticut After School Network, Inc.

Statement of Functional Expenses
Year Ended June 30, 2016

| | Program Services | | | | | |
|--------------------------------|-----------------------------------|---------------------------|------------------------------|---------------------------|------------------|-------------------|
| | Grants and Network Services | Training and Workshops | Total Program Services | Management and General | Fundraising | Total |
| Salaries and wages | \$ 184,862 | \$ 76,104 | \$ 260,966 | \$ 39,308 | \$ 22,678 | \$ 322,952 |
| Training and conferences | 48,279 | 15,887 | 64,166 | - | - | 64,166 |
| Payroll taxes and benefits | 19,783 | 9,174 | 28,957 | 4,738 | 2,734 | 36,429 |
| Program contracts | 16,590 | - | 16,590 | 9,797 | - | 26,387 |
| Travel | 11,135 | 6,160 | 17,295 | 7,728 | - | 25,023 |
| Occupancy | - | - | - | 12,025 | - | 12,025 |
| Grants | 10,700 | - | 10,700 | - | - | 10,700 |
| Telecommunications and website | - | - | - | 6,449 | - | 6,449 |
| Meetings | 2,236 | 1,521 | 3,757 | 1,403 | - | 5,160 |
| Insurance | - | - | - | 4,541 | - | 4,541 |
| Office supplies and expenses | - | - | - | 4,526 | - | 4,526 |
| Miscellaneous | 2,098 | - | 2,098 | 1,056 | 985 | 4,139 |
| Professional fees | 2,859 | - | 2,859 | 230 | - | 3,089 |
| Dues and subscriptions | 544 | - | 544 | 1,212 | - | 1,756 |
| Printing | - | 1,178 | 1,178 | - | - | 1,178 |
| Postage | - | - | - | 782 | - | 782 |
| Total Expenses | \$ 299,086 | \$ 110,024 | \$ 409,110 | \$ 93,795 | \$ 26,397 | \$ 529,302 |

See Notes to Financial Statements

Connecticut After School Network, Inc.

Statement of Cash Flows
Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|--|----|-----------------|
| Change in Net Assets | \$ | (617) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | | (142,608) |
| Prepaid expenses | | (3,148) |
| Accounts payable | | (4,237) |
| Accrued expenses | | 4,919 |
| Deferred revenue | | <u>116,159</u> |
| Net Cash from Operating Activities | | <u>(29,532)</u> |
| | | |
| Net Change in Cash | | (29,532) |

CASH AND CASH EQUIVALENTS

| | | |
|-------------------|----|----------------|
| Beginning of year | | <u>168,528</u> |
| | | |
| End of year | \$ | <u>138,996</u> |

See Notes to Financial Statements

Connecticut After School Network, Inc.

Notes to Financial Statements
June 30, 2016

1. Organization

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.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly actual results could differ from those estimates.

Net Asset Presentation

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. The Organization's net assets are neither permanently nor temporarily restricted by donor-imposed restrictions and are classified as unrestricted.

Cash and Equivalents

For purposes of reporting cash flows, cash includes cash equivalents with maturities of three months or less at the time of purchase. The cash balance varies throughout the year, but is generally fully insured by the Federal Deposit Insurance Corporation ("FDIC").

Grants Receivable

Grants receivable are expected to be collected within one year. No allowance for doubtful accounts has been provided as management considers all receivables to be collectible.

Property and Equipment

Property and equipment with a cost of \$500 or more are capitalized at cost. Donated assets are capitalized at the approximate fair value at the date of donation. Depreciation is computed based on the estimated useful life of the asset using the straight-line method. Currently, all depreciable assets are estimated to have lives ranging from five to seven years.

Connecticut After School Network, Inc.

Notes to Financial Statements
June 30, 2016

2. Summary of Significant Accounting Policies (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions. If no donor restrictions exist or if the donor's restriction expires during the reported period in which the support is recognized the donation is recorded as an increase in unrestricted net assets. All other donor-restricted support is reported as temporarily or permanently restricted depending on the nature of the restriction. When a restriction expires the amounts are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction.

Donated Assets and Services

The Organization recognizes donated assets and services if they receive or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. 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 and conference space for the year ended June 30, 2016 was valued at \$2,000.

Functional Expenses

The Organization allocates its expenses on a functional basis between its programs and support services as follows:

- Direct costs are costs that can be specifically identified with a program or activity. These are charged to the respective program or activity.
- Costs that can be specifically identified with more than one program or activity are allocated between the benefitting programs or activities.
- Administrative and general costs, including cost for general organization management functions that cannot be specifically identified with a program, are allocated based on estimates made by management.

Income Taxes

The Organization is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been made in the financial statements. The Organization has not been designated as a private foundation by the Internal Revenue Service.

The Organization recognizes the effect of income tax positions only if these positions are more likely than not to be sustained. Management believes that the Organization has no tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable tax jurisdictions for periods prior to June 30, 2013.

Connecticut After School Network, Inc.

Notes to Financial Statements
June 30, 2016

2. Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and receivables. 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 or receivables. 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.

One grant accounts for 41% of total grant revenue. Grants may be subject to reduction or termination in future years. Any significant reduction could have a negative impact on the Organization's program services.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 27, 2016.

3. Leases

On May 1, 2014 the Organization entered into a new lease agreement for use of office space in Hartford, Connecticut for a period of five years ending in April 2019. The lease requires monthly rent payments in the amount of \$716 in addition to common area charges. Total rent expense for the year ended June 30, 2016 was \$10,025. Future minimum rental payments required under the property lease for each of the years succeeding June 30, 2016 are as follows:

| | | |
|------|----|---------------|
| 2017 | \$ | 8,592 |
| 2018 | | 8,592 |
| 2019 | | 7,160 |
| | | <u>24,344</u> |
| | \$ | <u>24,344</u> |

4. Deferred Revenues

At June 30, 2016, deferred revenues consist of \$118,750 in unearned grant funds and \$2,630 consists of membership fees paid for the next fiscal year.

5. Retirement Plan

The Organization provides retirement benefits to its employees through a defined contribution plan covering all full-time employees. Contributions are discretionary. The Organization did not make any contributions during the year ended June 30, 2016.
